Placement Document
Not for Circulation
Serial No.______
Strictly Confidential

ASTRAL POLY TECHNIK LIMITED

*Astral Poly Technik Limited (the "**Company**"), incorporated in the Republic of India with limited liability under the Companies Act, 1956, as amended, with Corporate Identity Number L25200GJ1996PLC029134. For details of change of our name and details of our Registered & Corporate Office, see "**General Information**" on page 394.*

Our Company is issuing 5,984,519 equity shares of face value of ₹1 each (the "**Equity Shares**") at a price of ₹ 402.52 per Equity Share, including a premium of ₹ 401.52 per Equity Share, aggregating ₹ 2,408.89 million (the "**Issue**").

ISSUE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER ("COMPANIES ACT 2013").

All of the outstanding Equity Shares of the Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**"). The closing prices of the outstanding Equity Shares on the NSE and the BSE on December 5, 2014 were ₹ 422.80 and ₹ 422.30 per Equity Share, respectively. Applications shall be made for the listing and trading of the Equity Shares offered through this Placement Document on the NSE and the BSE (collectively, the "**Stock Exchanges**"). The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of our Company or the Equity Shares. In-principle approvals under Clause 24(a) of the Listing Agreements for listing of the Equity Shares have been received on December 3, 2014 and December 3, 2014 from the NSE and the BSE, respectively.

THE COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE OF THE EQUITY SHARES

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges and a copy of this Placement Document will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Gujarat (the "**RoC**") and the Securities and Exchange Board of India ("**SEBI**") within the stipulated period as required under the Companies Act, 2013, as amended, and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended. This Placement Document has not been reviewed by SEBI, the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Qualified Institutional Buyers ("**QIBs**"), as defined in the SEBI ICDR Regulations. The Priliminary Placement Document and this Placement Document has not been and will not be registered as a prospectus with the RoC in India, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING DONE IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, AND THE RULES MADE THEREUNDER AND CHAPTER VIII OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN QIBS, AS DEFINED IN THE SEBI ICDR REGULATIONS.

YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "RISK FACTORS" ON PAGE 31, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PLACEMENT DOCUMENT.

This Placement Document (which includes disclosures prescribed under Form PAS-4) will be circulated only to such QIBs whose names are recorded by the Company prior to making an invitation to subscribe to the Equity Shares.

Invitations, offers and sales of Equity Shares shall only be made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note. For further details, please see "***Issue Procedure***" on page 139. The distribution of this Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than QIBs, and persons retained by QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on the website of our Company or any website directly or indirectly linked to the website of our Company, does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold outside the United States (within the meaning of Regulation S) in offshore transactions in reliance on the Regulation S and applicable laws of the jurisdictions where those offers and sales occur. For further details, see "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" on pages 152 and 156, respectively.

GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS

AMBIT CORPORATE FINANCE PRIVATE LIMITED	**KOTAK MAHINDRA CAPITAL COMPANY LIMITED**

This Placement Document is dated December 8, 2014.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to our best knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to us and the Equity Shares that is material in the context of the Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to us and are based on reasonable assumptions. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. Ambit Corporate Finance Private Limited and Kotak Mahindra Capital Company Limited (the "**Global Coordinators and Book Running Lead Managers**") have not separately verified the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Global Coordinators and Book Running Lead Managers nor any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Global Coordinators and Book Running Lead Managers as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the Global Coordinators and Book Running Lead Managers or on any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or the Global Coordinators and Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as on any time subsequent to its date.

The Equity Shares issued pursuant to the Issue have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the U.S. or the securities commission of any non-U.S. jurisdiction or any other U.S. or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the U.S. and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States (within the meaning of Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only to QIBs outside the United States (within the meaning of Regulation S) in an offshore transaction in reliance on Regulation S. Purchasers of the Equity Shares will be deemed to make the representations set forth in "***Representations by Investors***" and "***Transfer Restrictions***" on pages 3 and 156, respectively. For further details, see "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" on pages 152 and 156, respectively.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than QIBs specified by the Global Coordinators and Book Running Lead Managers or its representatives, and those retained by such QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any offering material in connection with the Equity Shares.

The distribution of this Placement Document and the offering of the Equity Shares may be restricted by law in certain countries or jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Global Coordinators and Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document or the Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Global Coordinators and Book Running Lead Managers is making any representation to any offeree or purchaser of the Equity Shares regarding the legality or suitability of an investment in the Equity Shares by such offeree or purchaser under applicable laws or regulations.

Each purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, and is not prohibited by SEBI or any other statutory authority from buying, selling or dealing in securities. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

The information available on or through our Company's website does not constitute nor forms part of this Placement Document, and prospective investors should not rely on such information. This Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors of the Issue. By bidding and subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Global Coordinators and Book Running Lead Managers, as follows:

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are allocated to you in accordance with Chapter VIII of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) to comply with all requirements under applicable law in relation to reporting obligations, if any, in this relation;

- If you are Allotted (hereinafter defined) Equity Shares pursuant to the Issue, you shall not sell the Equity Shares for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the Stock Exchanges;

- You are aware that this Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs. This Placement Document has not been reviewed by the SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by QIBs. Further, this Placement Document has not been verified or affirmed by the SEBI or the Stock Exchanges;

- You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and you have all necessary capacity and have obtained all necessary consents and authorities and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Placement Document), and will honor such obligations;

- Neither, our Company nor the Global Coordinators and Book Running Lead Managers or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Global Coordinators and Book Running Lead Managers. Neither the Global Coordinators and Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue or you in any way acting in any fiduciary capacity;

- All statements other than statements of historical fact included in this Placement Document, including those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. None of our Company, the Global Coordinators and Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware that the Equity Shares are being offered only to QIBs on a private placement basis and are not being offered to the general public, and the Allotment, by our Company in consultation with the Global Coordinators and Book Running Lead Managers, shall be on a discretionary basis;

- You have made, or been deemed to have made, as applicable, the representations set forth under "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" on pages 152 and 156, respectively;

- You have been provided a serially numbered copy of this Placement Document, and have read it in its entirety, including in particular the "***Risk Factors***" on page 31;

- In making your investment decision, you have (i) relied on your own examination of our Company and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company, the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, the effects of local laws, (iv) relied solely on the information contained in the Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

- None of the Global Coordinators and Book Running Lead Managers or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Global Coordinators and Book Running Lead Managers or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, the Global Coordinators and Book Running Lead Managers or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Global Coordinators and Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

- If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

- You are not a Promoter (as defined in the SEBI ICDR Regulations), or are not a person related to the Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoters or Promoter Group (as defined in the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

- You have no rights under a shareholders agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, provided that a qualified institutional buyer who does not hold any Equity Shares in our Company and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to Promoters;

- You have no right to withdraw your Bid after the Issue Closing Date;

- You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. Your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- The Bid made by you would not result in triggering a tender offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**");

- To the best of your knowledge and belief, your aggregate holding, together with other QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue, shall not exceed 50% of the Issue Size. For the purposes of this representation:

  a. The expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956, as amended; and

  b. 'Control' shall have the same meaning as is assigned to it by Clause (e) of Regulation 2(1) of the Takeover Regulations.

- Applications will be made for listing and trading approvals from the Stock Exchanges after Allotment. There can be no assurance that such approvals will be obtained on time or at all. Neither, our Company nor the Global Coordinators and Book Running Lead Managers nor any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant account until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

- You are aware that if you, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to them on the website of the Stock Exchanges and you consent to such disclosures being made by our Company;

- The Global Coordinators and Book Running Lead Managers have entered into a Placement Agreement with our Company, whereby the Global Coordinators and Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- The contents of this Placement Document are exclusively the responsibility of our Company, and that neither the Global Coordinators and Book Running Lead Managers or any person acting on their behalf, has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Global Coordinators and Book Running Lead Managers or our Company or any other person and neither the Global Coordinators and Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Global Coordinators and Book Running Lead Managers and its respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- The Global Coordinators and Book Running Lead Managers do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

- You are eligible to invest in India under applicable law, including the Foreign Exchange Management

(Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities;

- That (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

- You agree to indemnify and hold our Company and the Global Coordinators and Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- Any dispute arising in connection with the Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in Ahmedabad, India, shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Placement Document;

- You confirm that either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company presentations; (a) you understand and acknowledge that the Global Coordinators and Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that the Global Coordinators and Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

- If you are not a resident of India, but a QIB, you are an Eligible FPI or an FII (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution or an FVCI, and are eligible to invest in India under applicable law, including FEMA 20 (as defined hereinunder), and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You are, at the time the Equity Shares are purchased pursuant to Regulation S, located outside of the United States (in accordance with Regulation S) and you are not an affiliate of the Company or a person acting on behalf of an affiliate;

- You understand that the Equity Shares have not been and will not be registered under the Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For more information, see "***Transfer Restrictions***" on page 156;

- Our Company and the Global Coordinators and Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Global Coordinators and Book Running Lead Managers, on their own behalf and on behalf of our Company, and are irrevocable;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue.

- You are purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and it shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**"), FPIs (which include FIIs) other than Category II and Category III Foreign Portfolio Investors (as defined hereinafter) and unregulated broad based funds, which are classified as Category II foreign portfolio investor (as defined under the SEBI FPI Regulations) by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation, subject to compliance with 'know your client' requirements. An FPI shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been, and are not being offered, or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Global Coordinators and Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Global Coordinators and Book Running Lead Managers and do not constitute any obligations of or claims on the Global Coordinators and Book Running Lead Managers. Affiliates of the Global Coordinators and Book Running Lead Managers, which are FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Also see "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" on pages 152 and 156, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document has been submitted to each of the Stock Exchanges and a copy of this Placement Document has been filed with the Stock Exchanges. The Stock Exchanges do not in any manner:

1. Warrant, certify or endorse the correctness or completeness of the contents of this Placement Document; or

2. Warrant that our Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

3. Take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company;

and it should not, for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

CERTAIN CONVENTIONS, FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Placement Document, unless the context otherwise indicates or implies, references to 'you,' 'offeree', 'purchaser,' 'subscriber,' 'recipient,' 'investors' and 'potential investor' are to the prospective investors in the Issue; references to 'Astral', the 'Company', 'our Company', the 'Issuer' are to Astral Poly Technik Limited; and references to 'we', 'our' or 'us' are to Astral Poly Technik Limited together with its Subsidiaries and Joint Venture.

In this Placement Document, references to 'U.S.$', 'USD' and 'U.S. Dollars' are to the legal currency of the United States; references to "EUR" and "Euro" are to the legal currency of the European Union; references to "GBP" are to the legal currency of the United Kingdom; references to "Kenya Shilling" are to the legal currency of Kenya; and references to '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

Financial and Other Information

We record and publish our financial statements in Rupees. Our audited consolidated financial statements as of and for the years ended March 31, 2014, March 31, 2013 and March 31, 2012, the unaudited consolidated reviewed financial statements as of and for the six month period ended September 30, 2014 included in this Placement Document (collectively, the "**Financial Statements**"), have been prepared in accordance with generally accepted accounting principles followed in India (the "**Indian GAAP**"), the Companies Act, 1956, as amended, and the Companies Act, 2013, as applicable, and the requirements under the Listing Agreement, as applicable. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so all references to a particular 'financial year' or 'fiscal' or 'FY' are to the 12 months period ended on March 31 of that year.

Our Company has presented certain numerical information in this Placement Document in "million" units. One million represents 1,000,000, which is equivalent to 10 lakhs.

Our Company acquired 80% equity shareholding in Seal It Services Limited ("**Seal It**"), incorporated under the laws of United Kingdom, on August 26, 2014. The audited standalone financial statements for Seal It as of and for the years ended March 31, 2012 and March 31, 2013, and the audited consolidated financial statements for Seal It as of and for the year ended March 31, 2014 have been prepared in GBP in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and have been audited in accordance with applicable law and International Standards on Auditing (UK and Ireland) by its statutory auditors BDO Northen Ireland (the "**Seal It Audited Financial Statements**"). Further, the unaudited reviewed standalone financial statements for Seal It as of and for the six month period ended September 30, 2014 has been prepared in GBP in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and have been reviewed in accordance with applicable law and International Standards on Auditing (UK and Ireland) by its statutory auditors BDO Northen Ireland (the "**Seal It Reviewed Financial Statements**", and together with the Seal It Audited Financial Statements, the "**Seal It Financial Statements**"). The Seal It Financial Statements have been included in this Placement Document. While the audited consolidated financial statements for Seal It as of and for the year ended March 31, 2014 reflects the consolidation of the financial information of its subsidiary Calder Distribution Limited, the unaudited reviewed standalone financial statements for Seal It as of and for the six month period ended September 30, 2014 does not reflect the consolidation of the financial information of its subsidiary Calder Distribution Limited, and therefore may not be comparable. In addition, Seal It Financial Statements included in this Placement Document prepared in GBP in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) may not be comparable to other financial information included in this Placement Document prepared in Indian Rupees on the basis of Indian GAAP.

Our Company acquired 76% equity shareholding in Resinova Chemie Limited ("**RCL**") on November 21, 2014. The audited financial statements of RCL as of and for the years ended March 31, 2012, March 31, 2013 and March 31, 2014, audited in accordance with Standards on Auditing issued by the Institute of Chartered

Accountants of India by Shailesh Vishesh & Co., statutory auditors of RCL, have been included in this Placement Document. Further, the unaudited reviewed financials statements for the six month period ended September 30, 2014 for RCL, subjected to a limited review by Shailesh Vishesh & Co., statutory auditors of RCL, has been included in this Placement Document. RCL financial statements included in this Placement Document are referred to herein as the "**RCL Financial Statements**".

Since the acquisition of Seal It took place with effect from August 26, 2014, although our consolidated financial statements as of and for the six months ended September 30, 2014 included in this Placement Document reflects the consolidated balance sheet as of September 30, 2014, it only reflects the results of operations of Seal It for the period between August 26, 2014 and September 30, 2014.

Similarly, since the acquisition of RCL took place with effect from November 21, 2014, our consolidated financial statements as of and for the six months ended September 30, 2014 included in this Placement Document does not reflect the consolidation of RCL financial information.

This Placement Document does not include any pro forma profit and loss statement or balance sheet prepared in accordance with the laws and regulations of the United States or any other jurisdiction, which would have shown the effect of the Seal It acquisition and the RCL acquisition on our historical results of operations and financial condition, assuming that the Seal It and RCL acquisition had occurred at the beginning of the relevant reporting period.

Investors are cautioned that they will therefore need to base their assessment of our consolidated results of operations and financial condition subsequent to the Seal It and RCL acquisition on the basis of our historical consolidated financial statements for fiscal 2012, 2013 and 2014 and as of and for the six months ended September 30, 2014, the Seal It Financial Statements, the RCL Financial Statements and other information with respect to Seal It and RCL included in this Placement Document and the management's discussions with respect to the effects of such acquisitions on our business, results and of operations and financial condition included in ***"Management's Discussion and Analysis of Results of Operations and Financial Condition – Principal Factors affecting Results of Operations and Financial Condition – Acquisition of Seal It and RCL"*** on page 65.

Indian GAAP differs in certain significant respects from United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), International Financial Reporting Standards (the "**IFRS**") and generally accepted accounting principles followed in the U.S. (the "**U.S. GAAP**"). Accordingly, the degree to which the Financial Statements prepared in accordance with Indian GAAP and the Seal It Financial Statements prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. We have not provided a reconciliation of our Financial Statements or a summary of differences between Indian GAAP, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) IFRS or U.S. GAAP.

Rounding adjustments have been made in calculating some of the data included in this Placement Document. As a result, the totals in some tables may not be exact arithmetic aggregations of the figures which precede them.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Placement Document consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete. The statistical information included in this Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the Global Coordinators and Book Running Lead Managers have independently verified this data and do not make any representation regarding the accuracy of such data. Our Company confirms that such information and data has been accurately reproduced, and that as far as it is aware and is able to ascertain from information published by third parties, no material facts have been omitted that would render the reproduced information inaccurate or misleading. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Global Coordinators and Book Running Lead Managers can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'seek', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements and any other projections contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Risks relating to the recent acquisitions of Seal It and RCL, including the integration and expansion of Seal It's and RCL's operations.

- Our results of operations and financial condition following the recent acquisition of Seal It and RCL will not be comparable to those prior to such acquisition.

- We are significantly dependent on Lubrizol and its affiliates for our business and operations, including for the supply of critical raw materials, technology for the manufacture of our CPVC products and license of Lubrizol trademarks, under which we sell our CPVC products.

- Our business is dependent on the performance of the real estate, infrastructure, agriculture and other industries where our plumbing and drainage products and solutions as well as adhesives and sealant products are used.

- We are exposed to risks relating to any fluctuation in the price or the availability of raw materials.

- The loss, shutdown or slowdown of operations at any of our manufacturing facilities or underutilisation of our manufacturing capacities.

- The loss of, or a significant reduction in the revenues generated from a limited number of key distributors.

- Extensive government regulation in jurisdictions where we operate, and our inability to obtain, maintain or renew our statutory and regulatory permits and approvals required.

- Conditions and restrictions imposed by our financing arrangements may restrict our ability to conduct our business and operations.

- Our intellectual property rights may not be adequately protected against third party infringement.

- We are dependent on various technology licenses for the manufacture of certain of our products and on trademark or brand licenses for the sale of such products. We have also entered into certain distribution arrangements for certain of our traded products. Termination or alteration of the terms of such agreements may adversely affect our business prospects and results of operations.

- An inability to address changing industry standards and consumer trends through continuous product development initiatives.

- Any deficiency in the quality of our products may expose us to product liability claims.

- We are also dependent on third party transporters for the timely supply of raw materials to our facilities and delivery of our products to our customers, which are subject to uncertainties and risks.

Additional factors that could cause actual results, performance or achievements to differ materially include but are not limited to, those discussed under "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Industry Overview***" and "***Business***" on pages 31, 61, 86 and 104, respectively. The forward-looking statements contained in this Placement Document are based on the beliefs of, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Most of our Directors and key managerial personnel named here are residents of India and all or a substantial portion of assets of our Company and such persons are located in India. As a result, it may be difficult for investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except where: (i) the judgment has not been pronounced by a court of competent jurisdiction; (ii) the judgment has not been given on the merits of the case; (iii) it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) the proceedings in which the judgment was obtained were opposed to natural justice; (v) the judgment has been obtained by fraud, and (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; such presumption may be displaced by proving want of jurisdiction.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government of India (the "**GoI**") has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the U.S. has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currency will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currency of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. dollar, the Rupee and the Euro, the Rupee and the GBP and the Rupee and the Kenya Shilling (in Rupees per U.S. Dollar, Euro, GBP and Kenya Shilling), based on the reference rates released by the RBI. No representation is made that the Rupee amounts actually represent such amounts in U.S. Dollars, Euros, GBPs or Kenya Shillings or could have been, or could be converted into, U.S. Dollars, Euros, GBPs or Kenya Shillings at the rates indicated, any other rates or at all.

₹ per Euro and U.S.$

Period	**Period End***		**Average***		**High***		**Low***	
	Euro	**U.S.$**	**Euro**	**U.S.$**	**Euro**	**U.S.$**	**Euro**	**U.S.$**
November 2014	77.2398	62.0300	77.1006	62.8950	78.3972	62.2200	75.8040	61.3400
October 2014	77.2250	61.3675	77.8837	61.3765	79.3700	61.9450	77.0450	60.9075
September 2014	77.7250	61.7575	78.5865	60.8747	79.6625	61.8250	77.5425	60.1975
August 2014	79.8450	60.5150	81.0604	60.8631	82.5200	61.7400	79.5575	60.3650
July 2014	81.0200	60.5600	81.3840	60.0633	82.3925	60.5800	80.4650	59.5350
June 2014	82.2100	60.1875	81.2352	59.7586	82.2725	60.5425	80.1175	58.9825
Fiscal 2014	82.2825	59.8900	81.1058	60.4697	91.945	68.8500	69.5420	53.6600
Fiscal 2013	69.5464	54.2800	70.0689	54.4241	73.4297	57.3275	66.6510	50.5150
Fiscal 2012	68.3403	44.4500	65.8952	47.9458	71.0788	54.2355	62.2589	43.9485

Note: High, low and average are based on the RBI reference rate
Source: www.rbi.org.in
The RBI reference rate on December 5, 2014 was U.S.$ 1 = ₹61.78 and Euro 1 = ₹76.30

₹ per GBP and Kenya Shilling

Period	**Period End***		**Average***		**High***		**Low***	
	GBP	**Kenya Shillings**	**GBP**	**Kenya Shillings**	**GBP**	**Kenya Shillings**	**GBP**	**Kenya Shillings**
November 2014	97.4684	0.6867	97.6621	0.6862	99.6951	0.6828	95.6291	0.6897
October 2014	98.2875	0.6875	98.7187	0.6894	100.3575	0.6975	97.6625	0.6850
September 2014	99.9600	0.6925	99.2976	0.6859	100.6525	0.6950	97.0200	0.6800
August 2014	100.4400	0.6850	101.7085	0.6915	103.7700	0.7050	99.9750	0.6825
July 2014	102.1625	0.6900	102.5824	0.6853	103.3700	0.6925	101.6775	0.6750
June 2014	102.6225	0.6875	101.0257	0.6835	102.9450	0.6950	98.8650	0.6725
Fiscal 2014	99.5650	0.6950	96.1900	0.7011	106.7900	0.7900	81.9300	0.6338
Fiscal 2013	82.3154	0.6365	86.0164	0.6398	89.8140	0.6851	80.5238	0.6027
Fiscal 2012	81.5261	0.6137	76.3188	0.5392	83.9303	0.6336	70.6100	0.4647

Note: High, low and average are based on the RBI reference rate
Source: www.rbi.org.in
The RBI reference rate on December 5, 2014 was GBP 1 = ₹97.0425 and Kenya Shilling 1 = ₹0.6850

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider while reading the information contained herein. The terms defined in this section shall have the meaning set forth herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments thereto, from time to time.

Company Related Terms

Term	Description
"Our Company" or "the Company"	Astral Poly Technik Limited
"We" or "us" or "our"	Astral Poly Technik Limited and its Subsidiaries and Joint Ventures
AAL	Advances Adhesives Limited, a subsidiary of our Company
APL	Astral Pipes Limited, a joint venture of our Company
Articles/ Articles of Association	Articles of Association of our Company, as amended
Auditors	The current statutory auditors of our Company, Deloitte Haskins & Sells, Chartered Accountants
Board of Directors/Board	Board of Directors of our Company or any Board constituted committee thereof
Directors	The directors of our Company
Equity Shares	Equity shares of face value of ₹ 1 each, of our Company
Joint Venture	The joint venture of our Company, as provided under "***Organizational Structure and Major Shareholders***" on page 132
Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended
Promoters	Promoters of our Company as per the definition provided in Regulation 2(1)(za) of the SEBI ICDR Regulations and as reported to the Stock Exchanges, being, Mr. Sandeep P. Engineer, Ms. Jagruti S. Engineer, and Specialty Process LLC
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations
RCL	Resinova Chemie Limited, a subsidiary of our Company
Registered & Corporate Office	"Astral House", 207/1, B/h Rajpath Club, off S.G. Highway, Ahmedabad, 380 059, Gujarat, India
RoC	Registrar of Companies, Gujarat
Seal It	Seal It Services Limited, a subsidiary of our Company
Securities Committee	The Securities Committee formed with respect to this Issue, pursuant to a resolution passed by our Board dated October 27, 2014
Subsidiaries	The subsidiaries of our Company, as provided under "***Organizational Structure and Major Shareholders***" on page 132

Issue Related Terms

Term	Description
Allocated /Allocation	Allocation of Equity Shares following the determination of the Issue Price to QIBs on the basis of Application Forms submitted by them, in consultation with the Global Coordinators and Book Running Lead Managers and in compliance with Chapter VIII of the SEBI ICDR Regulations
Allotment /Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Persons to whom Equity Shares of our Company are issued pursuant to the Issue
Application Form	Form (including any revisions thereof) pursuant to which a QIB submits a bid for the Equity Shares pursuant to the Issue
Bid(s)	Indication of a QIB's interest, to subscribe for the Equity Shares pursuant to the Issue
Bidder	Any prospective investor, being a QIB, who makes a Bid pursuant to the terms of this Placement Document and the Application Form
CAN/Confirmation of Allocation Note	Note, advice or intimation confirming the Allocation of Equity Shares to QIBs after determination of the Issue Price and requesting for payment of entire applicable Issue Price for all Equity Shares Allocated to such QIBs
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about December 10, 2014
Cut-off Price	The Issue Price, which shall be finalized by our Company in consultation with the Global Coordinators and Book Running Lead Managers
Designated Date	Date on which the Escrow Agent transfers the funds from the Escrow Account to our Company's account
Eligible FPI	FPIs that are eligible to participate in the Issue and does not include Category III Foreign Portfolio Investors (who are not eligible to participate in the Issue)

Term	Description
Escrow Account	Special bank account with the Escrow Agent, subject to the terms of the Escrow Agreement, by and among our Company, the Global Coordinators and Book Running Lead Managers and the Escrow Agent
Escrow Agent	Kotak Mahindra Bank Limited
Escrow Agreement	Agreement dated December 3, 2014, entered into amongst our Company, the Escrow Agent and the Global Coordinators and Book Running Lead Managers for collection of the Bid amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	Floor price of ₹ 423.70 for each Equity Share, calculated in accordance with Chapter VIII of the SEBI ICDR Regulations and/ or as directed by SEBI. Our Board/Securities Committee, was eligible to offer a discount of upto 5% of the Floor Price in accordance with the approval of the shareholders accorded on August 25, 2014 and Regulation 85(1) of the SEBI ICDR Regulations.
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
Global Coordinators and Book Running Lead Managers/GCBRLMs	Ambit Corporate Finance Private Limited and Kotak Mahindra Capital Company Limited
Indian Stock Exchanges / Stock Exchanges	NSE and BSE
Issue	Offer and issuance of the Equity Shares to QIBs, pursuant to Chapter VIII of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	December 8, 2014, the date after which our Company (or the Global Coordinators and Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms
Issue Opening Date	December 3, 2014, the date on which our Company (or the Global Coordinators and Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which QIBs can submit their Bids
Issue Price	A price per Equity Share of ₹ 402.52
Issue Size	This issue of 5,984,519 Equity Shares aggregating ₹ 2,408.89 million
Pay-in Date	Last date specified in the CAN for payment of Bid monies by the QIBs
Placement Agreement	Placement agreement dated December 3, 2014, by and among our Company and the Global Coordinators and Book Running Lead Managers
Placement Document	This Placement Document, dated December 8, 2014, issued in accordance with Chapter VIII of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The Preliminary Placement Document, dated December 3, 2014, issued in accordance with Chapter VIII of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Relevant Date	December 3, 2014 which is the date of the meeting in which the Securities Committee decided to open the Issue
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 1995
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2009
QIB or Qualified Institutional Buyer	Qualified Institutional Buyer, as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VIII of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013

Conventional and General Terms/ Abbreviations

Term/Abbreviation	Full Form
AS	Accounting Standards issued by the ICAI
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Client ID	Beneficiary account number
Civil Procedure Code	Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013, to the extent notified and the Companies Act, 1956, to the extent not repealed
Companies Act, 1956	The Companies Act, 1956, and the rules made thereunder (without reference to the

Term/Abbreviation	Full Form
	provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, and the rules made thereunder to the extent in force pursuant to the notification of the Notified Sections
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996
DP ID	Depository Participant's Identity Number
DP/Depository Participant	Depository participant as defined under the Depositories Act, 1996
DRR	Debenture redemption reserve
DTC	Direct Taxes Code, 2013
EBITDA	Earnings before interest, tax, depreciation and amortization
ECB	External commercial borrowing
ECB Policy	India's policy on ECB, as notified by the RBI and currently in force
EPS	Earnings per share, calculated as profit after tax for a fiscal, divided by the weighted average outstanding number of Equity Shares during that fiscal
EUR or Euro	Euro, the lawful currency of the European Union
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FIIs	Foreign Institutional Investors (as defined under the SEBI FPI Regulations)
Financial Year/fiscal/FY	Period of 12 months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations. Any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration is deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GBP	Great Britain Pounds, the lawful currency of United Kingdom
GoI/ Government	Government of India
GST	Goods and service tax
HUF	Hindu undivided family
I.T. Act	Income Tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
India	Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
IT	Information technology
Kenya Shilling	Kenya Shilling, the lawful currency of Kenya
Listing Agreement(s)	The equity listing agreement(s) with each of the Stock Exchanges
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Notified Sections	Sections of Companies Act, 2013 that have been notified by the Government of India
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P-Notes	Offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities, listed or proposed to be listed on any stock exchange in India
PAN	Permanent account number
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
₹ or Rs. or Rupees	The lawful currency of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014

Term/Abbreviation	Full Form
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2009
Securities Act	U.S. Securities Act of 1933
STT	Securities transaction tax
Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011
UK	United Kingdom
UL	Underwriters Laboratories Inc.
U.S. or United States	United States of America
U.S.$ or U.S. dollars or USD	U.S. dollars, the lawful currency of the United States
VAT	Value added tax
Weld-on	Weld-On Adhesives, Inc.

Technical and Industry Terms

Term/Abbreviation	Full Form
CPVC	Chlorinated polyvinyl chloride
Ken Report 2014	Report titled "India PVC Pipes and Fittings Industry Outlook to 2019 - Expanding Irrigated Area and Housing Sector to Stimulate Growth", August 2014 by Ken Research
TechSci Research	Report titled "India Adhesives Market Forecast & Opportunities, 2019", by New Age TechSci Research Private Limited
PVC	Polyvinyl chloride

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

S. No.	Disclosure Requirements	Relevant Page of this Placement Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	397
b.	Date of incorporation of the company.	181
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	104-119
d.	Brief particulars of the management of the company.	123-131
e.	Names, addresses, DIN and occupations of the directors.	123-124
f.	Management's perception of risk factors.	31-53
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	
i)	Statutory dues;	177-178
ii)	Debentures and interest thereon;	177-178
iii)	Deposits and interest thereon; and	177-178
iv)	Loan from any bank or financial institution and interest thereon.	177-178
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	397
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution.	27
b.	Date of passing of resolution in the general meeting, authorizing the offer of securities.	27
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	27
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	27
e.	Name and address of the valuer who performed valuation of the security offered.	Not applicable
f.	Amount which the company intends to raise by way of securities.	56
g.	Terms of raising of securities:	
(i).	Duration, if applicable;	Not applicable
(ii).	Rate of dividend;	60
(iii).	Rate of interest;	Not applicable
(iv).	Mode of payment; and	Not applicable
(v)	Mode of repayment.	Not applicable
h.	Proposed time schedule for which the offer letter is valid.	27
i.	Purposes and objects of the offer.	56
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	Not applicable
k.	Principle terms of assets charged as security, if applicable.	Not applicable
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	125, 129
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	177
c.	Remuneration of directors (during the current year and last three financial years).	126-127
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	220-222
e.	Summary of reservations or qualifications or adverse remarks of auditors in	80

S. No.	Disclosure Requirements	Relevant Page of this Placement Document
	the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	178
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	177
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	The capital structure of the company in the following manner in a tabular form:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	58
(b)	Size of the present offer; and	58
(c)	Paid up capital:	58
(A)	After the offer; and	58
(B)	After conversion of convertible instruments (if applicable);	Not applicable
(d)	Share premium account (before and after the offer).	58
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	58-59
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	Not applicable
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	203
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	60 and 78
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	28-30
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	30
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	68-70
5.	**A DECLARATION BY THE DIRECTORS THAT**	396
a.	The company has complied with the provisions of the Act and the rules made thereunder.	
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	

SUMMARY OF BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve months ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Astral Poly Technik Limited and its subsidiaries and joint venture entity on a consolidated basis, and any reference to the "Company" refers to Astral Poly Technik Limited.

Unless otherwise indicated, all financial information included in this section have been derived from our audited consolidated financial statements for fiscal 2012, 2013 and 2014 and our reviewed consolidated financial statements as of and for the six months ended September 30, 2014.

We acquired our subsidiary Seal It with effect from August 26, 2014. Our consolidated financial statements as of and for the six months ended September 30, 2014 reflects the consolidation of Seal It financial information for the period between August 26, 2014 and September 30, 2014, and therefore may not be comparable to our consolidated financial statement information for prior reporting periods. We have also recently completed the acquisition of RCL with effect from November 21, 2014, and the effect of such consolidation is not reflected in our consolidated financial statements included in this Placement Document.

This Placement Document does not include any pro forma financial information to show the effect of the consolidation of the financial statements of Seal It and RCL into our consolidated financial statements. We have however included in this Placement Document the audited standalone financial statements of Seal It for fiscal 2012 and 2013, the audited consolidated financial statements of Seal It for fiscal 2014 and the reviewed standalone financial statements of Seal It as of and for the six months ended September 30, 2014. We have also included the audited financial statements of RCL for fiscal 2012, 2013 and 2014 and the reviewed financial statements as of and for the six months ended September 30, 2014. Investors will therefore need to base their assessment of our financial condition and results of operations subsequent to the acquisition of Seal It and RCL on the basis of our consolidated financial statements, and the historical audited and reviewed financial statements relating to Seal It and RCL included in this Placement Document.

In addition, Seal It is a United Kingdom Company and its financial statements are denominated in GBP, have been prepared under applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and have been audited in accordance with applicable law and International Standards on Auditing (UK and Ireland). United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) may vary significantly from Indian GAAP used in the preparation of financial statements of our Company and its Indian subsidiaries denominated in Indian Rupees. Accordingly, the presentation of the audited and reviewed financial statements of Seal It included in this Placement Document may not be comparable with the audited and reviewed consolidated financial statements of our Company included in this Placement Document.

Overview

We are a diversified building materials manufacturing company engaged in the business of manufacturing and providing CPVC piping and plumbing systems and allied products. We have over the years expanded our range of products to also include polyvinyl chloride ("**PVC**") pipes as well as CPVC and PVC fittings for a range of applications, including soil and water drainage systems, surface drainage fittings, and piping system for automatic fire sprinklers. In addition, we manufacture a range of other building materials such as adhesives and environment friendly solvent cements and primers. We are also engaged in the distribution of certain other building materials and products that complement our own product range.

Our CPVC, PVC and other building materials products are principally used in domestic, commercial and industrial applications. Our quality and standard products involve technologies, processes and manufacturing know-how that are either owned by us or licensed from certain global technology and equipment suppliers in the CPVC products or other allied businesses. We were the first company in India to be granted technology licenses by Lubrizol Advanced Materials Europe BVBA, to manufacture Flowguard Plus CPVC piping system for hot and cold water distribution system, Corzan Industrial Systems, Blazemaster Fire Sprinkler System and FlowGuard Bendable Multilayer Pipes range of products and distribute and sell such products in India under Lubrizol's brands. Lubrizol also supplies us with CPVC compound, the primary raw material required in the manufacture of CPVC products. We have also entered into a manufacturing and trademark license agreement with Weld-On Adhesives, Inc., ("**Weld-On**"), a leading manufacturer of solvent cements and adhesives, pursuant to which we have been granted the license to manufacture and sell solvent cement, adhesives and related products.

Our current product range includes:

- *CPVC Products*

  Our CPVC products, manufactured under license from Lubrizol, include the Astral FlowGuard Plus range of products used in domestic hot and cold water plumbing applications; the Astral Corzan HP range of products used in industrial applications; the Astral Bendable range of products, which are a CPVC-aluminium-CPVC multilayer pipe primarily used in solar heater applications and under-slab installations for hot and cold water applications; and the Astral Blazemaster range of products used in automatic fire sprinkler systems. In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of CPVC products accounted for 62.47%, 59.26%, 58.17% and 53.60%, respectively, of the Company's net revenue from operations for such periods.

- *PVC Products*

  Our PVC products include Astral Aquarius range of products primarily used in domestic plumbing applications for cold water, swimming pools, saltwater lines, industrial process lines, coal washing and ash handling; Astral Column Pipes, primarily used in borewells; Astral Foamcore PVC Pipes, primarily used in underground drainage and sewerage applications; Astral DWV (Drain Waste and Vent) range of products used for sewerage and drain-water applications; Astral Ultradrain range of products used for ventilation, rain-water applications and drainage and sewerage applications; Astral Aquasafe range of products used in agricultural applications and for potable water; Astral Underground range of products used in drainage systems in residential complexes, commercial or office spaces, resorts and hospitals; Astral Wire-Guard range of products which are a conduit piping system for electrical cables. In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of PVC products accounted for 37.45%, 40.65%, 41.66% and 46.32%, respectively, of the Company's net revenue from operations for such periods.

- *Adhesives and Sealants*

  Our subsidiary Advanced Adhesives Limited ("**AAL**") manufactures the Weld on range of products under license from Weld-On. AAL manufactures plastic pipe cements and primers for PVC and CPVC plastic piping systems for residential and industrial applications.

  As part of our diversification strategy and expansion into the adhesives and sealants markets, we have recently acquired 80.00% shareholding in Seal It, a United Kingdom company, with effect from August 26, 2014 and 76.00% shareholding in RCL, an Indian company, with effect from November 21, 2014.

  Seal It manufactures a range of sealants and adhesives under the brand name "Bond-it", as well as a comprehensive range of silicones, sealants, cleaning agents, tile adhesives, waterproofing chemicals bitumens, polyurethane foams and building and construction chemicals, and its primary markets include United Kingdom, Europe and the Middle East.

  RCL manufactures adhesives, sealants, construction chemicals and industrial maintenance products under several brand names with a wide marketing network across India. RCL covers various industry segments for its products including the automobile sector, sanitation, paints, plywood, hardware and building materials. Its product range includes a broad range of chemical products including epoxy, silicones, cyanoacrylate, solvent cements, PU sealants, anaerobic, UV care, MS polymers, acrylic etc.

- *Special or Traded Products*

We also distribute certain products such as Astral Wavin AS which is a low noise soil and waste disposal system; Firstplast range of products which include channel drains for indoor and outdoor surface drainage fittings; and Astral clamps and hangers which provide support for piping systems and cables. In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of such traded products accounted for 4.27%, 6.60%, 7.91% and 8.29%, respectively, of the Company's net revenue from operations for such periods.

We have established four manufacturing facilities in India located strategically at Santej and at Dholka in Gujarat, Baddi in Himachal Pradesh and Hosur in Tamil Nadu. We intend to establish additional manufacturing facilities strategically located in the eastern region of India to increase our focus on increasing our market share in the eastern and north-eastern parts of India. Our subsidiary Advanced Adhesives Limited has its manufacturing facility located at Santej, Gujarat. Our subsidiary Seal It has established a manufacturing facility at Elland in the United Kingdom, and RCL has two manufacturing facilities located in Rania and Unnao in the State of Uttar Pradesh in India. In addition, our joint venture entity Astral Pipes Limited based in Kenya, in which we have a 37.50% shareholding, manufactures a range of pipes and related products.

We have over the years developed an expansive network of distributors and dealers across India. As of September 30, 2014, our distribution network included more than 400 distributors. We have also set up several warehouses across India, at Delhi, Ahmedabad, Goa, Vijayawada, Hyderabad, Coimbatore and Bangalore for effective storage and distribution of our products. Our extensive sales and distribution network enables us to sell standard plumbing and other building materials to retail customers across India and certain international markets. RCL operates through a network of 11 branches and an extensive distribution network of over 1,700 distributors across India. Our subsidiary Seal It also operates through an extensive distribution network of distributors and dealers across United Kingdom, Europe and the Middle East.

We have received several quality certifications for our products and manufacturing facilities. We believe we are one of the first companies in India to receive NSF Certification for our CPVC piping system. Our Gujarat and Baddi facilities are certified by NSF for certain CPVC range of products. We have also received the UPC-I certification mark from IAPMO Plumbing Codes and Standards India Private Limited in relation to our CPVC hot and cold water pipes and fittings. Our Santej facility has received the IS 15778:2007 from the Bureau of Indian Standards in relation to CPVC pipes for potable hot and cold water distribution supplies, and our CPVC pipes for automatic sprinkler fire extinguishing system have received the IS 16088:2012 standard mark from the Bureau of Indian Standards. We have also received various awards in recognition of our business operations such as the Star SME of the Year Award at the Business Standard Awards in 2013 and India Inc. Innovative 100 Award for Smart Innovation in Technology in 2013.

In fiscal 2012, 2013 and 2014, our total income was ₹ 5,865.07 million, ₹ 8,270.73 million and ₹ 10,820.75 million, respectively, while our profit after tax for the years was ₹ 394.96 million, ₹ 606.11 million and ₹ 789.15 million, respectively. Our total income in the six months ended September 30, 2014, which reflects consolidation of Seal It results of operations with effect from August 26, 2014, was ₹ 5,942.75 million, while our profit after tax for the six months ended September 30, 2014 was ₹ 416.24 million. RCL was acquired with effect from November 21, 2014 and therefore our consolidated financial information included in this Placement Document do not reflect the financial information of RCL. RCL had total income of ₹ 1,193.04 million, ₹ 1,401.18 million, ₹ 1,726.96 million, and ₹ 1,022.14 million, and profit after taxes of ₹ 46.13 million, ₹ 59.22 million, ₹ 74.54 million and ₹ 52.60 million, in fiscal 2012, 2013, 2014 and in the six months ended September 30, 2014, respectively.

Recent Developments and Presentation of Financial Information

As part of our diversification strategy and expansion into the adhesives and sealants markets, we have recently acquired 80.00% shareholding in Seal It, a United Kingdom company, with effect from August 26, 2014 and 76.00% shareholding in RCL, an Indian company, with effect from November 21, 2014.

Our consolidated financial statements as of and for the six months ended September 30, 2014 reflects the consolidation of Seal It financial information for the period between August 26, 2014 and September 30, 2014, and therefore may not be comparable to our consolidated financial statement information for prior reporting periods. Since we acquired RCL with effect from November 21, 2014, the effect of such consolidation is not reflected in our consolidated financial statements included in this Placement Document.

This Placement Document does not include any pro forma financial information to show the effect of the consolidation of the financial statements of Seal It and RCL into our consolidated financial statements. We have however included in this Placement Document the audited standalone financial statements of Seal It for fiscal 2012 and 2013, the audited consolidated financial statements of Seal It for fiscal 2014 and the reviewed standalone financial statements of Seal It for the six months ended September 30, 2014. We have also included the audited financial statements of RCL for fiscal 2012, 2013 and 2014 and the reviewed financial statements of RCL for the six months ended September 30, 2014. In addition to a discussion on our consolidated results of operations and financial condition for fiscal 2012, 2013 and 2014 and for the six months ended September 30, 2014, we have included in this Placement Document a discussion on the results of operations and financial condition of RCL for fiscal 2012, 2013 and 2014 and the six months ended September 30, 2014.

Accordingly, investors will need to base their assessment of our consolidated results of operations and financial condition subsequent to the acquisition of Seal It and RCL on the basis of our historical consolidated financial statements, the historical consolidated financial statements of Seal It and the historical financial statements of RCL included in this Placement Document.

Competitive Strengths

We believe we have the following competitive strengths:

- Established brand in the plumbing and other building materials industry
- Access to advanced technologies, international quality products and market leading product brands
- Comprehensive product offering
- Strategically located manufacturing and warehouse facilities and extensive distribution network
- Extensive product development capabilities
- Stringent quality assurance standards
- Strong track record of growth and financial performance
- Experienced management team

Business Strategies

- Diversify our business by further expanding our PVC as well as adhesives and sealants business
- Continue to introduce new CPVC and PVC products
- Increase strategic manufacturing capacity for CPVC and PVC products
- Continue to enhance operational efficiencies and increase cost competitiveness
- Continue to expand our distributor and customer base
- Pursue growth through selective acquisition opportunities in India and internationally.

SUMMARY OF THE ISSUE

*The following general summary of the terms of the Issue should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including "**Risk Factors**", "**Use of Proceeds**", "**Placement and Lock-up**", "**Issue Procedure**" and "**Description of the Equity Shares**" on pages 31, 56, 150, 139 and 160, respectively:*

Issuer	Astral Poly Technik Limited
Face Value	₹ 1 per Equity Share
Issue Size	Issue of 5,984,519 Equity Shares of our Company, at a price of ₹ 402.52 each, including a premium of ₹ 401.52 each, aggregating ₹ 2,408.89 million A minimum of 10% of the Issue Size, i.e. at least 598,452 Equity Shares, shall be available for Allocation to Mutual Funds only, and up to 5,386,067 Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds In case of under-subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other QIBs
Date of Board Resolution	July 18, 2014
Date of Shareholders' Resolution	August 25, 2014
Floor Price	₹ 423.70 per Equity Share. Our Board/Securities Committee was eligible to offer a discount of upto 5% the Floor Price in accordance with the approval of the shareholders accorded on August 25, 2014 and Regulation 85(1) of the SEBI ICDR Regulations.
Issue Price	₹ 402.52 per Equity Share
Eligible Investors	QIBs, as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations. See "***Issue Procedure - Qualified Institutional Buyers***" on page 143
Equity Shares issued and outstanding prior to the Issue	112,380,560 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	118,365,079 Equity Shares
Listing	Our Company has received in-principle approvals from the BSE and the NSE under Clause 24 (a) of the Listing Agreements for the listing of the Equity Shares on the Stock Exchanges on December 3, 2014 and December 3, 2014, respectively. Our Company will make applications to each of the Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after completion of Allotment in this Issue
Trading	The trading of the Equity Shares would be in dematerialized form only in the cash segment of each of the Stock Exchanges
Lock-up	See "***Placement and Lock-up***" on page 150
Promoter Lock-up	See "***Placement and Lock-up***" on page 150
Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges
Use of Proceeds	Net proceeds of the Issue (after deduction of fees, commissions and expenses) are expected to total approximately ₹ 2,357.33 million. See "***Use of Proceeds***" on page 56
Risk Factors	See "***Risk Factors***" on page 31 for a discussion of factors you should consider before deciding whether to subscribe to Equity Shares of our Company
Pay-in Date	Last date specified in the CAN for payment of Bid monies by the QIBs
Closing	Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about December 10, 2014 ("**Closing Date**")
Taxation	See "***Statement of Tax Benefits***" on page 166
Status and Ranking	Equity Shares being issued shall be subject to the provisions of our Company's Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, Listing Agreements and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. See "***Description of the Equity Shares***" on page 160
Security Codes for the Equity Shares	**ISIN:** INE006I01046 **BSE Code:** 532830 **NSE Code:** ASTRAL

SELECTED FINANCIAL INFORMATION

*The following tables set forth selected financial information derived from our audited consolidated financial statements as of and for the years ended March 31, 2014, 2013 and 2012. This financial information has been prepared in accordance with the Companies Act, 1956 and the SEBI ICDR Regulations and presented in "**Financial Statements**" on page 180. The selected financial information presented below should be read in conjunction with "**Management's Discussion and Analysis of Our Financial Conditions and Results of Operations**" and "**Financial Statements**" on pages 61 and 180, respectively.*

ASTRAL POLY TECHNIK LIMITED

CONSOLIDATED SUMMARY BALANCE SHEET

(Rs. In Million)

Particulars	Note	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	1	112.38	112.38	112.38
Reserves and Surplus	2	3,040.79	2,301.37	1,728.25
		3,153.17	**2,413.75**	**1,840.63**
Minority Interest		**7.24**	**3.41**	**(0.25)**
Non Current Liabilities				
Long Term Borrowings	3	806.06	643.59	647.76
Deferred Tax Liabilities (Net)	4	118.27	81.70	14.60
Long Term Provisions (Employee Benefits)		1.01	-	-
		925.34	**725.29**	**662.36**
Current Liabilities				
Short Term Borrowings	5	177.32	12.24	35.97
Trade Payables	6	1,848.83	1,704.97	1,709.92
Other Current Liabilities	7	765.31	506.15	507.17
Short Term Provisions	8	66.46	76.36	47.93
		2,857.92	**2,299.72**	**2,300.99**
Total		**6,943.67**	**5,442.17**	**4,803.73**
II. ASSETS				
Non Current Assets				
Fixed Assets	9			
Tangible Assets		2,887.73	2,149.62	1,640.37
Capital Work In Progress		82.01	119.88	129.61
Goodwill on Consolidation		5.27	-	-
Long Term Loans and Advances	10	103.05	78.08	41.62
		3,078.06	**2,347.58**	**1,811.60**
Current Assets				
Inventories	11	1,949.73	1,504.65	1,270.57
Trade Receivables	12	1,450.77	1,062.87	1,031.61
Cash and Cash Equivalents	13	9.65	115.23	355.11
Short Term Loans and Advances	14	450.71	408.25	327.40
Other Current Assets	15	4.75	3.59	7.44
		3,865.61	**3,094.59**	**2,992.13**
Total		**6,943.67**	**5,442.17**	**4,803.73**

See accompanying notes forming part of the consolidated summary financial statements.

As per our report of even date

For, Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner

For and on behalf of the Board

(Sandeep P. Engineer)
Managing Director

(Jagruti S. Engineer)
Executive Director

(Amish Shah)
Company Secretary

Place : Ahmedabad
Date : November 25, 2014

Place : Ahmedabad
Date : November 25, 2014

ASTRAL POLY TECHNIK LIMITED

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. In Million)

Particulars	Note	2013-14	2012-13	2011-12
INCOME				
Revenue from Operations (Gross)		11,786.07	9,035.49	6,256.67
Less : Excise Duty		989.68	783.51	429.74
Revenue from Operations (Net)	16	10,796.39	8,251.98	5,826.93
Other Income	17	24.36	18.75	38.14
Total		10,820.75	8,270.73	5,865.07
EXPENSES				
Cost of Materials Consumed	18	7,427.45	5,670.76	4,166.46
Purchase of Stock In Trade		625.04	358.42	176.94
Changes In Inventories of Finished Goods and Stock In Trade	19	(326.30)	(224.70)	(228.02)
Employee Benefits Expenses	20	244.54	206.60	151.53
Finance Costs	21	311.24	191.79	227.59
Depreciation and Amortization Expenses	9	219.11	181.22	137.89
Other Expenses	22	1,274.32	1,088.34	732.95
Total		9,775.40	7,472.43	5,365.34
Profit Before Tax		1,045.35	798.30	499.73
Tax Expenses:				
Current Tax		251.39	198.50	99.26
Short Provision of Tax in Earlier Years		3.24	10.34	6.85
MAT Credit Entitlement		(41.91)	(87.59)	-
Deferred Tax		39.65	67.28	(1.01)
Total		252.37	188.53	105.10
Profit for the Year (Before Adjustment for Minority Interest)		792.98	609.77	394.63
Share of Gain / (Loss) Transferred to Minority Interest		3.83	3.66	(0.33)
Profit for the Year		789.15	606.11	394.96
Earnings Per Equity Share: (In Rs.) (Face Value of Rs. 2/- each)				
Basic & Diluted	24	14.04	10.79	7.03
See accompanying notes forming part of the consolidated summary financial statements.				

As per our report of even date

For, Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. AHMEDABAD

For and on behalf of the Board

(Sandeep P. Engineer)
Managing Director

(Jagruti S. Engineer)
Excecutive Director

(Amish Shah)
Company Secretary

Place : Ahmedabad
Date : November 25, 2014

Place : Ahmedabad
Date : November 25, 2014

ASTRAL POLY TECHNIK LIMITED

CONSOLIDATED SUMMARY CASH FLOW STATEMENT

(Rs. In Million)

No.	Particulars	2013-14	2012-13	2011-12
A	Cash flow from Operating Activities			
	Profit before tax	1,045.35	798.30	499.73
	Adjustments for :			
	Depreciation & Amortization	219.11	181.22	137.89
	Finance Costs	308.76	145.28	166.93
	Allowance for doubtful debts	6.95	23.50	17.46
	Unrealised Foreign Exchange Fluctuation (Net)	2.46	46.51	60.67
	Loss/(Profit) on Sale of Fixed Assets	0.94	(0.02)	0.47
	Dividend From Current Investment	-	-	(0.16)
	Gain on Sale of Current Investment	(9.27)	(12.72)	(9.05)
	Interest Income	(9.04)	(3.09)	(8.51)
	Operating profit before Working Capital Changes	1,565.26	1,178.98	865.43
	Adjustments for :			
	(Increase)/Decrease in Inventories	(445.07)	(234.09)	(401.31)
	Increase in Trade & Other Receivables	(464.61)	(168.40)	(309.10)
	Increase/(Decrease) in Trade Payables	245.09	(37.22)	787.53
	Cash generated from Operations	900.67	739.26	942.55
	Direct Taxes Paid	(228.82)	(91.30)	(91.48)
	Net Cash Flow from Operating Activities (A)	671.85	647.96	851.07
B	Cash flow from Investing Activities			
	Purchase of Fixed Assets	(959.65)	(695.70)	(693.97)
	Proceeds from Sales of Fixed Assets	1.49	5.26	0.61
	Capital Work In Progress	37.87	9.73	(2.28)
	Interest Received	9.04	3.09	8.51
	Increase/(Decrease) In Investment	-	-	0.01
	Gain on Sale of Current Investment	9.27	12.72	9.05
	Dividend From Current Investment	-	-	0.16
	Excess of consideration paid over the book value of assets acquired from Joint Venture, Astral Pipes Limited, Kenya	(6.90)	-	(1.95)
	Net Cash used in Investing Activities (B)	(908.88)	(664.90)	(679.86)
C	Cash flow from Financing Activities			
	Proceeds from Bank Borrowing (Net)	476.39	(48.08)	277.92
	Finance Cost	(308.78)	(145.28)	(166.93)
	Dividend paid (including dividend distribution tax)	(36.15)	(29.39)	(29.39)
	Net Cash flow from / (used in) Financing Activities (C)	131.45	(222.75)	81.60
	NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(105.58)	(239.68)	252.81
	Cash and Cash Equivalents At the Beginning of the Year	115.23	355.11	102.29
	Effect of Foreign Exchange rate change	(0.00)	(0.20)	0.01
	Cash and Cash Equivalents At the end of the Year	9.65	115.23	355.11

Note: 1 Cash and Cash Equivalents represents Cash and Bank Balances. (refer note no. 13)

2 Fixed Deposits are pledged with a bank towards Letters of Credit / Bank Guarantees.

As At	(Rs. In Million)
March 31,2014	0.10
March 31,2013	0.59
March 31,2012	0.06

3 Cash and Cash Equivalents include of unclaimed dividend not available for use by the Company.

As At	(Rs. In Million)
March 31,2014	0.21
March 31,2013	0.19
March 31,2012	0.17

4 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date

For, Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner

For and on behalf of Board

(Sandeep P. Engineer)
Managing Director

(Jagruti S. Engineer)
Excutive Director

(Amish Shah)
Company Secretary

Place : Ahmedabad
Date : November 25, 2014

Place : Ahmedabad
Date : November 25, 2014

RISK FACTORS

This section describes the risks that we currently believe may materially affect our business and operations. You should carefully consider the following, in addition to any forward-looking statements and the cautionary statements in this Placement Document and the other information contained in this Placement Document, before making any investment decision relating to the Equity Shares. Prospective investors should read this section in conjunction with the sections "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as other financial and statistical information contained in this Placement Document. The risks described below are not the only ones relevant to us or the Equity Shares. Additional risks that may be unknown to us and some risks that we do not currently believe to be material could later turn out to be material. Although we seek to mitigate or minimize these risks, one or more of a combination of these risks could materially and adversely impact our business, financial condition and results of operations. Investors should pay particular attention to the fact that the Company is an Indian company and is subject to a legal and regulatory regime which in some respects may be different from that applicable in other countries. Investors should consult tax, financial and legal advisors about the particular consequences of an investment in the Issue.

Unless otherwise indicated, all financial information included in this section have been derived from our audited consolidated financial statements for fiscal 2012, 2013 and 2014 and our reviewed consolidated financial statements as of and for the six months ended September 30, 2014.

We acquired our subsidiary Seal It Services Limited ("Seal It") with effect from August 26, 2014. Our consolidated financial statements as of and for the six months ended September 30, 2014 reflects the consolidation of Seal It financial information for the period between August 26, 2014 and September 30, 2014, and therefore may not be comparable to our consolidated financial statement information for prior reporting periods. We have also recently acquired Resinova Chemie Limited ("RCL") with effect from November 21, 2014, and the effect of such consolidation is not reflected in our consolidated financial statements included in this Placement Document.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Astral Poly Technik Limited and its subsidiaries, including our recently acquired subsidiaries Seal It and RCL, and joint venture entity on a consolidated basis, and any reference to the "Company" refers to Astral Poly Technik Limited.

Risks Relating to Our Business and Operations

Our business and operations may be subject to various risks relating to the recent acquisitions of Seal It and RCL, including the integration and expansion of Seal It's and RCL's operations, which could adversely impact our business strategy, results of operations and financial condition.

Our business and operations are subject to various risks arising out of the recent acquisition of Seal It in August 2014 and RCL in November 2014. We have limited experience in the adhesives and sealants business through our operations at Advanced Adhesives Limited, and our strategy of diversifying our business and expanding our product range into the adhesives and sealants business through the acquisition of Seal It and RCL may not be successful. These risks may adversely impact our business strategy, results of operations and financial condition.

We also intend to utilize the proprietary technology and know-how of Seal It and RCL to expand the adhesives and sealants business in India and internationally, including expanding our manufacturing facilities in India with respect to these products. We may not be successful in integrating the business and operations of Seal It with our existing adhesives and sealants business or achieve the anticipated benefits of the acquisition of Seal It or its proprietary technology or manufacturing and marketing know-how. While we believe that the acquisition of Seal It is likely to result in increased operational synergies resulting from the expansion of a complementary range of products and reducing our reliance on our CPVC and PVC pipes business, there can be no assurance that we will be able to successfully integrate the adhesives and sealants business into our existing manufacturing operations or distribution network or otherwise achieve the synergies and other benefits we expect from such acquisition. There may not be commercial acceptance by consumers in India of the range of Seal It adhesive and sealant products or other similar products that we may manufacture and market in the future at the rate or level expected, and we may not be able to successfully adapt such integrated product offerings effectively and economically to meet customer demand. In addition, we face the risk of unforeseen complications in the integration of our manufacturing operations and distribution infrastructure and the deployment of integrated product offerings, and there can be no assurance that our estimate of the necessary capital expenditure and other resources to offer such integrated product offerings will not be exceeded. Any difficulties encountered in integrating and/or managing the adhesives and sealants business could result in increased costs and adversely affect our operating margins and results of operations.

The information relied on by us with respect to the business and operations of Seal It and RCL may be incomplete or inaccurate, and we may be subject to unforeseen risks, liabilities and obligations. In particular, Seal It and RCL were privately owned unlisted companies until our recent acquisition of such entities, and were not subject to operational controls, financial reporting procedures and corporate governance processes that are comparable to the controls and processes applicable to us as a publicly listed entity. There may be infirmities or irregularities in the operational and financial reporting procedures or in compliance with regulatory and other requirements by such entities, and we may be subject to unforeseen risks, liabilities and obligations in this regard. We may also be required to expend significant management and other resources to ensure that the operational and financial reporting standards followed by Seal It and RCL are integrated to those followed in our existing operations. In addition, we may not have any recourse against the entities from which we have acquired our shareholding in Seal It and RCL in connection with any loss that may arise out of such acquisitions.

Further, Seal It is a United Kingdom Company and its financial statements are denominated in GBP, have been prepared under applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and have been audited in accordance with applicable law and International Standards on Auditing (UK and Ireland). United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) may vary significantly from Indian GAAP used in the preparation of financial statements of our Company and its Indian subsidiaries denominated in Indian Rupees. Accordingly, the presentation of the audited and reviewed financial statements of Seal It included in this Placement Document may not be comparable with the audited and reviewed consolidated financial statements of our Company included in this Placement Document.

In addition, we may require additional capital for the successful expansion of the manufacturing operations and distribution network required for the adhesives and sealants business and the integration of this business and operations with our existing operations. We expect to incur further expenditure to acquire additional equipment and the expansion of our manufacturing facilities in connection with the expansion of the adhesives and sealants business, and to develop a pan-India distribution network for such products. An inability to raise adequate finances in a timely manner and on commercially acceptable terms for the expansion of the adhesives and sealants business and the integration of the business and operations of Seal It and RCL with our existing operations could materially and adversely affect our business, results of operations and financial condition.

The Seal It acquisition was carried out based on valuation established by independent accountants. However, no independent valuation was obtained at the time of acquisition of RCL. There can be no assurance that current valuations will be reflective of future valuations in the adhesives and sealants industry or that such current valuation are comparable to that of listed companies in such industry.

Our results of operations and financial condition following the recent acquisition of Seal It and RCL will not be comparable to those prior to such acquisition.

We have included in this Placement Document our audited consolidated financial statements for fiscal 2012, 2013 and 2014 and our consolidated financial statements as of and for the six months ended September 30, 2014 that have been subjected to a limited review by our statutory auditors. We have also included in this Placement Document the standalone financial statements of Seal It for fiscal 2012 and 2013, the consolidated financial statements of Seal It for fiscal 2014 and the standalone financial statements of Seal It as of and for the six months ended September 30, 2014 (collectively, the "**Seal It Financial Statements**"). We have also included in this Placement Document the financial statements of RCL for fiscal 2012, 2013 and 2014 and as of and for the six months ended September 30, 2014 (collectively, the "**RCL Financial Statements**").

Since the acquisition of Seal It took place with effect from August 26, 2014, although our consolidated financial statements as of and for the six months ended September 30, 2014 included in this Placement Document reflects the consolidated balance sheet as of September 30, 2014, it only reflects the results of operations of Seal It for the period between August 26, 2014 and September 30, 2014.

Similarly, since the acquisition of RCL took place with effect from November 21, 2014, our consolidated financial statements as of and for the six months ended September 30, 2014 included in this Placement Document does not reflect the consolidation of RCL financial information.

This Placement Document does not include any pro forma profit and loss statement or balance sheet prepared in accordance with the laws and regulations of the United States or any other jurisdiction, which would have shown the effect of the Seal It acquisition and the RCL acquisition on our historical results of operations and financial condition, assuming that the Seal It and RCL acquisition had occurred at the beginning of the relevant reporting period.

Investors are cautioned that they will therefore need to base their assessment of our consolidated results of operations and financial condition subsequent to the Seal It and RCL acquisition on the basis of our historical consolidated financial statements for fiscal 2012, 2013 and 2014 and as of and for the six months ended September 30, 2014, the Seal It Financial Statements, the RCL Financial Statements and other information with respect to Seal It and RCL included in this Placement Document and the management's discussions with respect to the effects of such acquisitions on our business, results and of operations and financial condition included in *"**Management's Discussion and Analysis of Results of Operations and Financial Condition – Principal Factors affecting Results of Operations and Financial Condition – Acquisition of Seal It and RCL**"* on page 65.

We are significantly dependent on Lubrizol and its affiliates for our business and operations, including for the supply of critical raw materials, technology for the manufacture of our CPVC products and license of Lubrizol trademarks, under which we sell our CPVC products.

We have entered into several agreements with Lubrizol and its various affiliates for the supply of CPVC compounds and resins for the manufacture of our CPVC products, technology licenses used in the manufacture of such CPVC products and trademark licenses for the use of Lubrizol owned brands and trademarks that we use for the sale of our CPVC products. For further information on such arrangements, see "***Business – Technology and Brand Collaborations***" on page 113. The sale of our CPVC products represented 62.47%, 59.26%, 58.17% and 53.60% of the Company's net revenue from operations in fiscal 2012, 2013, 2014 and in the six months ended September 30, 2014. In addition, we also benefit from exposure to new markets by participating in marketing activities carried out by Lubrizol. We are therefore significantly dependent on Lubrizol and its affiliates for our business and operations, and an inability to continue our existing relationship with Lubrizol will materially and adversely affect our business prospects, results of operations and financial condition.

Our technology licensing, trademarks licensing and raw material supply arrangements with Lubrizol are for specified periods of time and are automatically renewable unless otherwise terminated by Lubrizol. These agreements may be terminated by Lubrizol for any breach by us of any term of such agreements, including, for example, if we use Lubrizol brands or trademarks on products not manufactured entirely using Lubrizol-supplied CPVC compounds, components and technology, if our manufacturing processes or products do not meet quality standards specified by Lubrizol, or if we sell our products outside the agreed geographical markets. In addition, certain of these licensing agreements, such as the agreements relating to the Corzan and Blazemaster products, may be terminated immediately in certain circumstances such as liquidation.

Our business operations and a significant portion of our revenues are therefore directly dependent on the continuation of our existing arrangements with Lubrizol. Lubrizol may, at its discretion, refuse to renew our existing agreements or may enter into similar licensing arrangements with our existing competitors or other plumbing and drainage products companies in India. Lubrizol and its affiliates are one of the largest suppliers of raw materials, technology, manufacturing know-how and marketing and distribution network for CPVC products. We may not be immediately able to enter into similar arrangements with other CPVC compound suppliers with similar technologies or brands and this may adverse effect our business prospects, results of operations and financial condition.

Our business is dependent on the performance of the real estate, infrastructure, agriculture and other industries where our plumbing and drainage products and solutions are used.

Our plumbing and drainage products are primarily used in the real estate, agriculture, infrastructure and related sectors. The performance of these industries and sectors, and consequently the demand for our products in these sectors, are dependent on economic and other factors such as government policies, regulations and budgetary allocations as well as investments made in these industries and sectors. The financial performance of the end users of our products and any adverse developments that affect the plumbing and drainage products industry and the real estate, infrastructure and related sectors where our products are used may adversely affect our business, results of operations and financial condition.

We are exposed to risks relating to any fluctuation in the price or the availability of raw materials.

Our business and operations are affected by the availability, cost and quality of the raw materials required for the manufacture of our products. CPVC compound represents the primary raw material used in the manufacture of our CPVC products while PVC resin is the primary raw material for our PVC products. Raw material costs account for a significant percentage of our operating expenses, and represented 77.66%, 75.89%, 75.98% and 78.25% of the Company's total expenditure in fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, respectively.

We are dependent on third party suppliers for our primary raw materials. We have entered into a supply agreement with Lubrizol for the supply of CPVC compound which is extended from time to time. We have not entered into any long term supply agreements for any of our other raw materials, including for the supply of PVC resin, which is primarily procured from Reliance Industries Limited. The supply and price of our raw materials are dependent on various factors beyond our control, including prevailing economic condition, competition, availability of quality suppliers, production levels in our industry, transportation costs, import duties, fuel prices, trade restrictions and currency exchange rates. In the event that any of our primary raw material suppliers reduces or discontinues the supply of our raw materials to us in the quantities we require, or supply raw materials that do not meet quality specifications, or at prices that are not competitive or not commercially acceptable to us, our ability to meet our raw material requirements will be affected, our manufacturing schedules may be disrupted and our business and operations may be adversely affected. In the event that we are unable to pass on any increase in our raw materials costs to the end customers by increasing the price of our products, our operating margins, profitability and results of operations will be adversely affected.

The loss, shutdown or slowdown of operations at any of our manufacturing facilities or underutilisation of our manufacturing capacities may have a material adverse effect on our business and results of operations.

Our manufacturing facilities are subject to various operating risks, including the breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, the occurrence of any of these risks could affect our operations by causing production at one or more facilities to shut down or slow down. Our production capacity is subject to several variables such as availability of raw materials, power, water, efficient working of machinery and equipment and optimal production planning and capacity utilization. There can be no assurance that we will be able to utilize our manufacturing facilities to their full or optimal capacity, and non-utilization of such capacities may lead to loss of profits or may result in losses.

Due to the nature of our business we are required to comply with various safety requirements and standards. Such operating risks may result in non-compliance with government regulations, property damage, environmental damage and personal injury which may result in the imposition of civil and criminal penalties, and this may adversely affect the public perception of our operations.

Although we believe that our insurance coverage is adequate to cover various risks associated with our business and is generally consistent with industry practice, we may suffer uninsured losses. In the event that any uninsured risks materialize we may be exposed to substantial costs and losses that could materially and adversely affect our results of operations and financial condition.

A significant portion of our revenues are generated by a limited number of key distributors for our products. The loss of, or a significant reduction in the revenues generated from such key distributors may adversely affect our business, results of operations and financial condition.

Our business is dependent on developing and maintaining a continuing relationship with our distributors as a significant portion of our revenues are generated by a limited number of key distributors for our products. In fiscal 2014 and in the six months ended September 30, 2014, our top ten distributors accounted for 30.79% and 27.74%, respectively, of our net revenues from operations in such periods. While our top ten distributors are not necessarily the same in every fiscal year or reporting period, our key distributors contribute a significant proportion of our total revenues. An inability to develop and maintain our relationship with key distributors and their dealers by providing quality products, effective branding and marketing for such products, attractive commercial arrangements with our distributors such as credit terms, or effective training and network support for their respective dealers, may result in loss of key distributors. There can be no assurance that we will be able to maintain or increase the historic levels of business from our key distributors, or that we will be able to immediately and successfully replace these key distributors at terms acceptable to us, should we lose any or all of them. Any loss of such key distributors, may adversely affect our business, results of operations and financial condition.

Information relating to the estimated production capacities of our manufacturing facilities included in this Placement Document is based on various assumptions and estimates and actual production may vary from such estimated production capacity information.

The information relating to the estimated production capacities of our manufacturing facilities included in this Placement Document is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential plant utilization levels and potential operational efficiencies, and has not been independently verified. Capacity additions to our manufacturing facilities have been made on an incremental basis, including through expansion of our manufacturing facilities, addition of equipment or production lines from time to time, and improving material handling and other operational efficiencies in the manufacturing process. Actual production levels and capacity utilization rates may differ significantly from the estimated production capacities of our manufacturing facilities. In addition, capacity utilization is calculated differently in different countries, industries and for the different kinds of plumbing and drainage products we manufacture. Undue reliance should therefore not be placed on the estimated production capacity information for our existing manufacturing facilities and any proposed additional capacity information included in this Placement Document.

We are subject to extensive government regulation in jurisdictions where we operate, and our inability to obtain, maintain or renew our statutory and regulatory permits and approvals required in connection with our operations may adversely affect our business and operations.

Our manufacturing operations are subject to extensive regulation and we are required to obtain, maintain and renew various statutory and regulatory permits, certificates and approvals in connection with our business and operations.

Regulatory permits required for our operations may also be subject to periodic renewal and, in certain circumstances, modification or revocation. There can be no assurance that the relevant authorities will issue or renew any such permits or approvals in time or at all. Any failure or delay in obtaining approvals or failure by us to obtain, maintain or renew the requisite permits or approvals within applicable time or at all may result in interruption of our operations. Any such failure or delay in obtaining approvals relating to our operations may result in penal action against us, restraining our operations, imposing fines or penalties or initiating legal proceedings, thereby adversely affecting our business, results of operations and financial condition.

Further, we may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of any alleged violations of or noncompliance with permits required at our facilities in the future, which, as a result, may have an adverse effect on our business and financial condition.

Conditions and restrictions imposed by our financing arrangements may restrict our ability to conduct our business and operations.

As at September 30, 2014, we had secured loans aggregating ₹ 2,187.08 million and unsecured loans aggregating ₹ 61.98 million. We may in the future incur additional indebtedness in connection with our operations. Our indebtedness could have several important consequences on our future financial results and business prospects, including but not limited to the following:

- a substantial portion of our cash flow will be used towards servicing and repayment of our existing debt, which will reduce the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;

- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favorable to us may be limited;

- fluctuations in market interest rates will affect the cost of our borrowings;
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions;
- we may have difficulty satisfying payment and other obligations under our existing financing arrangements and an inability to comply with these requirements could result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our assets; and
- we may be restricted from making dividend payments to our shareholders under certain circumstances.

Most of our loans are secured by way of mortgage of fixed assets and hypothecation of current assets both present and future. Many of our financing agreements include various conditions and covenants restricting certain activities and certain transactions. Specifically, we may require, and may be unable to obtain, lender consents to sell or dispose assets charged, effect change in capital structure, undertake guarantee obligations, undertake new project or expansion, effecting any consolidations or mergers, acquire fixed assets, make any significant change in management and permit any transfer of controlling interest.

Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements and may adversely affect our ability to conduct our business and operations or implement our business plans. There can be no assurance that, in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under the debt financing arrangements could have an adverse effect on our cash flows, business and results of operations.

Our intellectual property rights may not be adequately protected against third party infringement.

We are the registered owners of certain trademarks and logo. We have also applied for registration of various trademarks in relation to our products, and we have also been licensed to use certain trade marks by other companies. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of these trademarks or logos and our other intellectual property rights. Also there can be no assurance that we will be granted the registration for such trademarks and logos and until such time any infringement of such mark may adversely affect our business.

While we endeavor to ensure that we comply with the intellectual property rights of others, there can be no assurance that we will not face any intellectual property infringement claims brought by third parties that may require us to introduce changes to our operations, including our manufacturing processes. We may also be susceptible to claims from third parties asserting infringement and other related claims relating to trademarks and brands under which we sell our products. Any such claim could adversely affect our relationship with existing or potential customers, result in costly litigation and divert management’s attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages, prevent us from using technologies, or require us to negotiate licenses to disputed rights from third parties. Any of the foregoing could adversely affect our business, results of operations and financial condition.

We are dependent on various technology licenses for the manufacture of certain of our products and on trademark or brand licenses for the sale of such products. We have also entered into certain distribution arrangements for certain of our traded products. Termination or alteration of the terms of such agreements may adversely affect our business prospects and results of operations.

In the past we have relied upon, and in the future we will continue to rely upon, various technology licensing agreements and arrangements for the technology and/or know-how used in the manufacture of some of our products. We typically enter into trademarks and/or brand licencing arrangements for the sale of such products. For example, we have entered into various technology and trademarks licensing arrangements with Lubrizol in connection with certain key CPVC products such as Flow Guard Plus, Corzan, Bendable and Blazemaster. We have also entered into similar arrangements with Weld-on Adhesives Inc., for the manufacture and sale of certain adhesive products. Through these agreements, we have been licensed certain key technologies and intellectual property which we utilize to manufacture some of our products. We have also entered into certain distributorship agreements for certain of our traded products. If a licensor were to license the technology licensed to us to a competitor of ours, our business may be adversely affected. While we endeavour to maintain amicable business relationships with our licensors to ensure access to future technology and to ensure support from the licensors when needed, there can be no assurance you that these agreements will not be terminated or that we will be able to obtain access to such future technologies.

If any of these agreements are terminated, we may not be able to manufacture our products or if the terms of the license of these technologies are altered, there can be no assurance that we would be able to comply with all the conditions of the license or we may not be able to manufacture such products in a commercially viable manner. If our ability to use such technology was restricted, our business prospects, results of operations and financial condition will be materially affected.

An inability to address changing industry standards and consumer trends through continuous product development initiatives may adversely affect our business, results of operations and financial condition.

The future success of our business and operations will depend in part on our ability to respond to technological advances, consumer preferences and emerging industry standards and practices in a cost-effective and timely manner. The development and implementation of such new technology entails technical and business risks. We may have to incur substantial capital investment to upgrade our equipment and manufacturing facilities. While we continue to invest in various product development initiatives, introduction of new technologies and processes for the development of new products, we are subject to general risks associated with introduction and implementation of new products including the lack of market acceptance and delays in product development. There can be no assurance that we will be able to successfully develop new products or that such new products will receive market acceptance or adapt our production processes to incorporate new technologies or address changing consumer trends or emerging industry standards. An inability to do so may adversely affect our business, results of operations and financial condition.

Any deficiency in the quality of our products may expose us to product liability claims.

We are subject to laws and regulations relating to product liability arising from the manufacturing and sale of our products. If any products sold by us to our customers do not comply with the quality specifications or standards prevalent in the industry, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations. In addition, we may incur liability for defective products, product recalls, and delays in delivery or fulfilling contracts. Although we have not experienced any major product liability claims, there can be no assurance that our customers, end-users of our products or unrelated third parties will not make claims against us in the future that may result in adverse publicity. In case of any such product liability claims in the future, there can be no assurance that any product liability insurance we may obtain in the future will be sufficient to indemnify us against such liabilities. All these may adversely affect our financial condition and results of operation.

We are also dependent on third party transporters for the timely supply of raw materials to our facilities and delivery of our products to our customers, which are subject to uncertainties and risks.

We also use third-party transportation services for the supply of raw materials to our manufacturing facilities. Disruptions of transportation services because of various reasons such as weather-related problems, strikes by Indian truckers' union, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to source raw materials and our ability to supply our products to our customers in a timely manner. In addition, all of our CPVC compound and resin, which is the principal raw material used in the manufacture of our CPVC products, is imported and therefore subject to risks associated with transshipments of such CPVC compounds, resin and related components. There can be no assurance that such disruptions will not take place in the future. In addition, significant increases in transportation costs due to various reasons such as increase in crude oil prices may adversely impact our profitability and results of operations.

Any shortage or non-availability of electricity may adversely affect our manufacturing processes and have an adverse impact on our business operations.

The manufacturing processes involved in the manufacture of our products, particularly CPVC and PVC products, require substantial amounts of electricity. We may face interruptions in the supply of power resulting from power shortages and as a result our operations may be adversely affected. We depend on power supplied by the State electricity board for our manufacturing facility requirements. While we have not in the past been affected by any major power interruptions, such interruptions could occur in the future as a result of any natural calamity, technical fault or power shortages beyond our control. This could also result in an increase in the cost of power which may adversely affect our results of operations.

The limited review report on our unaudited consolidated financial statements for the six months ended September 30, 2014 and the audit reports for fiscal 2013 and 2014 of our recently acquired subsidiary RCL include certain qualifications and matters of emphasis.

Our Company

The limited review report on our unaudited consolidated financial statements for the six months ended September 30, 2014 includes certain matters of emphasis relating to: (i) any loss or gain arising on foreign exchange rate fluctuations on outstanding balances as at the end of such six month period has not been given effect in such consolidated financial statements as the Company proposes to account for any such loss or gain on foreign exchange rate fluctuations at the end of the fiscal year. Such loss for the six months ended September 30, 2014 was ₹ 54.82 million, resulting in profit and reserves and surplus for such period being overstated by ₹ 54.82 million, and borrowings being understated by ₹ 54.82 million; and (ii) in addition, our unaudited consolidated financial statements as of and for the six months ended September 30, 2014 includes the interim financial statements of our joint venture entity in Kenya that has not been either audited or reviewed, but have been based on the certified accounts provided by management.

RCL

The audit reports of Shailesh Vishesh & Co., statutory auditors of our recently acquired subsidiary RCL, also include certain qualifications: the audit report on the financial statements for fiscal 2013 and 2014 stated that liability for retirement gratuity payable to employees was provided on accrual basis in accordance with the provisions of the Payment of Gratuity Act, 1972, as amended, and not in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, as amended. A liability of ₹ 1,426,576.00 and ₹ 2,083,307.00 for retirement gratuity has been charged to the profit and loss account in fiscal 2013 and 2014, respectively; however, in the absence of valuation of such liability as per actuarial valuation, the effect of such deviation is not determinable.

An inability to compete effectively may lead to lower market share or reduced operating margins and adversely affect our operations and profitability.

We sell our products in highly competitive markets. As a result, in order to remain competitive, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. If we fail to do so, other producers may be able to sell their products at lower prices, which may have an adverse effect on our market share and results of operations. Certain competitors may be larger than us and may have greater financial resources than us, or may benefit from greater operating efficiencies. If we are unable to effectively compete with our competitors in future and manage our costs efficiently, our operating margins and results of operations may be adversely affected.

Furthermore, the introduction of alternative plumbing or drainage materials, systems or products, or alternative forms of industrial and other adhesives and sealants, resulting from advances in technology or changes in consumer preferences, may reduce demand for our existing products and may adversely affect our business prospects. Any failure on our part to meet the changing demands of our businesses will have an adverse effect on our business, results of operations and financial condition.

Our success depends on our senior management and skilled manpower and an inability to attract and retain key personnel may have an adverse effect on our business prospects.

Our experienced senior management and Directors have had significant contribution to the growth of our business, and our future success is dependent on the continued service of our senior management team. An inability to retain any key management personnel may have an adverse effect on our operations. Our ability to successfully grow our plumbing and drainage products and solutions business and diversify into the adhesives and sealants business, as well as the ability to successfully integrate and manage the recently acquired businesses of Seal It and RCL also depends on our ability to attract, train, motivate and retain highly skilled professionals. We continue to face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify into new products and the adhesives and sealants business. The loss of any of the members of our senior management team, our whole time directors or other key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business, results of operations, financial condition and growth prospects.

We are involved in certain legal and regulatory proceedings that if decided against us may adversely affect our business operations, results of operations and financial condition.

We are involved in certain material legal and regulatory proceedings pending at different levels of adjudication before various courts and tribunals. In the event of any new development such as a change in Indian law or a ruling against us by any such court or tribunal, we may be required to make provisions in our financial statements. There can be no assurance that these legal proceedings will be decided in our favor. Furthermore, we may also not be able to quantify all the claims in which we are involved.

Such material litigation includes:

- Two civil suits against our Company; filed by Mr. R. Suresh Babu, disputing the validity of the registered sale deed pursuant to which our Company acquired an aggregate of five acres of land at Hosur Taluk, Krishnagiri district, Tamil Nadu; and filed by Ashirvad Pipes Private Limited, alleging that our Company had infringed upon the design rights and intellectual property rights of the plaintiff by copying, manufacturing and selling the alignments systems registered by the plaintiff for the protection of its design rights and intellectual property rights on such products;
- Four sales tax matters involving our Company, pending before the Assistant Commissioner of Commercial Tax, Ahmedabad, involving demand of sales tax, and certain claimed procedural irregularities, where the amounts involved aggregate to approximately ₹ 7.54 million, which has been paid by our Company under protest.
- 10 income tax matters involving our Company with the tax authorities, pending at various levels of adjudication, pertaining to disallowance of claimed deductions, where the amounts involved aggregate to approximately ₹ 80.30 million.
- Objections in relation to the trade marks ‘RESIBOND’ and ‘ZENOX’ against our subsidiary, RCL.
- Demand of additional stamp duty against our subsidiary, RCL, in relation to land purchased in Rania Village by the Additional District Magistrate, Finance Department of ₹ 176,045. The Additional District Magistrate also imposed a penalty of ₹ 528,500 together with penal interest.
- Three sales tax matters involving RCL, involving amounts aggregating to approximately ₹ 5.03 million pending at various stages of adjudication.

Further, Advanced Adhesives Limited had filed an application dated November 6, 2012 with the Reserve Bank of India for compounding contraventions of certain provisions of FEMA, in relation to delay in reporting receipt of foreign inward remittance towards subscription of equity; delay in submission of Form FC-GPR pursuant to the issue of shares to a person resident outside India; and delay in allotment of shares/refund of excess share application money beyond the stipulated time period. Pursuant to an order dated November 8, 2012, the Reserve Bank of India directed Advanced Adhesives Limited to pay a penalty of ₹ 0.02 million, which was paid by Advanced Adhesives Limited.

For details, see “***Legal Proceedings***” on page 176.

Extensive environmental, health and safety laws and regulations may result in increased liabilities and capital expenditure.

Our operations are subject to various environmental, health and safety laws including industry specific regulations, including stringent regulations that apply to fire sprinkler systems and plumbing and drainage products and solutions used across various industries, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981, in order to establish and operate our manufacturing facilities in India. Our operations, facilities and properties in the United Kingdom and Kenya are also subject to local environmental and occupational health and safety laws and regulations.

While we believe that our manufacturing facilities are in compliance with applicable environmental laws and regulations, we may be subject to additional requirements due to changing governmental policies and regulations. We would also incur additional costs and liabilities related to compliance with these laws and regulations. We are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by air emissions, wastewater discharges, solid and hazardous waste handling and disposal, and the investigation and remediation of contamination. These laws and regulations are increasingly becoming stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. These laws can impose liability for non-compliance with health and safety regulations or clean up liability on generators of hazardous waste and other substances that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities. While we intend to comply with applicable environmental legislation and regulatory requirements, it is possible that such compliance may prove restrictive and onerous.

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.

While we have not experienced any significant employee related issues in the past, there can be no assurance that we will not in the future experience any strikes, work stoppages or other industrial actions or that these situations will not disrupt our business and operations. In the event that we are unable to manage any employee related issues or negotiate any settlement with our employees on acceptable terms, it could result in strikes, work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, such industrial disruptions or work stoppages may result in production losses and delays in delivery of products, which may adversely affect our business prospects, reputation, and results of operations.

We may undertake strategic acquisitions, investments or divestitures, which may prove to be difficult to integrate and manage or may not be successful, and may affect our financial condition.

As part of our strategy for growth, we may consider making strategic acquisitions of companies whose resources, capabilities and strategies are complementary to and are likely to increase our product portfolio, expand our distribution network and/or develop new customers. We may also enter into strategic alliances or joint ventures to explore such opportunities or make significant investments in entities that we do not control to capitalize on such business opportunities, and there can be no assurance that such strategic alliances, joint ventures or investments will be successful. It is possible that we may not be able to identify suitable acquisition or investment opportunities or that in the event we do so, we may not be able to complete those transactions on commercially acceptable terms, which may adversely affect our competitiveness or our growth prospects. If we acquire another company we could face difficulty in integrating the acquired operations. In addition, the key personnel of the acquired company may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

There can also be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment. In addition, we may also pursue divestitures which may not be completed or, if completed, may not be ultimately beneficial to us, and may have an adverse effect on our financial results and business operations. For example, we recently acquired a majority shareholding in Seal It in August 2014 and RCL in November 2014. There can be no assurance that these recently acquired businesses will be successfully integrated into our existing business operations, and that such acquisitions will result in an increase in our revenues or profit. In addition, both these acquisitions are in the adhesives and sealants business, where we have limited experience, and there can be no assurance that these businesses will be successful.

An inability to successfully manage our international operations could adversely affect our business and results of operations.

We have in August 2014 acquired Seal It, an adhesives and sealant company headquartered in the United Kingdom with sales in the United Kingdom, Europe, the Middle East and Africa. We also export some of our products. Following this acquisition of Seal It, we have established significant operations outside India. We also continue to have a shareholding interest in Astral Pipes Limited in Kenya. An inability to successfully manage our international operations could adversely affect our business and results of operations. Our international operations and exports to international markets may be adversely affected by governmental regulation in the countries in which we transact business. In particular, price controls, different tax regimes and changes in laws and regulations relating to such matters may affect our business and result of operations. If these regulations apply to us, they may require us or our subsidiary to obtain appropriate licenses or permits in order to conduct our operations or enter into a joint venture, agency or similar business arrangement with local individuals or businesses in order to conduct business in those countries. Further, changes in the operating environment, including changes in the tax laws and currency/repatriation controls, including on retroactive basis, could impact the determination of our tax liabilities for any given tax year. In addition, we may become involved in proceedings with regulatory authorities that may require us to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for compliance with such laws and regulations.

An inability to effectively manage our growth could disrupt our business and results of operations.

We have experienced significant growth in recent years and expect our business to grow significantly as a result of our expanded operations. In addition, following our significant acquisitions of Seal It in August 2014 and RCL in November 2014, we have further expanded our operations in the adhesives and sealants business, where we historically have limited experience. Our Seal It acquisition has also resulted in a significant expansion in our international operations. We expect this growth to place significant demands on us requiring us to expand and improve our operational, financial and internal controls. In particular, we may face increased challenges in:

- maintaining high levels of customer, distributor and dealer satisfaction;
- potential assumption of unanticipated liabilities and contingencies, including claims from current or former creditors, customers, suppliers, employees and other third parties;
- recruiting, training and retaining sufficient skilled management, technical, execution and marketing personnel;
- adhering to health, safety and environment and quality and process execution standards;
- coordinating and interacting with local representatives and counterparties to fully understand local business and regulatory requirements;
- unforeseen difficulties in extending disclosure and other internal controls and procedures over financial and other reporting and in performing the required assessment and remediation at the newly acquired business;
- preserving a uniform culture, values and work environment across our operations; and
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

Our ability to successfully implement our business strategies also requires adequate information systems and resources and supervision from senior management. An inability to effectively manage our growth may have an adverse effect on our business and results of operations.

We may be unable to obtain future financing on favorable terms, or at all, to fund our operations, expected capital expenditure and working capital requirements.

Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, regulatory changes, economic conditions, technological changes and market developments in the plumbing and drainage systems industry. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

Similarly, our working capital requirements may increase if the payment terms include longer payment schedules or lesser credit period from our suppliers. In case there is insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in and increased amount short-term borrowings. Continuous increase of our working capital requirements may have an adverse effect on our financial condition and results of operations.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including:

- Future results of operations, financial condition and cash flows;
- Economic, political conditions and market scenario for our products;
- Costs of financing, liquidity and overall condition of financial and capital markets in India;
- Issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and
- Limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds.

Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

Any failure in our information technology systems may adversely affect our business, results of operations and financial condition.

Our information technology systems are a critical part of our business and enable us to manage key business processes such as product design and development, customer and dealer relationship management and transaction processing, as well as our financial reporting system. Any delay in implementing critical upgrades to our information management systems or technical failures associated with our information technology systems, including those caused by power failures, computer viruses or unauthorized tampering of our information technology systems, may adversely affect our ability to plan, track, record and analyze work in progress and sales, process, financial information, manage our creditors and debtors, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

We are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect our results of operations.

Changes in currency exchange rates influence our results of operations. A significant portion of our expenses, including cost of any imported raw materials, freight costs, and other operating expenses in connection with our operations in India, as well as certain of our capital expenditure on equipment imported, are denominated in currencies other than Indian Rupees, particularly the U.S. Dollar. In addition, our Seal It operations involve sales in the United Kingdom, Europe and Middle East, while a substantial part of the expenses incurred are denominated in the British Pound Sterling.

Depreciation of the Indian Rupee against the U.S. dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency that we may enter into in the future or any proposed capital expenditure in foreign currencies. Appreciation of the Indian Rupee, on the other hand, may cause our export products to be less competitive.

Furthermore, the financial reporting currency of the Company and its Indian subsidiaries is in Indian Rupees, while the financial reporting currency of Seal It is in British Pound Sterling. Our foreign currency exchange risks therefore arise from the mismatch between our financial reporting currencies, currency of a substantial majority of our revenue and the currency of a substantial portion of our expenses and our indebtedness, as well as timing differences between receipts and payments which could result in an increase of any such mismatch.

Although we selectively enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. dollar, the British Pound Sterling or other relevant foreign currencies.

An inability to successfully implement our expansion plans in India and strategic diversification into the adhesives and sealants business may adversely affect our business and growth prospects, results of operations and financial condition.

We intend to expand our consolidated our market share in CPVC and PVC plumbing and drainage products and solutions in India, and further increase our market share in the eastern and northern regions of India. We also intend to establish additional strategically located manufacturing facilities in east India in the future, that can cater to our distributors, dealers and end customers in eastern and northern parts of India.

Although we have successfully established new manufacturing facilities and have expanded our existing manufacturing facilities in the past, the establishment of new facilities as well as expansion of existing facilities remain subject to various uncertainties including labour issues, increased costs of equipment or manpower, delays in completion, defects in design or construction, changes in laws and regulations, governmental action, delays in obtaining permits or approvals, accidents, natural calamities and other factors, many of which are beyond our control. There can be no assurance that the proposed establishment of additional facilities and/ or capacity additions will be completed as planned or on schedule or that the expected benefits of our additional facilities or expansion of existing facilities will be fully realized. Additional facilities and capacity addition to existing facilities are generally linked to the demand for our products, and if such capacity additions are not matched by a corresponding increase in the demand for our products, our operating rates and margins may face downward pressures. There can also be no assurance that the new and/ or expanded facilities will achieve the production levels that we expect or that we will be able to achieve our targeted return on investments in these projects. Our future capacity expansion plans will require substantial additional capital expenditures, which we intend to meet through various financing activities, primarily through borrowings, as well as internal accruals. There can be no assurance that we will obtain financing for such proposed expansion plans on terms satisfactory to us or at all. Our business and future results of operations may be adversely affected if we are unable to implement our capacity expansion plans

We also intend to introduce new specialized products to target niche markets that we believe present significant growth opportunities, such as blazemaster fire sprinkler systems, column pipes, bendable pipes and certain adhesives. We also intend to leverage our brand name in India associated with quality plumbing products to expand into other building materials and in particular further expand our adhesives and sealants business. We have therefore recently acquired Seal It in August 2014 and RCL in November 2014 and intend to leverage the advanced adhesives manufacturing technologies and marketing know-how of Seal It and RCL to further grow this business and diversify our product offerings. We have limited experience of operating in the adhesives and sealants business and in international markets, and our expansion and diversification strategies may involve significant risks unfamiliar to us. These diversification strategies may require significant capital and other resources, as well as management attention, which could place a burden on our resources and abilities. We are in the early stages of our diversification strategies and may not be able to properly assess the risks, economic viability and prospects of such opportunities. We may not be successful in developing these businesses and there can be no assurance relating to any revenues from or profitability of such business opportunities we intend to pursue. There can also be no assurance that the new products that we introduce in the market will be successful.

Furthermore, there can be no assurance that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to our future operations. Further, our continued expansion and diversification strategy increases the challenges involved in financial and technical management, recruitment, training and retaining sufficient skilled technical and management personnel, and developing and improving our internal administrative infrastructure. An inability to successfully implement our international expansion and strategic diversification into other industries may adversely affect our business and growth prospects, results of operations and financial condition.

Our international operations are subject to political, economic, regulatory and other risks of doing business in those jurisdictions.

Our international operations are subject to political, economic, regulatory and other risks of doing business in those jurisdictions, including uncertain political and economic environments and political instability, as well as legal systems, laws and regulations that are different from the legal systems, laws and regulations that we may be familiar with in India, and which may be less established or predictable than those in more developed countries. In addition, we are required to create compensation programs, employment policies, codes of conduct and other administrative programs that comply with the laws and customs of different jurisdictions. In addition, we may become involved in proceedings with regulatory authorities that may require us to pay fines, unanticipated taxes, comply with more rigorous standards or other requirements or incur capital and operating expenses for compliance with such laws and regulations.

The Promoters, Directors, and certain key management personnel hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.

Certain of our Directors (including our Promoters) and key management personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. There can be no assurance that our Promoters and our key management personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders.

Our financial condition may be adversely affected if any of our contingent liabilities materialize.

As of September 30, 2014, our contingent liabilities as disclosed in the notes to our consolidated financial statements aggregated to ₹ 45.35 million. The details of our contingent liabilities are as follows:

Particulars	**Amount (₹ in Million)**
Contingent Liability	
Bank Guarantees	31.67
Letters of credit for purchases	7.78
VAT, CST and Entry Tax matters under appeal	5.90
Total	**45.35**

If any of these contingent liabilities materialize, our profitability may be adversely affected and our financial conditions and business operation may be adversely affected.

Our ability to raise foreign currency denominated debt outside India may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms or refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business, financial condition and results of operations.

Under India’s policy on external commercial borrowing (“**ECB**”), as notified by the RBI and currently in force (“**ECB Policy**”), ECB by an eligible borrower is permitted under the automatic route up to U.S.$ 750 million in a year, with a minimum average maturity of three years for ECB up to US$ 20 million and five years for ECB of US$ 20 million to US$ 750 million, for permissible end-uses. Permissible end uses for ECB include import of capital goods, new projects, modernization or expansion of existing production units in the industrial and certain other specified sectors, as well as import of services and technical know-how and payment of license fees by manufacturing companies. End uses not permitted include working capital, general corporate purposes, repayment of existing Rupee denominated borrowings, investment in real estate and on-lending or investment for acquisition of a company or part thereof (other than an overseas subsidiary or joint venture, subject to existing laws and regulations governing overseas direct investment by Indian companies). Further, the ECB Policy limits the all-in-cost to 500 basis points above the London Interbank Offered Rate or applicable benchmark for ECB with minimum average maturity of over five years. ECB not complying with these requirements is permitted with prior approval of the RBI, in accordance with the ECB Policy. In addition, there are certain routine procedural and disclosure requirements in relation to any such ECB. These limitations on ECB may constrain our ability to raise cost effective funding for implementing asset purchases, refinancing existing indebtedness, or financing acquisitions and other strategic transactions in the future, which may adversely affect our business, financial condition, results of operations and prospects. These limitations on ECB could constrain our ability to raise cost effective funding for implementing asset purchases, refinancing existing indebtedness, or financing acquisitions and other strategic transactions in the future, which may adversely affect our financial condition and prospects.

Our ability to invest in overseas subsidiaries and joint ventures may be constrained by Indian and foreign laws, which could adversely affect our growth strategy and business prospects.

Under Indian foreign investment laws, an Indian company is permitted to invest in overseas joint ventures or subsidiaries, up to 400% of the Indian company's net worth as at the date of its last audited balance sheet (subject to certain exceptions). This limitation also applies to any other form of financial commitment by the Indian company, including in terms of any loan, guarantee or counter guarantee issued by such Indian company. However, any financial commitment exceeding US$ 1 billion (or its equivalent) in a financial year would require prior approval of the Reserve Bank of India, even when the total financial commitment of the Indian company is within the eligible limit as mentioned above. Further, there may be limitations stipulated in the host country for foreign investment.

Investment or financial commitment not complying with the stipulated requirements is permitted with prior approval of the RBI. In addition, there are certain routine procedural and disclosure requirements in relation to any such overseas direct investment.

These limitations on overseas direct investment could constrain our ability to acquire or increase our stake in overseas entities as well as to provide other forms of financial assistance or support to such entities, which may adversely affect our business and financial condition.

We may not be able to identify and/or acquire suitable land for future expansion of additional manufacturing facilities.

In order to develop additional manufacturing facilities, we will be required to identify and acquire suitable land. Our ability to identify and acquire suitable sites is dependent on a number of factors which may be beyond our control. These factors include the availability of suitable land, the willingness of landowners to sell or lease us the land on attractive terms, the availability and cost of financing, encumbrances on targeted land, government directives on land use, and the obtaining of permits and approvals for land acquisition and development of our manufacturing facility on such land. The failure to acquire targeted land may cause us to modify, delay or abandon our expansion plans which in turn could cause our business to suffer.

Our Promoters and Promoter Group will continue to retain significant control in our Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.

After this Issue, our Promoters and our Promoter Group will beneficially hold approximately 60.59% of our post-Issue Equity Share Capital. As a result, our Promoters and Promoter Group will have the ability to exercise significant influence over the matters requiring shareholders' approval, including the election of Directors and approval of significant corporate transactions. The Promoters and Promoter Group will also be in a position to influence the result of any shareholders' action or approval requiring a majority vote. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control and this could have an adverse effect on our operations and business conditions.

We have entered into certain transactions with related parties in the past and may continue to do so in future. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

We have entered into certain transactions with related parties, including our Promoters and subsidiaries and may continue to do so in future. While we believe that all such transactions have been conducted on an arms-length basis and contain commercial terms, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further information, see our audited consolidated financial statements for fiscal 2012, 2013 and 2014.

Delays or defaults in payments by our distributors and/or any direct customers could adversely affect our results of operations.

We may be subject to working capital risks due to delays or defaults in payment by our distributors and/or any direct clients we sell our products to, which may restrict our ability to procure raw materials and make payments when due. Such defaults or delays by our distributors or customers in meeting their payment obligations to us may have a material adverse effect on our business, financial condition and results of operations.

Increases in interest rates may materially impact our results of operations.

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a significant extent by debt and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Our revenues are subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of these countries could negatively and adversely affect our results of operations.

Taxes and other levies imposed by the GoI or State governments in India that affect our industry include import duties on raw materials, excise duty on the manufacture of our products, central and state sales tax and other levies, income tax, value added tax, octroi tax and entry tax, service tax and other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time. We currently enjoy certain tax incentives in connection with our manufacturing facility at Himachal Pradesh. There can be no assurance that these tax incentives will continue in the future.

Our operations are located in India and the United Kingdom. In addition, our joint venture company Astral Pipes Limited operates manufacturing operations in Kenya. We have also established sales, marketing and distribution offices various other jurisdictions. Consequently, we are subject to the jurisdiction of a significant number of tax authorities and regimes. The revenues recorded and income earned in these various jurisdictions are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. These tax liabilities and tax regimes also involve the assessment of transfer pricing arrangements among the Company and its subsidiaries in different tax jurisdictions, and although we enter into arms-length transactions with respect to the supply of products and raw materials among the Company and its subsidiaries, there can be no assurance that regulatory and tax authorities in the various jurisdictions that we operate in will not disagree with our assessment of such transactions. Changes in the operating environment, including changes in tax law and currency/repatriation controls, including on a retroactive basis, could impact the determination of our tax liabilities for any given tax year. Foreign income tax returns of foreign subsidiaries, unconsolidated affiliates and related entities are routinely examined by foreign tax authorities. These tax examinations may result in assessments of additional taxes or penalties or both.

Risks Relating to the Equity Shares

There is no guarantee that the Equity Shares to be Allotted pursuant to this Issue will be listed on the BSE and NSE in a timely manner or at all, and any trading closures at the stock exchange may adversely affect the trading price of our equity shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares to be Allotted pursuant to this Issue will not be granted until after the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of the Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict the investor's ability to dispose of their Equity Shares. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

The Equity Shares may experience price and volume fluctuations.

The market price of our Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian plumbing and drainage systems sectors, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of our Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, financial condition and results of operations or cash flow.

Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of our Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of fiscal 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

The investors' ability to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Placement Document and may be subject to delays if the RBI or any other government agency's approval is required.

Indian laws contain restrictions on the acquisition and transfer of Indian securities by persons resident outside of India. As such, the Equity Shares have not and will not be registered under the Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. The investors are required to be informed about and observe these restrictions. The information below has been provided for the benefit of investors. However, the information below does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing and reporting requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the Indian income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilising the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities.

We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. Prior to the repatriation of sale proceeds, certain filings must be made with an authorized dealer (bank) remitting the proceeds along with certain documents and undertakings. We cannot guarantee that any approval, if required, will be obtained in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

Currency exchange rate fluctuations may affect the value of the Equity Shares.

Our Equity Shares are, and will be quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

Any future issue of Equity Shares may dilute the investor's shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares by the Company could dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of our Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of our Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognised stock exchange in India for a period of 12 months from the date of the Issue of Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the Allotment of Equity Shares in the Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the recognised stock exchanges in India and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares.

Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having a share capital incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the preemptive rights have been waived by adoption of a special resolution by the Company. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their preemptive rights without our Company filing an offering document or registration statement with the applicable authority in the jurisdiction that they are in or otherwise taking steps to comply with local securities or other laws, the investors will be unable to exercise their preemptive rights unless our Company makes such a filing or take such other steps. In addition, to the extent that the investors are unable to exercise preemptive rights granted in respect of the Equity Shares held by them, their proportional interest in the Company would be reduced.

There are restrictions on daily movements in the trading price of our Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.

Our Equity Shares are, and will be, subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of our Equity Shares, as well as an index-based market-wide circuit breaker. The percentage limit on our Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of our

Equity Shares, and the index-based market-wide circuit breaker shall be set by the Stock Exchanges based on market-wide index variation. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of our Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

Risks Relating to India and Other External Risk Factors

General economic conditions in India and globally could adversely affect our business and results of operation.

Our financial condition and the results of our operations depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, financial performance and operations.

We mainly derive revenue from our operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, rising inflation rates and various other factors. As per the advance estimates released by the Central Statistics Office (CSO), the Indian economy is estimated to have registered a growth rate of 4.7% in Fiscal 2014 (in terms of GDP at factor cost at constant prices). The growth is significantly lower in comparison to the decadal average of 7.6% during Fiscal 2005 to Fiscal 2014. The RBI, in its recent monetary policy reviews, has indicated that inflation continues to be a concern and further tightening measures may be required. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations.

Risk management initiatives undertaken by financial institutions in order to remedy the global economic slowdown could affect the availability of funds in the future or cause the withdrawal of our existing credit facilities. Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of our Equity Shares.

Further any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

- The Companies Act 2013, contains significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions and restrictions on the number of layers of subsidiaries. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profit before tax from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports. We may incur increased costs and other burdens relating to compliance with these new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business and results of operations.

- The GoI proposes to revamp the implementation of direct taxes by way of the introduction of the Direct Taxes Code, 2013 ("**DTC**"). The DTC proposes to consolidate and amend laws relating to income tax and wealth tax. The DTC, has, among things, specified the manner of aggregation and computation of income, minimum alternate tax, wealth tax, dividend distribution tax, provided for certain tax incentives and has specified penalties in the event of contravention of the provisions of the DTC. Further, the DTC has specific rates for taxation, including for dividend distribution and for non-residents. For instance, withholding tax at the rate of 25%, plus effective cess and surcharge, will be applicable for interest (other than specified interest) on any dividends not subject to distribution tax. While in the recent budget, it was mentioned that the GoI is reviewing the DTC in its present form, if the DTC is passed in its present form by both houses of the Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact discussed in this Placement Document will be altered by the DTC.

- The GoI has proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

We have not determined the impact of these recent and proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

Investors may have difficulty enforcing judgments against us or our management.

We are incorporated under the laws of India and majority of our directors and key managerial personnel reside in India. A majority of our assets, and the assets of our Directors and officers, are also located in India. As a result, you may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws. See section titled "***Enforcement of Civil Liabilities***" on page 15.

Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors' assessment of our financial condition. Our failure to successfully adopt IND (AS) may have an adverse effect on the price of our Equity Shares.

The financial data included in this Placement Document has been prepared in accordance with Indian GAAP. There are significant differences between Indian GAAP and IFRS. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("**IFRS**"). These "IFRS based / synchronized Accounting Standards" are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS) in accordance with the roadmap for the convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India ("**MCA**"), through the press note dated January 22, 2010. The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, the Finance Minister, during the Union Budget speech, 2014, proposed the adoption of IND (AS) by Indian companies from fiscal 2016 on a voluntary basis, and from fiscal 2017 on a mandatory basis. Accordingly, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of IND (AS) and for future periods.

Further, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IND (AS) as applied to our financial statements. There can be no assurance that the adoption of IND (AS) will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND (AS) may have an adverse effect on the trading price of our Equity Shares.

Moreover, our transition to IFRS or IFRS-converged reporting may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS or IFRS-converged financial statements. Any of these factors relating to the use of IFRS-converged Indian Accounting Standards may adversely affect our financial condition.

Our Company is subject to various Indian taxes and any adverse development in the taxation regime may have a material adverse effect on our results of operations.

Any increase in taxes and/or levies, or the imposition of new taxes and/or levies in the future, could increase the cost of production/operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

Changes in government policies may have an adverse impact on the business and operations of our Company. Further political, economic and social changes in India could adversely affect our business.

The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Company's shares, may be affected by changes in GoI's policies, including taxation. Social, political, economic or other developments in or affecting India could also adversely affect our business.

Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms including significantly relaxing restrictions on the private sector. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our Equity Shares could change as well. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares. Any adverse change in government policies relating to the plumbing and drainage systems or plastics industry in general and CPVC or PVC compounds in particular may have an impact on our profitability.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of our Equity Shares.

Rights of shareholders under Indian law may differ or may be more limited than under the laws of other

jurisdictions.

The Companies Act and related regulations, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, the Articles of Association and our Listing Agreements govern the corporate affairs of the Company. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in India than as a shareholder of a corporation in another jurisdiction.

Natural calamities and force majeure events may have an adverse impact on our business.

Our industry may be affected by a number of natural hazards including earthquakes, floods, tsunamis and landslides. Natural disasters may cause significant interruption to our operations and disruptions at our manufacturing facilities, or to the operations of our distributors. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

Further, our business operations may be adversely affected by severe weather conditions, which may cause suspension or curtailment of operations and delays in the delivery of materials. This may result in delays to our contract schedules and reduction of our productivity. During periods of curtailed activity due to natural calamities, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

An outbreak of an infectious disease or any other serious public health concerns in India or elsewhere could have a material adverse effect on our business and results of operations.

The outbreak of an infectious disease in India or elsewhere or any other serious public health concern such as Ebola, H1N1 influenza, MERS around the world could have a negative impact on global economies, financial markets and business activities worldwide, which could have a material adverse effect on our business. Although we have not been adversely affected by such outbreaks, there can be no assurance that a future outbreak of an infectious disease or any other serious public health concern will not have a material adverse effect on our business.

Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax, or STT, has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares. Further, the GoI has proposed the introduction of the DTC, to revamp the implementation of direct taxes. If the DTC is passed in its present form by both houses of the Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact discussed above will be altered by the DTC. For further details, see section titled "***Statement of Tax Benefits***" on page 166.

MARKET PRICE INFORMATION

The Equity Shares are listed and traded on BSE and NSE. The stock market data presented below is given for BSE and NSE separately.

(i) The following tables set forth the reported high, low and average closing prices of the Equity Shares and the number of Equity Shares traded on the days such high and low closing prices were recorded on BSE and NSE during the fiscal years ended March 31, 2012, March 31, 2013 and March 31, 2014:

BSE

Year ending March 31	High (₹)	Date of High	Volume on date of high (Number of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (Number of Equity Shares)	Average price for the year (₹)
2012	216.65	September 22, 2011	199,779	129.20	December 30, 2011	644	174.83
2013	409.00	February 19, 2013	67,261	182.65	May 22, 2012	1,987	295.80
2014	617.25	July 25, 2013	935	203.45	September 11, 2013	3,291	391.94

Source: www.bseindia.com

NSE

Year ending March 31	High (₹)	Date of High	Volume on date of high (Number of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (Number of Equity Shares)	Average price for the year (₹)
2012	217.45	September 22, 2011	506,349	129.85	December 30, 2011	1,737	175.13
2013	407.40	February 19, 2013	28,463	183.00	May 22, 2012	32,233	295.65
2014	615.05	July 25, 2013	4,719	203.25	September 11, 2013	10,638	392.15

Source: www.nseindia.com

(ii) The following tables set forth the reported monthly high, low and average of the closing prices of the Equity Shares and the total trading volume on BSE and NSE during the last six months preceding the date of filing of this Placement Document:

BSE

Month	High (₹)	Date of High	Volume on date of high (Number of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (Number of Equity Shares)	Average price for the year (₹)
November 2014	435.45	November 28, 2014	12,590	355.45	November 03, 2014	1,046,923	396.06
October 2014	396.45	October 1, 2014	3,679	355.30	October 31, 2014	65,092	379.38
September 2014	842.50	September 12, 2014	6,211	380.55	September 26, 2014	10,561	741.63
August 2014*	844.95	August 25, 2014	8,680	681.20	August 8, 2014	1,594	746.52
July 2014	728.95	July 3, 2014	2,555	636.90	July 15, 2014	23,427	678.51
June 2014	701.40	June 30, 2014	4,381	594.25	June 3, 2014	1,632	668.40

Source: www.bseindia.com

**56,190,280 Equity Shares of face value ₹ 2 each were sub-divided into 112,380,560 Equity Shares of face value ₹ 1 each by way of a board resolution dated May 3, 2014 and shareholders resolution dated August 25, 2014.*

NSE

Month	High	Date of High	Volume on	Low	Date of Low	Volume on	Average

	(`)		date of high (Number of Equity Shares)	(`)		date of low (Number of Equity Shares)	price for the month (`)
November 2014	435.95	November 28, 2014	93,505	355.05	November 3, 2014	1,869,230	396.25
October 2014	398.40	October 1, 2014	19,322	340.45	October 31, 2014	2,986,898	378.77
September 2014	840.65	September 12, 2014	15,067	376.80	September 26, 2014	49,173	740.60
August 2014*	843.70	August 25, 2014	35,013	683.20	August 1, 2014	6,021	746.35
July 2014	731.90	July 3, 2014	14,567	635.40	July 15, 2014	69,870	679.49
June 2014	705.30	June 10, 2014	13,256	599.05	June 3, 2014	32,568	669.75

Source: www.nseindia.com
**56,190,280 Equity Shares of face value ₹2 each were sub-divided into 112,380,560 Equity Shares of face value ₹1 each by way of a board resolution dated May 3, 2014 and shareholders resolution dated August 25, 2014.*

(iii) The following tables set forth the details of the number of Equity Shares traded and the volume of business transacted during the last six months and the fiscal years ended March 31, 2012, March 31, 2013 and March 31, 2014 on the Stock Exchanges:

Number of Equity Shares traded

Period	NSE	BSE
June 2014	299,735	52,881
July 2014	421,300	139,671
August 2014	358,172	94,204
September 2014	383,160	92,944
October 2014	3,599,977	160,021
November 2014	4,599,847	2,056,295
Year ended March 31, 2012	4,336,250	3,811,551
Year ended March 31, 2013	3,198,625	1,529,216
Year ended March 31, 2014	5,117,071	2,014,950

(Source: www.bseindia.com, www.nseindia.com)

Volume of business in

(₹ in million)

Period	NSE	BSE
June 2014	196	35
July 2014	282	93
August 2014	274	72
September 2014	268	65
October 2014	1,248	59
November 2014	1,735	743
Year ended March 31, 2012	792	675
Year ended March 31, 2013	964	461
Year ended March 31, 2014	2,049	711

(Source: www.bseindia.com, www.nseindia.com)

(iv) The following table sets forth the market price on the Stock Exchanges on August 26, 2014, the first working day following the approval of the Board of Directors for the Issue:

Date	BSE				NSE			
	Open	High	Low	Close	Open	High	Low	Close
Price of the Equity Shares (₹)	863.25	864.00	811.55	825.15	862.90	865.70	810.00	825.95
Volume on the Date (No. of Equity Shares)				5,433				19,051

(Source: www.bseindia.com, www.nseindia.com)

(1) High, low and average prices are of the daily closing prices.
(2) In case of two days with the same closing price, the date with higher volume has been considered.

Pursuant to the Board resolution dated May 3, 2014 and shareholders resolution dated August 25, 2014, the face value of the Equity Shares was reduced from ₹ 2 to ₹ 1.

USE OF PROCEEDS

The total gross proceeds of the Issue will aggregate to ₹ 2,408.89 million. After deducting fees and expenses of approximately ₹ 51.56 million, the net proceeds of the Issue will be approximately ₹ 2,357.33 million.

Subject to compliance with applicable laws and regulations, our Company intends to use the net proceeds of the Issue primarily for repayment of a loan of ₹ 1,200.00 million availed in November 21, 2014 from Kotak Mahindra Prime Limited, for the acquisition of RCL, repayment of any other existing loans/ debts of the Company and its subsidiary/ associate companies, expansion of existing businesses, working capital for the Company and its subsidiary/ associate companies and general corporate purposes. Further, net proceeds of the Issue may be used for organic and/ or inorganic growth opportunities, including any acquisitions.

We have not yet determined all of our expected expenditures, and we cannot estimate the amounts to be used for the purposes set forth above. The amounts and timing of any expenditure will depend on the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us. In accordance with the decision of our Board, our management will have significant flexibility in applying the net proceeds of this offering.

Pending utilization for the purposes described above, we intend to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks and corporates. Such investments will be in accordance with the investment policies approved by the Board and/ or a duly authorized committee of the Board, from time to time and will also be in accordance with all applicable laws and regulations.

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the use of the proceeds.

CAPITALIZATION STATEMENT

The following table sets forth our capitalization and total debt as of September 30, 2014 (based on our unaudited consolidated interim financial statements) and as of March 31, 2014 (based on our audited consolidated financial statements), and as adjusted to give effect to the Issue. This table should be read in conjunction with the "***Selected Financial Information***", "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and other financial information contained in the "***Financial Statements***" on pages 28, 31, 61 and 180, respectively.

(in ₹ million)

	As of March 31, 2014 (Unadjusted)	As of September 30, 2014	
		Unadjusted	As adjusted for the Issue*
Shareholders' funds			
Share capital	112.38	112.38	118.37
Reserves and surplus	3,040.79	3,426.25	5,829.15
Total shareholders' funds (A)	**3,153.17**	**3,538.63**	**5,947.52**
Loan funds			
Short term debt			
-Secured	117.32	190.21	190.21
-Unsecured	60.00	61.98	61.98
Long term debt			
-Secured	806.06	1,500.01	1,500.01
-Unsecured	-	-	-
Current Maturity of Long Term Borrowings			
-Secured	436.16	496.86	496.86
-Unsecured	-	-	-
Total debt (B)**	**1,419.54**	**2,249.06**	**2,249.06**
Total capitalization (A+B)	**4,572.71**	**5,787.69**	**8,196.58**

Notes:

** Share capital and reserves and surplus adjusted for the QIP issue proceeds.*

***Exclusing non-fund based buyers credits.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Placement Document is set forth below:

(In ₹, except share data)

		Aggregate value at face value
A	**Authorized Share Capital**	
	150,000,000 Equity Shares of ₹ 1 each	150,000,000.00
B	**Issued, Subscribed and Paid-Up Capital before the Issue**	
	112,380,560 Equity Shares of ₹ 1 each	112,380,560.00
C	**Present Issue***	
	5,984,519 Equity Shares aggregating ₹ 2,408.89 million	5,984,519.00
D	**Paid-Up Capital after the Issue**	
	118,365,079 Equity Shares	118,365,079
E	**Securities Premium Account**	
	Before the Issue	389,072,769.00
	After the Issue	2,791,976,837.88

**The Issue has been authorized by the Board of Directors on July 18, 2014 and the shareholders pursuant to their resolution dated August 25, 2014.*

Equity Share Capital History of our Company

The history of the Equity Share capital of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of Consideration
March 25, 1996	200	10	10	Cash
May 20, 1998	494,550	10	10	Cash
September 2, 1998	112,550	10	10	Cash
October 16, 1998	82,500	10	10	Cash
January 18, 1999	78,600	10	10	Cash
March 22, 1999	71,000	10	10	Cash
April 13, 1999	90,000	10	10	Cash
April 20, 1999	71,000	10	10	Cash
May 17, 1999	50,000	10	10	Cash
January 19, 2001	55,000	10	10	Cash
February 17, 2001	80,000	10	10	Cash
June 22, 2001	63,000	10	10	Cash
December 3, 2001	60,000	10	10	Cash
March 8, 2002	202,200	10	10	Cash
February 12, 2005	135,000	10	10	Cash
February 8, 2006	354,900	10	10	Cash
March 30, 2006	20,000	10	10	Cash
March 31, 2006	3,232,800	10	NA	NA[1]
March 31, 2006	391,085	10	70	Cash
July 31, 2006	256,939	10	70	Cash
August 12, 2006	983,554	10	NA	NA[2]
September 23, 2006	221,159	10	70	Cash
September 29, 2006	401,530	10	10	Cash
September 30, 2006	359,483	10	70	Cash
January 25, 2007	400,000	10	104	Cash
March 9, 2007	2,971,006	10	115	Cash
August 9, 2010	11,238,056 Equity Shares of face value of ₹ 10 each were sub-divided into 22,476,112 Equity Shares of face value ₹ 5 each, by way of a board resolution dated May 21, 2010 and shareholders resolution dated August 9, 2010.			
August 5, 2013	22,476,112 Equity Shares of face value of ₹ 5 each were sub-divided into 56,190,280 Equity Shares of face value ₹ 2 each, by way of a board resolution dated May 20, 2013 and shareholders resolution dated August 5, 2013.			

Date of Allotment	No. of Equity Shares Allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of Consideration
August 25, 2014	56,190,280 Equity Shares of face value ₹ 2 each were sub-divided into 112,380,560 Equity Shares of face value ₹ 1 each by way of a board resolution dated May 3, 2014 and shareholders resolution dated August 25, 2014.			

[1] *Bonus issue was made by capitalizing ₹32.33 million from the general reserves.*
[2] *Bonus issue was made by capitalizing ₹9.84 million from the general reserves.*

DIVIDENDS

The declaration and payment of dividends by our Company is governed by the applicable provisions of the Companies Act and our Articles of Association. For further information, see "***Description of the Equity Shares***" on page 160.

The following table details the dividend paid by our Company on the Equity Shares for fiscal 2014, 2013 and 2012:

(*in ₹ million, except per share data*)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Face value of Equity Shares (₹ per share)	2	5	5
Interim Dividend on Equity Shares	14.05	11.24	11.24
Final Dividend on Equity Shares	22.48	16.86	14.05
Total Dividend on Equity Shares	36.53	28.10	25.29
Dividend per share (in ₹)	0.65	1.25	1.125
Dividend Rate (%)	32.50	25	22.50
Dividend Distribution Tax	6.21	4.69	4.10

Further, the Board of Directors of our Company at its meeting held on October 27, 2014, has considered and approved the payment of interim dividend at the rate of 15% amounting to ₹ 0.15 per Equity Share. Our Company has paid ₹ 16.86 million as interim dividend and ₹ 3.37 million as dividend distribution tax, to shareholders whose name appeared as beneficial owners with the Depositories or in the register of members, as on November 8, 2014.

The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. The form, frequency and amount of future dividends will depend on our Company's cash flows, financial condition, working capital and other financing requirements, lender approvals and other factors and shall be at the discretion of our Board and subject to the approval of our Company's shareholders. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

Also see "***Statement of Tax Benefits***" and "***Risk Factors***" on pages 166 and 31, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve months ended March 31 of that year.

We acquired our subsidiary Seal It with effect from August 26, 2014. Our consolidated financial statements as of and for the six months ended September 30, 2014 reflect the consolidation of Seal It financial information for the period between August 26, 2014 and September 30, 2014, and therefore may not be comparable to our consolidated financial statement information for prior reporting periods. We have also recently acquired RCL with effect from November 21, 2014, and the effect of such consolidation is not reflected in our consolidated financial statements included in this Placement Document.

This Placement Document does not include any pro forma financial information to show the effect of the consolidation of the financial statements of Seal It and RCL into our consolidated financial statements. We have however included in this Placement Document the audited standalone financial statements of Seal It for fiscal 2012 and 2013, the audited consolidated financial statements of Seal It for fiscal 2014 and the reviewed standalone financial statements of Seal It as of and for the six months ended September 30, 2014. We have also included the audited financial statements of RCL for fiscal 2012, 2013 and 2014 and the reviewed financial statements as of and for the six months ended September 30, 2014. Investors will therefore need to base their assessment of our financial condition and results of operations subsequent to the acquisition of Seal It and RCL on the basis of our consolidated financial statements, and the historical audited and reviewed financial statements relating to Seal It and RCL included in this Placement Document.

In addition, Seal It is a United Kingdom Company and its financial statements are denominated in GBP, have been prepared under applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and have been audited in accordance with applicable law and International Standards on Auditing (UK and Ireland). United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) may vary significantly from Indian GAAP used in the preparation of financial statements of our Company and its Indian subsidiaries denominated in Indian Rupees. Accordingly, the presentation of the audited and reviewed financial statements of Seal It included in this Placement Document may not be comparable with the audited and reviewed consolidated financial statements of our Company included in this Placement Document.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Astral Poly Technik Limited and its subsidiaries, including our recently acquired subsidiaries Seal It and RCL, and joint venture entity on a consolidated basis, and any reference to the "Company" refers to Astral Poly Technik Limited.

Unless otherwise indicated, all financial information included in this section have been derived from our audited consolidated financial statements for fiscal 2012, 2013 and 2014, our reviewed consolidated financial statements as of and for the six months ended September 30, 2014 and audited financial statements of RCL for fiscal 2012, 2013 and 2014 and the reviewed financial statements of RCL for the six months ended September 30, 2014.

Overview

We are a diversified building materials manufacturing company engaged in the business of manufacturing and providing chlorinated polyvinyl chloride ("**CPVC**") piping and plumbing systems and allied products. We have over the years expanded our range of products to also include PVC pipes as well as CPVC and PVC fittings for a range of applications, including soil and water drainage systems, surface drainage fittings, and piping system for automatic fire sprinklers. In addition, we manufacture a range of other building materials such as adhesives and environment friendly solvent cements and primers. We are also engaged in the distribution of certain other building materials and products that complement our own product range.

Our CPVC, PVC and other building materials products are principally used in domestic, commercial and industrial applications. Our quality and standard products involve technologies, processes and manufacturing know-how that are either owned by us or licensed from certain global technology and equipment suppliers in the CPVC products or other allied businesses. We were the first company in India to be granted technology licenses by Lubrizol Advance Materials Europe BVBA, to manufacture Flowguard Plus CPVC piping system for hot and cold water distribution system, Corzan Industrial Systems, Blazemaster Fire Sprinkler System and FlowGuard Bendable Multilayer Pipes range of products and distribute and sell such products in India under Lubrizol's brands. Lubrizol also supplies us with CPVC compound, the primary raw material required in the manufacture of CPVC products. We have also entered into a manufacturing and trademark license agreement with Weld-On, a leading manufacturer of solvent cements and adhesives, pursuant to which we have been granted the license to manufacture and sell solvent cement, adhesives and related products.

Our current product range includes:

- *CPVC Products*

  Our CPVC products, manufactured under license from Lubrizol, include the Astral FlowGuard Plus range of products used in domestic hot and cold water plumbing applications; the Astral Corzan HP range of products used in industrial applications; the Astral Bendable range of products, which are a CPVC-aluminium-CPVC multilayer pipe primarily used in solar heater applications and under-slab installations for hot and cold water applications; and the Astral Blazemaster range of products used in automatic fire sprinkler systems. In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of CPVC products accounted for 62.47%, 59.26%, 58.17% and 53.60%, respectively, of the Company's net revenue from operations for such periods.

- *PVC Products*

  Our PVC products include Astral Aquarius range of products primarily used in domestic plumbing applications for cold water, swimming pools, saltwater lines, industrial process lines, coal washing and ash handling; Astral Column Pipes, primarily used in borewells; Astral Foamcore PVC Pipes, primarily used in underground drainage and sewerage applications; Astral DWV (Drain Waste and Vent) range of products used for sewerage and drain-water applications; Astral Ultradrain range of products used for ventilation, rain-water applications and drainage and sewerage applications; Astral Aquasafe range of products used in agricultural applications and for potable water; Astral Underground range of products used in drainage systems in residential complexes, commercial or office spaces, resorts and hospitals; Astral Wire-Guard range of products which are a conduit piping system for electrical cables. In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of PVC products accounted for 37.45%, 40.65%, 41.66% and 46.32%, respectively, of the Company's net revenue from operations for such periods.

- *Adhesives and Sealants*

  Our subsidiary Advanced Adhesives Limited ("**AAL**") manufactures the Weld on range of products under license from Weld-On. AAL manufactures plastic pipe cements and primers for PVC and CPVC plastic piping systems for residential and industrial applications.

  As part of our diversification strategy and expansion into the adhesives and sealants markets, we have recently acquired 80.00% shareholding in Seal It, a United Kingdom company, with effect from August 26, 2014 and 76.00% shareholding in RCL, an Indian company, with effect from November 21, 2014.

  Seal It manufactures a range of sealants and adhesives under the brand name "Bond-it", as well as a comprehensive range of silicones, sealants, cleaning agents, tile adhesives, waterproofing chemicals bitumens, polyurethane foams and building and construction chemicals, and its primary markets include United Kingdom, Europe and the Middle East.

  RCL manufactures adhesives, sealants, construction chemicals and industrial maintenance products under several brand names with a wide marketing network across India. RCL covers various industry segments for its products including the automobile sector, sanitation, paints, plywood, hardware and building materials. Its product range includes a broad range of chemical products including epoxy, silicones, cyanoacrylate, solvent cements, PU sealants, anaerobic, UV care, MS polymers, acrylic etc.

- *Special or Traded Products*

  We also distribute certain products such as Astral Wavin AS which is a low noise soil and waste disposal system; Firstplast range of products which include channel drains for indoor and outdoor surface drainage fittings; and Astral clamps and hangers which provide support for piping systems and cables. In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of such traded products accounted for 4.27%, 6.60%, 7.91% and 8.29%, respectively, of the Company's net revenue from operations for such periods.

We have established four manufacturing facilities in India located strategically at Santej and at Dholka in Gujarat, Baddi in Himachal Pradesh and Hosur in Tamil Nadu. We intend to establish additional manufacturing facilities strategically located in the eastern region of India to increase our focus on increasing our market share in the eastern and north-eastern parts of India. Our subsidiary Advanced Adhesives Limited has its manufacturing facility located at Santej, Gujarat. Our subsidiary Seal It has established a manufacturing facility at Elland in the United Kingdom, and RCL has two manufacturing facilities located in Rania and Unnao in the State of Uttar Pradesh in India. In addition, our joint venture entity Astral Pipes Limited based in Kenya, in which we have a 37.50% shareholding, manufactures a range of pipes and related products.
We have over the years developed an expansive network of distributors and dealers across India. As of September 30, 2014, our distribution network included more than 400 distributors. We have also set up several warehouses across India, at Delhi, Ahmedabad, Goa, Vijayawada, Hyderabad, Coimbatore and Bangalore for effective storage and distribution of our products. Our extensive sales and distribution network enables us to sell standard plumbing and other building materials to retail customers across India and certain international markets. RCL operates through a network of 11 branches and an extensive distribution network of over 1,700 distributors across India. Our subsidiary Seal It also operates through an extensive distribution network of distributors and dealers across United Kingdom, Europe and the Middle East.

We have received several quality certifications for our products and manufacturing facilities. We believe we are one of the first companies in India to receive NSF Certification for our CPVC piping system. Our Gujarat and Baddi facilities are certified by NSF for our CPVC range of products. We have also received the UPC-I certification mark from IAPMO Plumbing Codes and Standards India Private Limited in relation to our CPVC hot and cold water pipes and fittings. Our Santej facility has received the IS 15778:2007 from the Bureau of Indian Standards in relation to CPVC pipes for potable hot and cold water distribution supplies, and our CPVC pipes for automatic sprinkler fire extinguishing system have received the IS 16088:2012 standard mark from the Bureau of Indian Standards. We have also received various awards in recognition of our business operations such as the Star SME of the Year Award at the Business Standard Awards in 2013 and India Inc. Innovative 100 Award for Smart Innovation in Technology in 2013.

In fiscal 2012, 2013 and 2014, our total income was ₹ 5,865.07 million, ₹ 8,270.73 million and ₹ 10,820.75 million, respectively, while our profit for the years was ₹394.96 million, ₹ 606.11 million and ₹ 789.15 million, respectively. Our total income in the six months ended September 30, 2014, which reflects consolidation of Seal It results of operations with effect from August 26, 2014, was ₹ 5,942.75 million, while our profit for the six months ended September 30, 2014 was ₹ 416.24 million. RCL was acquired with effect from November 21, 2014 and therefore our consolidated financial information included in this Placement Document do not reflect the financial information of RCL. RCL had total income of ₹ 1,193.04 million, ₹ 1,401.18 million, ₹ 1,726.97 million, and ₹ 1,022.14 million, and profit for the year/ period of ₹ 46.13 million, ₹ 59.22 million, ₹ 74.54 million and ₹ 52.60 million, in fiscal 2012, 2013, 2014 and in the six months ended September 30, 2014, respectively.

Recent Developments and Presentation of Financial Information

As part of our diversification strategy and expansion into the adhesives and sealants markets, we have recently acquired 80.00% shareholding in Seal It, a United Kingdom company, with effect from August 26, 2014 and 76.00% shareholding in RCL, an Indian company, with effect from November 21, 2014.

Our consolidated financial statements as of and for the six months ended September 30, 2014 reflects the consolidation of Seal It financial information for the period between August 26, 2014 and September 30, 2014, and therefore may not be comparable to our consolidated financial statement information for prior reporting periods. Since we acquired RCL with effect from November 21, 2014, the effect of such consolidation is not reflected in our consolidated financial statements included in this Placement Document.

In this Placement Document we have included the following financial statements:

Astral Poly Technik Limited

- Audited consolidated financial statements for fiscal 2012, 2013 and 2014 together with respective audit reports thereon of Deloitte Haskins & Sells, statutory auditors of our Company; and

- Reviewed consolidated financial statements for six months ended September 30, 2014 together with review report thereon of Deloitte Haskins & Sells, statutory auditors of our Company. These reviewed consolidated financial statements reflect the consolidation of Seal It financial information for the period between August 26, 2014 and September 30, 2014 and may not be comparable to our consolidated financial results in prior periods.

Seal It Services Limited

- Audited standalone financial statements for fiscal 2012 and 2013, audited consolidated financial statements for fiscal 2014 together with respective audit reports thereon of BDO Northern Ireland, statutory auditors of Seal It; and

- Reviewed standalone financial statements for six months ended September 30, 2014 together with review report thereon of BDO Northern Ireland, statutory auditors of Seal It.

While the audited consolidated financial statements for Seal It as of and for the year ended March 31, 2014 reflects the consolidation of the financial information of its subsidiary Calder Distribution Limited, the unaudited reviewed standalone financial statements for Seal It as of and for the six month period ended September 30, 2014 does not reflect the consolidation of the financial information of its subsidiary Calder Distribution Limited, and therefore may not be comparable. In addition, Seal It Financial Statements included in this Placement Document prepared in GBP in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) may not be comparable to other financial information included in this Placement Document prepared in Indian Rupees on the basis of Indian GAAP.

Resinova Chemie Limited

- Audited financial statements for fiscal 2012, 2013 and 2014 together with respective audit reports thereon of Shailesh Vishesh & Co., statutory auditors of RCL; and

- Reviewed financial statements for six months ended September 30, 2014 together with review report thereon of Shailesh Vishesh & Co., statutory auditors of RCL.

This Placement Document does not include any pro forma profit and loss statement or balance sheet prepared in accordance with the laws and regulations of the United States or any other jurisdiction, which would have shown the effect of the Seal It acquisition and the RCL acquisition on our historical results of operations and financial condition, assuming that the Seal It and RCL acquisition had occurred at the beginning of the relevant reporting period.

Investors are cautioned that they will therefore need to base their assessment of our consolidated results of operations and financial condition subsequent to the Seal It and RCL acquisition on the basis of our historical consolidated financial statements for fiscal 2012, 2013 and 2014 and as of and for the six months ended September 30, 2014, the Seal It Financial Statements, the RCL Financial Statements and other information with respect to Seal It and RCL business and operations included in this Placement Document and the management's discussions with respect to the effects of the Seal It and RCL acquisitions on our business, results of operations and financial condition included in *"**Management's Discussion and Analysis of Results of Operations and Financial Condition – Principal Factors Affecting Results of Operations and Financial Condition – Acquisition of Seal It and RCL**"* below.

Principal Factors Affecting our Results of Operations and Financial Condition

Our business, results of operations and financial condition are affected by a number of factors, including:

Diversification of our Product Portfolio and Expansion of our Adhesives and Sealants Business

As part of our strategy for growth and product portfolio diversification, we have made strategic acquisitions of Seal It in August 2014 and RCL in November 2014 to grow our adhesives and sealants business.

We believe that our recent acquisition of Seal It and RCL will enable us to significantly expand our product offerings in the building materials industry and further diversify our business and operations into the adhesives and sealants business and reduce our dependence on CPVC and PVC products. We believe that the adhesives and sealants business in India presents significant opportunities for revenue growth as well as profitability with relatively lower levels of capital investment. We believe that our existing infrastructure, manufacturing capabilities, distribution network and access to technology and know-how will be effectively complemented by the business and operations of Seal It and RCL, and that there are significant operating efficiencies and business synergies arising from our diversification initiatives, including access to technology as well as a wide marketing and distribution network in India and internationally.

We expect our adhesives, sealants and related products to represent an increasing proportion of our revenue from operations in the future. In addition to significantly diversifying our product portfolio, these acquisitions also create cross selling opportunities through integration of product portfolio such that Seal It products can be sold through RCL's and our existing distribution network in India while AAL and RCL products can be sold through Seal It's expansive distribution network and markets in the United Kingdom, Europe, the Middle East and Africa. In addition, we believe there are significant cost efficiencies through rationalisation of operations in locations with overlapping operations between our Company and RCL and greater efficiencies of scale particularly for procurement of raw materials. In addition, the strategic location of our combined operations with manufacturing facilities in north India, west India and south India as well as United Kingdom will enable us to address a larger market with lower logistics costs.

We also intend to utilize the proprietary technology and know-how of Seal It and RCL to expand the adhesives and sealants business in India and internationally, including expanding our manufacturing facilities in India with respect to these products. However the anticipated benefits of such acquisitions will be dependent on successfully integrating the business and operations of Seal It and RCL with our existing business and using their proprietary technology and manufacturing and marketing know-how. The success of such acquisitions and expansion of our business will also depend on the commercial acceptance by consumers in India of the existing and future range of Seal It and RCL adhesive and sealant products or other similar products that we may manufacture and market in the future at the rate or level expected.

In addition, we may require additional capital for the successful expansion of the manufacturing operations and distribution network required for the adhesives and sealants business and the integration of this business and operations with our existing operations. We expect to incur further expenditure to acquire additional equipment and the expansion of our manufacturing facilities in connection with the expansion of the adhesives and sealants business, and to strengthen our pan-India distribution network for such products.

Acquisition of Seal It and RCL

This Placement Document does not include any pro forma profit and loss statement or balance sheet prepared in accordance with the laws and regulations of the United States or any other jurisdiction, which would have shown the effect of the Seal It acquisition and the RCL acquisition on our historical results of operations and financial condition.

We believe that the effect of such acquisitions and the consolidation of the financial results of Seal It and RCL in our financial statements will result in further strengthening our financial performance as both Seal It and RCL have historically been profitable companies, with significant potential for growth and operating synergies within our consolidated operations. In particular, we expect the proportion of revenues contributed from our adhesives and sealants business to increase significantly, and overall revenues to increase from significant cross-selling opportunities with a wider, related product portfolio. With the addition of the international marketing reach through our Seal It operations, we also expect our export sales to increase.

As a result of the geographic spread of our manufacturing operations, and the planned increase in capacities, we expect production and utilization levels to stabilise and downtime resulting from maintenance of facilities and equipment to decrease. The combination of our existing and RCL's wide distribution network that broadly addresses the same end consumers is expected to result in significant cross - selling opportunities and resultant increase in revenues. The wide geographical spread of our combined manufacturing operations will also enable us to decrease transportation costs, and reduce taxes as we increase local production of certain our products in our significant markets.

We also expect to rationalise operating costs across our consolidated operations as we implement a centralized procurement process for raw materials, reduce common administrative costs including rent for administrative offices, marketing offices and warehouses, and other administrative costs such as communications, electricity, and ERP and other operational management systems. We also expect to consolidate administrative and marketing personnel across our consolidated operations resulting in rationalisation of personnel costs. With the consolidation of marketing and branding initiatives and the increase in size of operations, we expect to significantly rationalize consolidated marketing expenses, including printing costs.

The increase in our consolidated net worth and the resultant decrease in leverage ratios is also expected to enable us to obtain better credit ratings, lower cost of financing, and better ability to negotiate bank charges given the size of our consolidated operations.

Our consolidated operations have resulted in an increase in fixed assets and resultant increase in depreciation costs. However, with the growth in operations we expect to reduce the cost of incremental capital expenditure and increase revenues and operating efficiencies through optimal capacity utilization. In particular, the adhesives business does not require significant capital expenditure in terms of investment in equipment and with the high asset turn in our adhesives and sealants business, and with an increase in revenues, and operating efficiencies and cost reduction resulting from our consolidated operations, we expect our consolidated operations to provide increased ROCE and ROI.

Availability and Price of Raw Materials

Raw materials represent a major proportion of our total expenses. Raw material costs account for a significant percentage of our operating expenses, and represented 77.66%, 75.89%, 75.98% and 78.25% of our total expenditure in fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, respectively. We are dependent on third party suppliers for our primary raw materials. We have entered into a supply agreement with Lubrizol for the supply of CPVC compound which is extended from time to time. We have not entered into any long term supply agreements for any of our other raw materials, including for the supply of PVC resin, which is primarily procured from Reliance Industries Limited. The supply and price of our raw materials are dependent on various factors beyond our control, including prevailing economic condition, competition, availability of quality suppliers, production levels in our industry, transportation costs, import duties, fuel prices, trade restrictions and currency exchange rates. In particular, all of our CPVC compound raw material is imported, and therefore subject to various transportation risks and costs as well as applicable import duties. . Any volatility in the prices of our raw materials could have adverse effect on our ability to price our products competitively. We understand from publicly available new reports that Lubrizol is considering the establishment of a CPVC compound plant in India. We expect our cost of raw materials to decrease significantly if we are able to procure our CPVC compound requirements locally in India rather than import such raw material by reducing significant transportation costs and avoiding currency fluctuation risks.

Performance of the Industries and Sectors in which our Products are used

We are a diversified building materials manufacturing company with a strong market position for CPVC and PVC products and fittings. With the recent acquisition of Seal It and RCL, we have significantly expanded our product portfolio particularly for adhesives and sealants. Our plumbing and drainage products and fittings are primarily used in the real estate, agriculture, infrastructure and related sectors, while our adhesives and sealants range of products are primarily used in domestic and commercial real estate and building applications. The performance of these industries and sectors, and consequently the demand for our products in these sectors, are dependent on economic and other factors such as government policies, regulations and budgetary allocations as well as investments made in these industries and sectors. The financial performance of the end users of our products and any adverse developments that affect these industries and related sectors where our products are used may adversely affect our business, results of operations and financial condition. However, as a significant proportion of our products are used in the replacement market, i.e. replacement of existing plumbing and piping fittings, we have not experienced a decrease in revenues although the real estate sector has experienced significant slowdown in the last few years. Our business has also benefitted from the increasing usage of plastic pipes as a replacement for metal pipes in India. In addition, we continue to introduce new products from time to time to address specific consumer demands and have in recent periods introduced various additional products which are expected to add to our revenues.

Strategic Technology and Trademarks Licenses

We have entered into several agreements with Lubrizol and its various affiliates for the supply of CPVC compounds and resins for the manufacture of our CPVC products, technology licenses used in the manufacture of such CPVC products and trademark licenses for the use of Lubrizol owned brands and trademarks that we use for the sale of our CPVC products. For further information on such arrangements, see "***Business – Technology and Brand Collaborations***". In addition, we also benefit from exposure to new markets by participating in marketing activities carried out by Lubrizol. We are therefore significantly dependent on Lubrizol and its affiliates for our business and operations. Our business operations and a significant portion of our revenues are therefore directly dependent on the continuation of our existing arrangements with Lubrizol. In the past we have relied upon, and in the future we will continue to rely upon, various technology licensing agreements and arrangements for the technology and/or know-how used in the manufacture of some of our products. The sale of our CPVC products represented 62.47%, 59.26%, 58.17% and 53.60% of the Company's net revenue from operations in fiscal 2012, 2013, 2014 and in the six months ended September 30, 2014. Lubrizol may, at its discretion, refuse to renew our existing agreements or may enter into similar licensing arrangements with our existing competitors or other plumbing and drainage products companies in India, which may have a material and adverse effect on our business prospects, results of operations and financial condition. However our long association with Lubrizol has enabled us to receive uninterrupted license for the manufacture of such pipes.

Capacity Utilization and Operating Efficiencies

As of March 31, 2014, the aggregate estimated capacity of our Company's manufacturing facilities was 97,164 MT. Higher capacity utilization results in greater production volumes and higher sales, and allows us to spread our fixed costs over a higher number of units sold, thereby increasing our profit margins. Production in our manufacturing facilities is also affected by factors like the number of lost days due to scheduled and unscheduled plant shutdowns.

We continuously focus on improving our operational efficiencies and reducing operating costs in order to improve our results of operations. We also focus on investing in modern technology and equipment to continually upgrade the quality and functionality of our products addressing specific customer requirements and market segments. In order to further enhance our product offerings, we have entered into various arrangements like the technology licensing arrangement. We also intend to make significant investments in modern technology and equipment to replace our existing manufacturing equipment in order to increase our capacity as well as improve operational efficiencies. Such investment is also expected to result in significant reduction in operating costs including a decrease in employee costs as our facilities will be significantly more mechanized following such investment in modern equipment. We have also made incremental improvements to our equipment and moulds over the past few years to increase utilisation rates as well as operational efficiencies.

Competition

We sell our products in highly competitive markets. In order to remain competitive, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. If we fail to do so, other producers may be able to sell their products at lower prices, which may have an adverse effect on our market share and results of operations. We believe that our large manufacturing facilities, wide distribution network, wide range of products and ability to provide comprehensive plumbing and drainage solutions to our customers provide us certain competitive advantages. However certain competitors may be larger than us and may have greater financial resources than us, or may benefit from greater operating efficiencies. If we are unable to effectively compete with our competitors in future and manage our costs efficiently, our operating margins and results of operations may be adversely affected.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OUR CONSOLIDATED FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Basis of Consolidation

Our audited financial statements for fiscal 2012, 2013 and 2014 reflect consolidation of the financial statements of Astral Biochem Limited, Advanced Adhesives Limited and our joint venture entity in Kenya, Astral Pipes Limited.

Our reviewed financial statements as of and for the six months ended September 30, 2014 reflects consolidation of the financial statements of Astral Biochem Limited, Advanced Adhesives Limited and our joint venture entity in Kenya, Astral Pipes Limited, as well as the financial statements of Seal It for the period between August 26, 2014 and September 30, 2014. We acquired an 80.00% shareholding in Seal It with effect from August 26, 2014.

Since we acquired RCL with effect from November 21, 2014, the effect of such consolidation is not reflected in our consolidated financial statements included in this Placement Document.

Financial statements of our Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21 – Consolidated Financial Statements issued by ICAI.

In case of the foreign joint venture, revenue items are consolidated at the average rate prevailing during the year, and all assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains/ (losses) arising on conversion are recognized under the foreign currency translation reserve. Interests in the joint venture have been accounted by using the proportionate consolidation method in accordance with Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures issued by the ICAI.

The excess of cost to the Company of its investment in the subsidiary company and joint venture over its portion of equity is recognized in the financial statement as goodwill. The excess of the Company's portion of equity of the subsidiary and joint venture on the acquisition date over its cost of investment is treated as capital reserve.

Intra-group balances and intra-group transactions and resulting unrealized profits have been eliminated.

Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of our financial statements is set out in the notes to the financial statements included elsewhere in this Placement Document.

Revenue Recognition

- Sales are recognized on transfer of significant risks and rewards of ownership to the buyer. Sales are net of trade discounts, sales tax and VAT. Excise duties collected on Sales are shown by way of deduction from sales.
- Dividend income is recognized when the right to receive dividend is established.
- Interest income is recognized using the time-proportion method based on rates implicit in the transaction.
- Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

Foreign Currency Transactions

- Transactions denominated in foreign currencies are normally recorded at exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- The Company has not exercised the option for capitalization or amortization of exchange differences on long term foreign currency monetary items as provided by notification issued by the Ministry of Corporate Affairs.
- Any income or expenses on account of exchange difference either on settlement or on translation are recognized in the Statement of Profit and Loss Account.

Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of freight, duties, non-refundable taxes and levies and other incidental expenses related to acquisition/installation, adjusted by revaluation of land in fiscal 2005.

Lease

Operating lease rentals are expensed with reference to lease terms. There are no finance leases.

Impairment of Assets

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. Impairment is charged to the Statement of Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

Depreciation

Depreciation is charged under straight line method in accordance with the rates and manner as specified in Schedule II of the Companies Act, 2013. Assets costing ₹ 5,000 is fully depreciated in the year of acquisition.

Investments

- Current investments are stated at lower of cost and fair value.
- Long term investments are stated at cost. Provision is made to recognize any diminution in value, other than that of a temporary nature.

Inventories

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on first-in first-out (FIFO) basis. The cost of finished goods comprises of raw materials, direct labour, other direct costs and related production overhead, but excludes interest expenses. Net realizable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

CENVAT

CENVAT (Central Value Added Tax) credit in respect of Excise, Custom and Service tax is accounted on accrual basis on purchase of eligible inputs, capital goods and services. The balance of CENVAT credit is reviewed at the end of each year and amount estimated to be un-utilizable is charged to the Statement of Profit and Loss Account for the year.

Borrowing Costs

Borrowing costs include interest; amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are is added to the cost of the assets.

Taxes on Income

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods by applying tax rates that have been substantively enacted by the balance sheet date. Deferred tax assets are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Employee Benefits

Defined Contribution Plan. Our contribution to provident fund and employees state insurance scheme made to a government administered Provident Fund are considered as defined contribution plans, and is charged to the statement of profit and loss as incurred.

Defined Benefit Plan. Provision for gratuity, under a LIC administered fund, which is in the nature of defined benefit plan, is provided based on valuations, as at the balance sheet date, made by an independent actuary as per the requirements of Accounting Standard-15 on "Employee Benefits". The current service cost, interest cost, expected return on plan assets and actuarial gain/loss are debited/credited, as the case may be, to the statement of profit and loss of the year as employee benefits.

Short-Term Employee Benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term Employee Benefits. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Principal Components of Income and Expenditure

Income

Our income consists of revenue from operations and other income:

Revenue from operations

Revenue from operations include domestic sales and export sales. Gross revenue from operations are adjusted for excise duty to arrive at net revenue from operations. Sales comprise sale of products including CPVC and PVC pipes and fittings, adhesives and sealants and other related building materials as well certain traded products.

Other Income

Other income that vary from period to period include interest income, gain on sale of current investment, miscellaneous income and net profit on sale of fixed assets.

Expenses

Our total expenses include cost of materials consumed, purchase of stock in trade, as adjusted for changes in inventories of finished goods and stock in trade, employee benefit expenses, finance costs, depreciation and amortisation expenses and other expenses.

Cost of Materials Consumed

Cost of materials consumed represents the cost of the raw material purchased as adjusted by the opening and closing stock of raw materials at the beginning and end of the fiscal year. The raw materials consumed comprise resins and others.

Changes in Inventories of Finished Goods and Stock in Trade

The changes in inventories of finished goods and stock in trade are an adjustment of the opening and closing stock of finished goods and stock in trade at the end of the fiscal. Inventories are valued at lower of cost and net realisable value after providing obsolescence and other losses, where considered necessary. Cost is determined on first-in first-out (FIFO) basis. The cost of finished goods comprises of raw materials, direct labour, other direct costs and related production overhead, but excludes interest expenses. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

Employee Benefit Expenses

Employee benefit expenses include salaries and wages, contribution to provident and other funds and staff welfare expenses. The Company has defined benefit plans for gratuity to eligible employees, contribution for which are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

The Company's contribution to provident fund and employees state insurance scheme made to a government administered provident fund are considered as defined contribution plans, and is charged to the statement of profit and loss account as incurred.

Provision for gratuity which is in the nature of defined benefit plan, is provided based on valuations, as at the balance sheet date, made by an independent actuary as per the requirements of AS-15 on employee benefits. The current service cost, interest cost, expected return on plan assets and actuarial gain/loss are debited/credited, as the case may be, to the statement of profit and loss of the year as employee benefits.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when employees render the service. These benefits include performance incentive which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Finance Costs

The finance costs incurred by us includes interest expenses on borrowings and others, expenses on foreign currency transactions including hedging costs and other borrowing costs. Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction or development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

Other Expenses

Our other expenses include stores and spares, power and fuel, rent expenses, repairs expenses in relation to buildings, machinery and others, insurance expenses, rates and taxes, communication expenses, travelling expenses, factory and other expenses, printing and stationery, freight and forwarding, packing material consumed, changes in excise duty on inventories, commission, discount on sales, sales promotions, donations and contributions, security service charges, legal and professional charges, payments to auditors, bad debts written off, provision for doubtful trade and other receivable, net loss on foreign currency transactions and translations, loss on sale of assets and other expenses.

Depreciation and Amortisation Expense

Depreciation represents depreciation on our tangible fixed assets including land, buildings, plant and machinery, furniture and fixtures and vehicles. Depreciation is charged under straight line method in accordance with the rates and manners specified in Schedule II of the Companies Act, 2013. Assets costing ₹ 5,000 is fully depreciated in the year of acquisition. Fixed assets are stated at cost of acquisition inclusive of freight, duties, non-refundable taxes and levies and other incidental expenses related to acquisition/installation, adjusted by revaluation of land in fiscal 2005.

Taxation

Provision for taxation comprises current tax, short provision of tax in earlier years, MAT credit entitlement and deferred tax. Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognised for all timing differences that are capable of reversal in one or more subsequent periods by applying tax rates that have been substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred taxes can be realised.

CENVAT credit in respect of excise, custom and service tax is accounted on accrual basis on purchase of eligible inputs, capital goods and services. The balance CENVAT credit is reviewed at the end of each year and amount is estimated to be un-utilised is charged to the statement of profit and loss account for the year.

Results of Operations

The following table sets forth certain information based on our consolidated financial statements for fiscal 2012, 2013 and 2014 and for the six months ended September 30, 2014:

Particulars	Fiscal 2012		Fiscal 2013		Fiscal 2014		Six months ended September 30, 2014	
	(₹ millions)	Percentage of total income (%)	(₹ millions)	Percentage of total income (%)	(₹ millions)	Percentage of total income (%)	(₹ millions)	Percentage of total income (%)
	(audited)						(unaudited)	
Income								
Revenue from Operations (Gross)	6,256.67	106.68	9,035.49	109.25	11,786.07	108.92	6,468.23	108.85
Less: excise duty	429.74	(7.33)	783.51	(9.48)	989.68	(9.15)	532.86	(8.97)
Revenue from Operations (Net)	5,826.93	99.35	8,251.98	99.77	10,796.39	99.77	5,935.37	99.88
Other Income	38.14	0.65	18.75	0.23	24.36	0.23	7.38	0.12
Total	**5,865.07**	**100.00**	**8,270.73**	**100.00**	**10,820.75**	**100.00**	**5,942.75**	**100.00**
Expenses								
Cost of Materials Consumed	4,166.46	71.04	5,670.76	68.57	7,427.45	68.64	4,218.10	70.98
Purchase of Stock In Trade	176.94	3.02	358.42	4.33	625.04	5.78	329.03	5.54
Changes in Inventories of Finished Goods and Stock In Trade	(228.02)	(3.89)	(224.70)	(2.72)	(326.30)	(3.02)	(215.86)	(3.63)
Employees Benefits Expenses	151.53	2.58	206.60	2.50	244.54	2.26	163.05	2.74
Finance Costs	227.59	3.88	191.79	2.32	311.24	2.88	64.05	1.08
Depreciation and Amortisation Expenses	137.89	2.35	181.22	2.19	219.11	2.02	174.07	2.93
Other Expenses	732.95	12.50	1,088.34	13.16	1,274.32	11.78	658.13	11.07
Total	**5,365.34**	**91.48**	**7,472.43**	**90.35**	**9,775.40**	**90.34**	**5,390.57**	**90.71**
Profit Before Tax	**499.73**	**8.52**	**798.30**	**9.65**	**1,045.35**	**9.66**	**552.18**	**9.29**
Tax Expenses								
Current Tax	99.26	1.69	198.50	2.40	251.39	2.32	131.56	2.21
Short Provision of Tax in Earlier Years	6.85	0.12	10.34	0.13	3.24	0.03	-	-
MAT Credit Entitlement	-	-	(87.59)	(1.06)	(41.91)	(0.39)	-	-
Deferred Tax	(1.01)	(0.02)	67.28	0.81	39.65	0.37	(0.12)	-
Total	**105.10**	**1.79**	**188.53**	**2.28**	**252.37**	**2.33**	**131.44**	**2.21**
Profit for the Year (Before Adjustment for Minority Interest)	**394.63**	**6.73**	**609.77**	**7.37**	**792.98**	**7.33**	**420.74**	**7.08**
Share of Gain/(Loss) Transferred to Minority Interest	(0.33)	(0.01)	3.66	0.04	3.83	0.04	4.50	0.08
Profit for the Year	**394.96**	**6.72**	**606.11**	**7.33**	**789.15**	**7.29**	**416.24**	**7.00**

Six Months ended September 30, 2014

Since we acquired Seal it with effect from August 25, 2014, the results of operations of Seal It for the period August 26, 2014 to September 30, 2014 is reflected in our consolidated financials for the six months ended September 30, 2014.

Our results of operations for the six months ended September 30, 2014 are therefore not comparable to our consolidated results of operations in prior periods.

In the six months ended September 30, 2014, we introduced certain new products including agriculture pipes, column pipes, bendable pipes and Blaze Master which led to an increase in revenues. Our existing products also contributed to our growth in revenues in the six months ended September 30, 2014.

In addition, in the limited review report dated November 29, 2014 on our consolidated financial statements for the six months ended September 30, 2014, our statutory auditors Deloitte Haskins and Sells have stated that in view of the prevailing volatility in the foreign exchange market, in respect of foreign currency borrowings and corresponding forward exchange contracts, loss/gain arising on foreign exchange rate fluctuation on outstanding balances, as at the end of the six months ended September 30, 2014 has not been given effect in the consolidated unaudited financial statements as the Company will account for the same at the end of the financial year. Such loss for the six months ended on September 30, 2014 was ₹ 54.82 million. This has resulted in the profit for the six months and reserves and surplus being overstated by ₹ 54.82 million and borrowings understated by ₹ 54.82 million.

Fiscal 2014 compared to Fiscal 2013

Income

Total income increased by 30.83% from ₹ 8,270.73 million in fiscal 2013 to ₹ 10,820.75 million in fiscal 2014 reflecting the growth in our operations.

Revenue from Operations

Gross revenue from operations increased by 30.44% from ₹ 9,035.49 million in fiscal 2013 to ₹ 11,786.07 million in fiscal 2014, while excise duty expenses increased by 26.31% from ₹ 783.51 million to ₹ 989.68 million. This resulted in increase in net revenue from operations by 30.83% from ₹ 8,251.98 million in fiscal 2013 to ₹ 10,796.39 million in fiscal 2014. Domestic sales increased by 29.40% from ₹ 8,960.08 million in fiscal 2013 to ₹ 11,594.56 million in fiscal 2014, while export sales increased from ₹ 75.41 million in fiscal 2013 to ₹ 191.51 million in fiscal 2014. We experienced significant increase in sales in fiscal 2014 resulting from introduction of new products particularly pipes, an increase in our dealer and distributor network, increase in export initiatives and the aggressive marketing and branding strategy adopted by us.

Other Income

Other income increased by 29.92% from ₹ 18.75 million in fiscal 2013 to ₹ 24.36 million in fiscal 2014. Interest income increased by 192.56% from ₹ 3.09 million in fiscal 2013 to ₹ 9.04 million in fiscal 2014 while miscellaneous income increased by 107.19% from ₹ 2.92 million to ₹ 6.05 million.

Expenditure

Cost of Materials Consumed

Cost of materials consumed increased by 30.98% from ₹ 5,670.76 million in fiscal 2013 to ₹ 7,427.45 million in fiscal 2014 reflecting our growth in operations and increased production in fiscal 2014. This increase corresponded to the increase in our revenue as well as a small change in our product mix.

Employee Benefit Expenses

Employee benefit expenses increased by 18.36% from ₹ 206.60 million in fiscal 2013 to ₹ 244.54 million in fiscal 2014 primarily due to an increase in the salaries and wages by 19.83% from ₹ 189.05 million in fiscal 2013 to ₹ 226.53 million in fiscal 2014. This was primarily due to an increase in number of full time employees.

Although staff welfare expenses increased by 1.33% from ₹ 8.99 million in fiscal 2013 to ₹ 9.11 million in fiscal 2014, our contribution to provident fund and other funds increased by 3.97% from ₹ 8.56 million in fiscal 2013 to ₹ 8.90 million in fiscal 2014.

Other Expenses

Other expenses increased by 17.09% from ₹ 1,088.34 million in fiscal 2013 to ₹ 1,274.32 million in fiscal 2014. This was primarily due to increases in power and fuel expenses, freight and forwarding expenses, packing expenses, sales promotion expenses, and net loss on foreign currency transactions and translations. Power and fuel expenses increased by 4.93% from ₹ 194.91 million in fiscal 2013 to ₹ 204.51 million in fiscal 2014, while stores and spares increased by 56.33% from ₹ 41.93 million to ₹ 65.55 million reflecting the growth in our operations. Similarly freight and forwarding expenses increased by 29.47% from ₹ 132.33 million to ₹ 171.33 million while packing expenses increased by 35.87% from ₹ 82.17 million to ₹ 111.65 million. Discount on sales in fiscal 2014 was ₹ 227.36 million compared to ₹ 227.08 million in fiscal 2013, while we incurred sales promotions expenses of ₹ 178.07 million in fiscal 2014 compared to ₹ 164.48 million in fiscal 2013.

Finance Costs

Finance costs increased significantly by 62.28% from ₹ 191.79 million in fiscal 2013 to ₹ 311.24 million in fiscal 2014. Losses on foreign currency transactions including hedging costs increased by 99.94% from ₹ 111.38 million in fiscal 2013 to ₹ 222.69 million in fiscal 2014 due to volatility in the exchange rate for the Indian rupee, as a substantial proportion of our raw material expenses, particularly CPVC compound, is imported and is typically denominated in US dollars. Interest expense increased by 11.90% from ₹ 71.01 million in fiscal 2013 to ₹ 79.46 million in fiscal 2014. Other borrowing costs decreased by 3.30% from ₹ 9.40 million in fiscal 2013 to ₹ 9.09 million in fiscal 2014. In fiscal 2014 we experienced significant issues in relation to volatility of foreign currency fluctuations and as a result our hedging premium was also high. In addition, our foreign currency loans resulted in higher finance cost in fiscal 2014.

Depreciation and Amortisation Expenses

Depreciation expenses increased by 20.91% from ₹ 181.22 million in fiscal 2013 to ₹ 219.11 million in fiscal 2014 reflecting the equipment and production capacity added in Hosur.

Profit Before Tax

Profit before tax increased significantly by 30.95% from ₹ 798.30 million in fiscal 2013 to ₹ 1,045.35 million in fiscal 2014.

Tax Expense

Tax expenses (as adjusted for earlier years, MAT credit entitlement and deferred tax) increased by 33.86% from ₹ 188.53 million in fiscal 2013 to ₹ 252.37 million in fiscal 2014.

Profit for the Year

For the various reasons discussed above, profit for the year increased by 30.20% from ₹ 606.11 million in fiscal 2013 to ₹ 789.15 million in fiscal 2014.

Fiscal 2013 Compared to Fiscal 2012

Income

Total income increased by 41.02% from ₹ 5,865.07 million in fiscal 2012 to ₹ 8,270.73 million in fiscal 2013.

Revenue from Operations

Gross revenue from operations increased by 44.41% from ₹ 6,256.67 million in fiscal 2012 to ₹ 9,035.49 million in fiscal 2013, while excise duty expenses increased by 82.32% from ₹ 429.74 million to ₹ 783.51 million in fiscal 2014. This resulted in increase in net revenue from operations by 41.62% from ₹ 5,826.93 million in fiscal 2012 to ₹ 8,251.98 million in fiscal 2013. Domestic sales increased by 44.83% from ₹ 6,186.69

million in fiscal 2012 to ₹ 8,960.08 million in fiscal 2013, while export sales increased from ₹ 69.98 million in fiscal 2012 to ₹ 75.41 million in fiscal 2013. We experienced significant growth in sales in fiscal 2013 relating to both CPVC and PVC products as well as new products launched.

Other Income

Other income decreased by 50.84% from ₹ 38.14 million in fiscal 2012 to ₹ 18.75 million in fiscal 2013. This decrease was primarily due to decrease in miscellaneous income in fiscal 2013 to ₹ 2.92 million compared to ₹ 20.42 million in fiscal 2012. Interest income also decreased from ₹ 8.51 million in fiscal 2012 to ₹ 3.09 million in fiscal 2013. Gain on sale of current investments in fiscal 2013 was ₹ 12.72 million compared to ₹ 9.05 million in fiscal 2012.

Expenditure

Cost of Materials Consumed

Cost of material consumed increased by 36.10% from ₹ 4,166.46 million in fiscal 2012 to ₹ 5,670.76 million in fiscal 2013 reflecting our growth in operations and increased production in fiscal 2013.

Employee Benefit Expenses

Employee benefit expenses increased by 36.33% from ₹ 151.53 million in fiscal 2012 to ₹ 206.60 million in fiscal 2013 primarily due to an increase in the salaries and wages by 37.98% from ₹ 137.01 million in fiscal 2012 to ₹ 189.05 million in fiscal 2013. This was primarily due to an increase in number of full time employees. Staff welfare expenses increased by 48.60% from ₹ 6.05 million in fiscal 2012 to ₹ 8.99 million in fiscal 2013, while contribution to provident fund and other funds increased by 1.06% from ₹ 8.47 million to ₹ 8.56 million.

Other Expenses

Other expenses increased by 48.49% from ₹ 732.95 million in fiscal 2012 to ₹ 1,088.34 million in fiscal 2013. This was primarily due to increases in power and fuel expenses, stores and spares, freight and forwarding expenses, packing expenses, discount on sales, and sales promotion expenses. Power and fuel expenses increased by 33.85% from ₹ 145.62 million in fiscal 2012 to ₹ 194.91 million in fiscal 2013, while stores and spares increased by 71.07% from ₹ 24.51 million in fiscal 2012 to ₹ 41.93 million in fiscal 2013 reflecting the growth in our operations. Similarly freight and forwarding expense increased by 48.89% from ₹ 88.88 million to ₹ 132.33 million while packing expenses increased by 35.39% from ₹ 60.69 million to ₹ 82.17 million. Discount on sales increased by 26.27% from ₹ 179.83 million in fiscal 2012 to ₹ 227.08 million in fiscal 2013, while sales promotions increased by 168.89% from ₹ 61.17 million in fiscal 2012 to ₹ 164.48 million in fiscal 2013, primarily relating to the aggressive branding activity undertaken by us and various events organized for our dealers and distributors.

Finance Costs

Finance costs decreased by 15.73% from ₹ 227.59 million in fiscal 2012 to ₹ 191.79 million in fiscal 2013 primarily due to lower losses on foreign currency transactions by 28.19% from ₹ 155.11 million in fiscal 2012 to ₹ 111.38 million in fiscal 2013. Other borrowing costs also decreased by 33.10% from ₹ 14.05 million in fiscal 2013 to ₹ 9.40 million in fiscal 2012. These decreases off set an increase in interest expenses from ₹ 58.43 million in fiscal 2012 to ₹ 71.01 million in fiscal 2013.

Depreciation and Amortisation Expenses

Depreciation expenses increased by 31.42% from ₹ 137.89 million in fiscal 2012 to ₹ 181.22 million in fiscal 2013 reflecting the increased investment in equipment and production capacity at our Dholka facility.

Profit Before Tax

Profit before tax increased significantly by 59.75% from ₹ 499.73 million in fiscal 2012 to ₹ 798.30 million in fiscal 2013.

Tax Expense

Tax expenses (as adjusted for earlier years, MAT credit entitlement and deferred tax) increased by 79.38% from ₹ 105.10 million in fiscal 2012 to ₹ 188.53 million in fiscal 2013.

Profit for the Year

For the various reasons discussed above, profit for the year increased by 53.46% from ₹ 394.96 million in fiscal 2012 to ₹ 606.11 million in fiscal 2013.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs, loan repayments, and our capital expenditures. To fund these requirements we have relied on equity contributions, short-term and long-term borrowings and cash flows from operations.

The following table sets forth cash flows with respect to operating activities, investing activities and financing activities for the periods indicated:

Particulars	Fiscal		
	2012	2013	2014
	(₹ millions)		
Net cash from/(used in) operating activities	851.07	647.97	671.85
Net cash from/(used in) investing activities	(679.86)	(664.90)	(908.88)
Net cash from/(used in) financing activities	81.60	(222.75)	131.45
Net increase/(decrease) in cash and cash equivalents	252.81	(239.68)	(105.58)

Operating Activities

Net cash from operating activities in fiscal 2014 was ₹ 671.85 million, although profit before tax was ₹ 1,045.35 million. The difference was primarily attributable to working capital adjustments for increase in inventories of ₹ 445.07 million and increase in trade and other receivables of ₹ 464.61 million, which was offset in part by the increase in trade payables of ₹ 245.09 million. In addition, finance costs was ₹ 308.76 million and depreciation and amortisation costs was ₹ 219.11 million in such period.

Net cash from operating activities in fiscal 2013 was ₹ 647.96 million in fiscal 2013, however profit before tax and extraordinary items was ₹ 798.30 million. This was primarily attributable to adjustments for working capital including an increase in inventories of ₹ 234.09 million, increase in trade and other receivables of ₹ 168.40 million and a decrease in trade payables of ₹ 37.22 million. In addition, depreciation costs was ₹ 181.22 million and finance costs was ₹ 145.28 million in such period.

Net cash from operating activities in fiscal 2012 was ₹ 851.07 million, although profit before tax and extraordinary items was ₹ 499.73 million. While depreciation cost was ₹ 137.89 million and finance cost was ₹ 166.93 million, there were adjustments for working capital relating to increase in inventories of ₹ 401.31 million and increase in trade and other receivables of ₹ 309.10 million. These were however offset by an increase in trade payables of ₹ 787.53 million.

Investing Activities

Net cash used in investing activities in fiscal 2014 was ₹ 908.88 million, primarily reflecting purchase of fixed assets of ₹ 959.65 million relating to the construction of our Hosur facility, the acquisition of land at Ahmedabad as well as capacity addition at our Dholka facility.

Net cash used in investing activities in fiscal 2013 was ₹ 664.90, primarily reflecting purchase of fixed assets of ₹ 695.70 million relating to increase in capacity.

Net cash used in investing activities in fiscal 2012 was ₹ 679.86 million, primarily reflecting purchase of fixed assets of ₹ 693.97 million relating to the purchase of land at Hosur and expansion of capacity.

Financing Activities

Net cash from financing activities in fiscal 2014 was ₹ 131.45 million, representing net proceeds from bank borrowing of ₹ 476.39 million, offset in part by finance cost of ₹ 308.78 million and dividend paid including dividend distribution tax of ₹ 36.15 million.

Net cash used in financing activities in fiscal 2013 was ₹ 222.75 million, representing interest paid of ₹ 145.28 million, net repayment of borrowings of ₹ 48.08 million and dividend paid including dividend distribution tax of ₹ 29.39 million.

Net cash from financing activities in fiscal 2012 was ₹ 81.60 million, representing net proceeds from borrowings of ₹ 277.92 million, offset in part by interest paid of ₹ 166.93 million and dividend paid of ₹ 29.39 million.

Capital Expenditures

Capital expenditures represent the increase in the value of our fixed assets plus changes in capital work in progress. Our capital expenditures in fiscal 2012, 2013 and 2014 were ₹ 823.57 million, ₹ 815.59 million and ₹ 1,034.65 million, respectively. These capital expenditures were incurred primarily towards plant, machinery and buildings.

We believe that our anticipated cash flows from operations, together with the net proceeds of this Issue, our existing cash and certain additional future borrowings will be sufficient to meet our working capital and capital expenditure requirements over the next 12 months.

Indebtedness

As of September 30, 2014, we had long term borrowings of ₹ 1,996.87 million and short term borrowings of ₹ 252.19 million.

The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2014, and our repayment obligations in the periods indicated:

	As of September 30, 2014		
	Payment due by Period		
	Total	**Less than 1 year**	**More than 1 year**
	(₹ millions)		
Term Loans			
Secured	1,810.81	370.64	1,440.17
Unsecured	-	-	-
Total term loans	**1,810.81**	**370.64**	**1,440.17**
Short Term Borrowings			
Secured	190.21	190.21	-
Unsecured	61.98	61.98	-
Total Short Term Borrowings	**252.19**	**252.19**	**-**

In addition, our Company availed a loan of ₹ 1,200.00 million in November 21, 2014 from Kotak Mahindra Prime Limited, for the acquisition of RCL. Mr. Sandeep P. Engineer has pledged 6.76% of his shareholding in our Company as security, in this regard.

Most of our loans are secured by way of mortgage of fixed assets and hypothecation of current assets both present and future. Many of our financing agreements include various conditions and covenants restricting certain activities and certain transactions. Specifically, we may require, and may be unable to obtain, lender consents to sell or dispose assets charged, effect change in capital structure, undertake guarantee obligations, undertake new project or expansion, effecting any consolidations or mergers, acquire fixed assets, make any significant change in management and permit any transfer of controlling interest. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements and may adversely affect our ability to conduct our business and operations or implement our business plans.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2014, aggregated by type of contractual obligation:

Particulars	**As on March 31, 2014**	
	Payment due by period	
	Total	**Less than 1 year**
	(₹ millions)	
Capital Contracts remaining to be executed	146.40	146.40
Total Contractual Obligations	**146.40**	**146.40**

Contingent Liabilities and Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as of September 30, 2014:

Particulars	**Amount**
Contingent Liability	(₹ millions)
Bank Guarantees	31.67
Letters of credit for purchases	7.78
VAT, CST and entry tax matters under appeal	5.90
Total	**45.35**

Except as disclosed above or in our audited consolidated financial statements for fiscal 2011, 2012 and 2013 included in this Placement Document, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors. We do not have any off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. Primarily these transactions include purchase of goods or assets, sale of goods or assets, rent received, interest income, managerial remuneration, rental payments, receipt towards loan given and deposits given. For further information relating to our related party transactions, see our audited consolidated financial statements included elsewhere in this Placement Document.

Interest Service Coverage Ratio

The interest service coverage ratio, which we define as earnings before interest and tax (EBIT) divided by interest cost) for fiscal 2012, fiscal 2013 and fiscal 2014 was 3.58, 5.44 and 4.35.

Changes in Accounting Policies

There have been no changes in our accounting policies during the last three fiscal years.

Quantitative and Qualitative Disclosures about Market Risk

Exchange Rate Risk

Changes in currency exchange rates influence our results of operations. A portion of our revenues, particularly relating to our international operations and our export sales, is denominated in currencies other than Indian Rupees, most significantly the U.S. dollar, the Euro and the British Pound. A significant portion of our expenses, including cost of any imported raw materials and other operating expenses in connection with our operations, as well as certain of our capital expenditure on equipment imported, are also denominated in currencies other than Indian Rupees.

Depreciation of the Indian Rupee against the U.S. dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency that we may enter into in the future or any proposed capital expenditure in foreign currencies. Appreciation of the Indian Rupee, on the other hand, may cause our export products to be less competitive by raising our prices in terms of such other currencies, or alternatively require us to reduce the Indian Rupee price we charge for export sales, either of which effects could adversely affect our profitability.

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract. The Company has not exercised the option for capitalisation or amortisation of exchange differences on long term foreign currency monetary items as provided by notification issued by the Ministry of Corporate Affairs. Any income or expenses on account of foreign exchange difference either on settlement or on translation are recognised in the statement of profit and loss account.

In its limited review report dated November 29, 2014 on our consolidated financial statements for the six months ended September 30, 2014, our statutory auditors Deloitte Haskins and Sells have stated that in view of the prevailing volatility in the foreign exchange market, in respect of foreign currency borrowings and corresponding forward exchange contracts, loss/gain arising on foreign exchange rate fluctuation on outstanding balances, as at the end of the six months ended September 30, 2014 has not been given effect in the consolidated unaudited financial statements as the Company will account for the same at the end of the financial year. Such loss for the six months ended on September 30, 2014 was ₹ 54.82 million. This has resulted in the profit for the six months and reserves and surplus being overstated by ₹ 54.82 million and borrowings understated by ₹ 54.82 million.

Furthermore, the financial reporting currency of the Company and its Indian subsidiaries is Indian Rupees, while the financial reporting currency of our recently acquired subsidiary in U.K is in pound sterling. Our foreign currency exchange risks therefore arise from the mismatch between our financial reporting currencies, currency of a substantial majority of our revenue and the currency of a substantial portion of our expenses and our indebtedness, as well as timing differences between receipts and payments which could result in an increase of any such mismatch.

Although we selectively enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. dollar or other relevant foreign currencies.

Interest Rate Risk

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to an extent by debt, and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Credit Risk

We are exposed to credit risk on amounts owed to us by our customers. If our customers do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts.

Commodity Price Risk

We are exposed to the price risk associated with purchasing our key raw material, specifically CPVC compound. We generally do not enter into long-term firm price contracts for the supply of our key raw materials. Therefore fluctuations in the price and availability of these raw materials may adversely affect our business and results of operations. For additional discussion on how the results of our operations are affected by fluctuations in the price and availability of our key raw material, see section titled "***Risk Factors***" on page 31.

Matters of Emphasis

The limited review report on our unaudited consolidated financial statements for the six months ended September 30, 2014 includes certain matters of emphasis relating to: (i) any loss or gain arising on foreign exchange rate fluctuations on outstanding balances as at the end of such six month period has not been given effect in such consolidated financial statements as the Company proposes to account for any such loss or gain on foreign exchange rate fluctuations at the end of the fiscal year. Such loss for the six months ended September 30, 2014 was Rs.54.82 million, resulting in profit and reserves and surplus for such period being overstated by Rs.54.82 million, and borrowings being understated by Rs.54.82 million; and (ii) in addition, our unaudited consolidated financial statements as of and for the six months ended September 30, 2014 includes the interim financial statements of our joint venture entity in Kenya that has not been either audited or reviewed, but have been based on the certified accounts provided by management.

However, there were no reservations, qualifications and adverse remarks included in the auditors' report on the financial statements of our Company for the years ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010.

Significant Developments after September 30, 2014 that may affect our Future Results of Operations

Except as stated in this Placement Document, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Placement Document which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

MANAGEMENT'S DISCUSSION AND ANALYSIS ON RESULTS OF OPERATIONS AND FINANCIAL CONDITION OF RESINOVA CHEMIE LIMITED

Since we acquired 76.00% shareholding in Resinova Chemie Limited with effect from November 21, 2014, our consolidated financial statements included in this Placement Document do not reflect the consolidation of RCL's financial statements. We have therefore included the following financial statements for RCL in this Placement Document:

- Audited consolidated financial statements for fiscal 2012, 2013 and 2014 together with respective audit reports thereon of Shailesh Vishesh & Co., statutory auditors of RCL; and

- Reviewed consolidated financial statements for six months ended September 30, 2014 together with review report thereon of Shailesh Vishesh & Co., statutory auditors of RCL.

We have also included below management's discussion and analysis on the results of operations and financial condition of RCL in fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014.

Accounting Policies

For further information on accounting policies followed by RCL, see the audited financial statements for fiscal 2012, 2013 and 2014 and the reviewed financial statements for the six months ended September 30, 2014 included elsewhere in this Placement Document.

Results of Operations

The following table sets forth certain information based on RCL's financial statements for fiscal 2012, 2013 and 2014 and the six months ended September 30, 2014:

Particulars	Fiscal 2012		Fiscal 2013		Fiscal 2014	
	(₹ millions)	Percentage of total income (%)	(₹ millions)	Percentage of total income (%)	(₹ millions)	Percentage of total income (%)
Income						
Revenue from operations (gross)	1,331.65	111.62	1,600.15	114.20	1,971.43	114.16
Less: excise duty	(140.33)	(11.76)	(200.03)	(14.28)	(246.69)	(14.28)
Revenue from operations (net)	1,191.32	99.86	1,400.12	99.92	1,724.74	99.88
Other Income	1.72	0.14	1.06	0.08	2.23	0.12

Particulars	Fiscal 2012		Fiscal 2013		Fiscal 2014	
Total Revenue	**1,193.04**	**100.00**	**1,401.18**	**100.00**	**1,726.97**	**100.00**
Expenses						
Cost of materials consumed	885.05	74.19	1,041.92	74.36	1,284.27	74.37
Purchase of stock-in-trade	0.11	0.01	0.02	0.00	0.02	0.00
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(11.43)	(0.96)	(40.46)	(2.89)	(57.92)	(3.35)
Employees benefit expenses	85.15	7.14	103.67	7.40	130.49	7.56
Finance costs	6.11	0.51	5.04	0.36	6.59	0.38
Depreciation and amortisation expenses	5.80	0.49	7.00	0.50	8.83	0.51
Other expenses	153.85	12.89	198.46	14.16	243.03	14.07
Total Expenses	**1,124.64**	**94.27**	**1,315.65**	**93.89**	**1,615.31**	**93.54**
Profit Before Taxation	**68.40**	**5.73**	**85.53**	**6.11**	**111.66**	**6.46**
Tax expenses						
Current tax	20.82	1.75	26.37	1.88	34.89	2.02
Current tax expense relating to prior years	0.64	0.05	-	-	0.58	0.03
Deferred tax liability	0.81	0.07	(0.06)	(0.00)	1.65	0.10
Profit For The Year	**46.13**	**3.86**	**59.22**	**4.23**	**74.54**	**4.31**

The following table sets forth certain information based on our consolidated financial statements for the six months ended September 30, 2013 and 2014:

Particulars	Six months ended September 30,			
	2013		2014	
	(₹ millions)	Percentage of total income (%)	(₹ millions)	Percentage of total income (%)
	(unaudited)			
Income				
Revenue from operations (gross)	963.27	114.05	1,166.71	114.14
Less: excise duty	(120.07)	(14.22)	(145.97)	(14.28)
Revenue from operations (net)	843.20	99.83	1,020.74	99.86
Other Income	1.39	0.17	1.40	0.14
Total Revenue	**844.59**	**100.00**	**1,022.14**	**100.00**
Expenses				
Cost of materials consumed	628.26	74.39	741.56	72.55
Purchase of stock-in-trade	0.01	0.00	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(30.91)	(3.66)	(18.29)	(1.79)
Employees benefit expenses	62.61	7.41	76.40	7.47
Finance costs	2.93	0.35	4.37	0.43
Depreciation and amortisation expenses	4.37	0.52	4.88	0.48
Other expenses	116.70	13.82	139.85	13.68
Total Expenses	**783.97**	**92.83**	**948.77**	**92.82**
Profit Before Taxation	60.62	7.17	**73.37**	7.18
Tax expenses				
Current tax	15.60	1.85	20.00	1.96
Current tax expense relating to prior years	0.34	0.04	0.04	(0.00)
Deferred tax liability	2.42	0.29	0.73	0.07
Profit For The Period	**42.26**	**4.99**	**52.60**	**5.15**

Six months ended September 30, 2014 compared to the Six Months ended September 30, 2013

Income

Total revenue increased by 21.02% from ₹ 844.59 million in the six months ended September 30, 2013 to ₹1,022.14 million in the six months ended September 30, 2014.

Revenue from Operations

Gross revenue from operations was ₹ 1,166.71 million in the six months ended September 30, 2014 compared to ₹ 963.27 million in the six months ended September 30, 2013. Net revenue from operations increased by 21.02% from ₹ 844.59 million in the six months ended September 30, 2013 to ₹ 1,022.14 million in the six months ended September 30, 2014. The growth in revenue was primarily driven by an increase in volume of sales as well as a marginal increase in average selling prices.

Other Income

Other income was ₹ 1.40 million in the six months ended September 30, 2014 compared to ₹ 1.39 million in the six months ended September 30, 2013.

Expenditure

Cost of Materials Consumed

Cost of material consumed, which is our most significant operating expense, increased by 18.03% from ₹ 628.26 million in the six months ended September 30, 2013 to ₹ 741.56 million in the six months ended September 30, 2014.

Purchase of Stock in Trade

Purchase of stock in trade was ₹ 0.01 million in the six months ended September 30, 2013. There was no purchase of stock in trade in the six months ended September 30, 2014.

Employee Benefit Expenses

Employee benefit expenses increased by 22.03% from ₹ 62.61 million in the six months ended September 30, 2013 to ₹ 76.40 million in the six months ended September 30, 2014, resulting from an increase in number of employees as well increment in salaries.

Other Expenses

Other expenses increased by 19.84% from ₹ 116.70 million in the six months ended September 30, 2013 to ₹ 139.85 million in the six months ended September 30, 2014.

Selling expenses, which include sales discount, advertisement and sales promotion, travelling and conveyance, freight and forwarding and sales tax/VAT paid, increased by 34.04% from ₹ 74.95 million in the six months ended September 30, 2013 to ₹ 100.46 million in the six months ended September 30, 2014.

Manufacturing and operating expenses, which include power and fuel expenses, consumption of stores and spare parts, excise duty paid and repairs and maintenance charges for buildings and machinery, increased by 8.92% from ₹ 18.38 million in the six months ended September 30, 2013 to ₹ 20.02 million in the six months ended September 30, 2014.

Administrative expenses, which include rent including lease rentals, printing, stationery and postage expenses, other repairs and maintenance charges, telephone charges, recruitment expenses and legal and professional expenses, however decreased by 26.92% from ₹ 20.35 million in the six months ended September 30, 2013 to ₹ 14.87 million in the six months ended September 30, 2014.

Finance Costs

Finance costs increased by 49.15% from ₹ 2.93 million in the six months ended September 30, 2013 to ₹ 4.37 million in the six months ended September 30, 2014. Interest expense on borrowings was ₹ 2.82 million in the six months ended September 30, 2013 compared to ₹ 4.19 million in the six months ended September 30, 2014. We also recorded interest expense on security deposit of ₹ 0.12 million in the six months ended September 30, 2013 compared to ₹ 0.18 million in the six months ended September 30, 2014.

Depreciation and Amortisation Expenses

Depreciation expenses was ₹ 4.88 million in the six months ended September 30, 2014 compared to ₹ 4.37 million in the six months ended September 30, 2013.

Profit Before Tax

Profit before tax was ₹ 73.37 million in the six months ended September 30, 2014 compared to ₹ 60.62 million in the six months ended September 30, 2013.

Tax Expense

Tax expenses (as adjusted for earlier years) was ₹ 20.77 million in the six months ended September 30, 2014.

Profit for the Period

For the reasons discussed above, profit for the six months ended September 30, 2014 was ₹ 52.60 million compared to ₹ 42.26 million in the six months ended September 30, 2013.

Fiscal 2014 compared to Fiscal 2013

Income

Total revenue increased by 23.25% from ₹ 1,401.18 million in fiscal 2013 to ₹ 1,726.97 million in fiscal 2014.

Revenue from Operations

Gross revenue from operations increased by 23.20% from ₹ 1,600.15 million in fiscal 2013 to ₹ 1,971.43 million in fiscal 2014, while total revenue from operations increased by 23.25% from ₹ 1,401.18 million in fiscal 2013 to ₹ 1,726.97 million in fiscal 2014. The growth in revenue was primarily driven by an increase in volume of sales as well as a marginal increase in average selling prices.

Other Income

Other income increased by 110.38% from ₹ 1.06 million in fiscal 2013 to ₹ 2.23 million in fiscal 2014.

Expenditure

Cost of Materials Consumed

Cost of material consumed increased by 23.26% from ₹ 1,041.92 million in fiscal 2013 to ₹ 1,284.27 million in fiscal 2014 primarily due to purchase of raw materials and packing materials during fiscal 2014, reflecting the growth in our operations and increased production.

Purchase of Stock in Trade

Purchase of stock in trade was ₹ 0.02 million in fiscal 2013 and fiscal 2014.

Employee Benefit Expenses

Employee benefit expenses increased by 25.87% from ₹ 103.67 million in fiscal 2013 to ₹ 130.49 million in fiscal 2014 primarily due to an increase in salaries and wages by 25.47% from ₹ 97.79 million in fiscal 2013 to ₹ 122.70 million in fiscal 2014 and staff welfare expenses increased by 149.32% from ₹ 0.73 million in fiscal 2013 to ₹ 1.82 million in fiscal 2014. There were also an increase of 15.92% in the contribution to provident and other funds from ₹ 5.15 million in fiscal 2013 to ₹ 5.97 million in fiscal 2014. The number of our full time employees increased in fiscal 2014.

Other Expenses

Other expenses increased by 22.46% from ₹ 198.46 million in fiscal 2013 to ₹ 243.03 million in fiscal 2014. This was primarily due to increases in selling expenses, administrative expenses and manufacturing and operating expenses. Selling expenses increased by 22.65% from ₹ 135.67 million in fiscal 2013 to ₹ 166.40 million in fiscal 2014. Manufacturing and operating expenses increased by 23.22% from ₹ 30.70 million in fiscal 2013 to ₹ 37.83 million in fiscal 2014, while administrative expenses increased by 26.87% from ₹ 24.08 million in fiscal 2013 to ₹ 30.55 million in fiscal 2014.

Finance Costs

Finance costs increased by 30.75% from ₹ 5.04 million in fiscal 2013 to ₹ 6.59 million in fiscal 2014.

Depreciation and Amortisation Expenses

Depreciation expenses increased by 26.14% from ₹ 7.00 million in fiscal 2013 to ₹ 8.83 million in fiscal 2014.

Profit Before Tax

Profit before tax increased by 30.56% from ₹ 85.53 million in fiscal 2013 to ₹ 111.66 million in fiscal 2014.

Tax Expense

Tax expenses (as adjusted for earlier years and deferred tax) increased by 41.08% from ₹ 26.31 million in fiscal 2013 to ₹ 37.12 million in fiscal 2014.

Profit for the Year

For the reasons discussed above, our profit for the year increased by 25.87% from ₹ 59.22 million in fiscal 2013 to ₹ 74.54 million in fiscal 2014.

Fiscal 2013 Compared to Fiscal 2012

Income

Total revenue increased by 17.45% from ₹ 1,193.04 million in fiscal 2012 to ₹ 1,401.18 million in fiscal 2013.

Revenue from Operations

Gross revenue from operations increased by 20.16% from ₹ 1,331.65 million in fiscal 2012 to ₹ 1,600.15 million in fiscal 2013, while total revenue from operations increased by 17.45% from ₹ 1,193.04 million in fiscal 2012 to ₹ 1,401.18 million in fiscal 2013. The increase in sales was primarily due to increase in sale volume and increase in the geographical reach of the products.

Other Income

Other income decreased by 38.37% from ₹ 1.72 million in fiscal 2012 to ₹ 1.06 million in fiscal 2013.

Expenditure

Cost of Materials Consumed

Cost of materials consumed increased by 17.72% from ₹ 885.05 million in fiscal 2012 to ₹ 1,041.92 million in fiscal 2013 primarily relating to purchase of raw materials and packing materials reflecting the growth in our operations and increased production.

Purchase of Stock in Trade

Purchase of stock in trade was ₹ 0.02 million in fiscal 2013 compared to ₹ 0.11 million in fiscal 2012.

Employee Benefit Expenses

Employee benefit expenses increased by 21.75% from ₹ 85.15 million in fiscal 2012 to ₹ 103.67 million in fiscal 2013 primarily due to an increase in salaries and wages by 23.01% from ₹ 79.50 million in fiscal 2012 to ₹ 97.79 million in fiscal 2013 and increase in contribution to provident and other funds by 18.66% from ₹ 4.34 million in fiscal 2012 to ₹ 5.15 million in fiscal 2013. However there was a decrease in staff welfare expenses from ₹ 1.31 million in fiscal 2012 to ₹ 0.73 million in fiscal 2013. The number of our full time employees increased in fiscal 2013.

Other Expenses

Other expenses increased by 29.00% from ₹ 153.85 million in fiscal 2012 to ₹ 198.46 million in fiscal 2013. This was primarily due to increases in selling expenses and manufacturing and operating expenses which offset the decrease in administrative expenses. Selling expenses increased by 37.03% from ₹ 99.01 million in fiscal 2012 to ₹ 135.67 million in fiscal 2013, while manufacturing and operating expenses increased by 20.20% from ₹ 25.54 million in fiscal 2012 to ₹ 30.70 million in fiscal 2013. Administrative expenses however decreased marginally decreased by 5.57% from ₹ 25.50 million in fiscal 2012 to ₹ 24.08 million in fiscal 2013.

Finance Costs

Finance costs decreased by 17.51% from ₹ 6.11 million in fiscal 2012 to ₹ 5.04 million in fiscal 2013.

Depreciation and Amortisation Expenses

Depreciation expenses increased by 20.69% from ₹ 5.80 million in fiscal 2012 to ₹ 7.00 million in fiscal 2013.

Profit Before Tax

Profit before tax increased significantly by 25.04% from ₹ 68.40 million in fiscal 2012 to ₹ 85.53 million in fiscal 2013.

Tax Expense

Tax expenses (as adjusted for earlier years and deferred tax) increased by 18.14% from ₹ 22.27 million in fiscal 2012 to ₹ 26.31 million in fiscal 2013.

Profit for the Year

For the reasons discussed above, profit for the year increased by 28.38% from ₹ 46.13 million in fiscal 2012 to ₹ 59.22 million in fiscal 2013.

Auditors Qualifications in relation to RCL

The audit reports of Shailesh Vishesh & Co., statutory auditors of our recently acquired subsidiary RCL, include certain qualifications: the audit report on the financial statements for fiscal 2013 and 2014 stated that liability for retirement gratuity payable to employees was provided on accrual basis in accordance with the provisions of the Payment of Gratuity Act, 1972, as amended, and not in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, as amended. A liability of Rs.1,426,576.00 and Rs.2,083,307.00 for retirement gratuity has been charged to the profit and loss account in fiscal 2013 and 2014, respectively; however, in the absence of valuation of such liability as per actuarial valuation, the effect of such deviation is not determinable.

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is derived from "India PVC Pipes and Fittings Industry Outlook to 2019 - Expanding Irrigated Area and Housing Sector to Stimulate Growth", August, 2014 (the "**Ken Report 2014**"), and India Adhesives Market Forecast & Opportunities, 2019 (the "**TechSci Research**") as well as other industry sources and government publications. Neither the Company, nor the GCBRLMs or any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.*

Overview

PVC pipes and fittings industry in India has showcased significant growth over the past few years and registered a compound annual growth rate (CAGR) of 12.5% during Fiscal 2009 and Fiscal 2014. Although, the adoption of PVC pipes and fittings by the people and industries is growing at a fast pace, the market penetration is still very low compared to other countries such as the US, and China, indicating a huge market potential for the domestic market in India. The market is primarily segmented into rigid PVC, flexible PVC and chlorinated PVC pipes and fittings. The production capacity for chlorinated PVC (CPVC) pipes and fittings has grown at CAGR of 30.1% during the period Fiscal 2009 and Fiscal 2014 and is further expected to grow at a CAGR of 32.1% during Fiscal 2014 and Fiscal 2019. Although CPVC pipes and fittings contributed just 5.0% to the overall production capacity in Fiscal 2014, it is the fastest growing segment of the PVC pipes and fittings industry in India. Agriculture accounts for the largest share in terms of application of PVC pipes in India with a share of 73.8% in the total market revenue, as recorded in Fiscal 2014. Agriculture forms a major portion of the PVC pipes and fittings market revenue in India followed by construction sector with increased spending witnessed in real estate and infrastructure development in the country. The industry in India is highly fragmented with nearly 1,000 companies with 450 players in the unorganized segment of the industry. There is a severe competition in the market with a large number of organized and unorganized players engaged in the manufacturing and distribution of PVC pipes and other equipment in the country. Approximately 55.2% of the market revenue is generated by the organized segment which has been growing at a CAGR of 12.9% from Fiscal 2009 to Fiscal 2014.

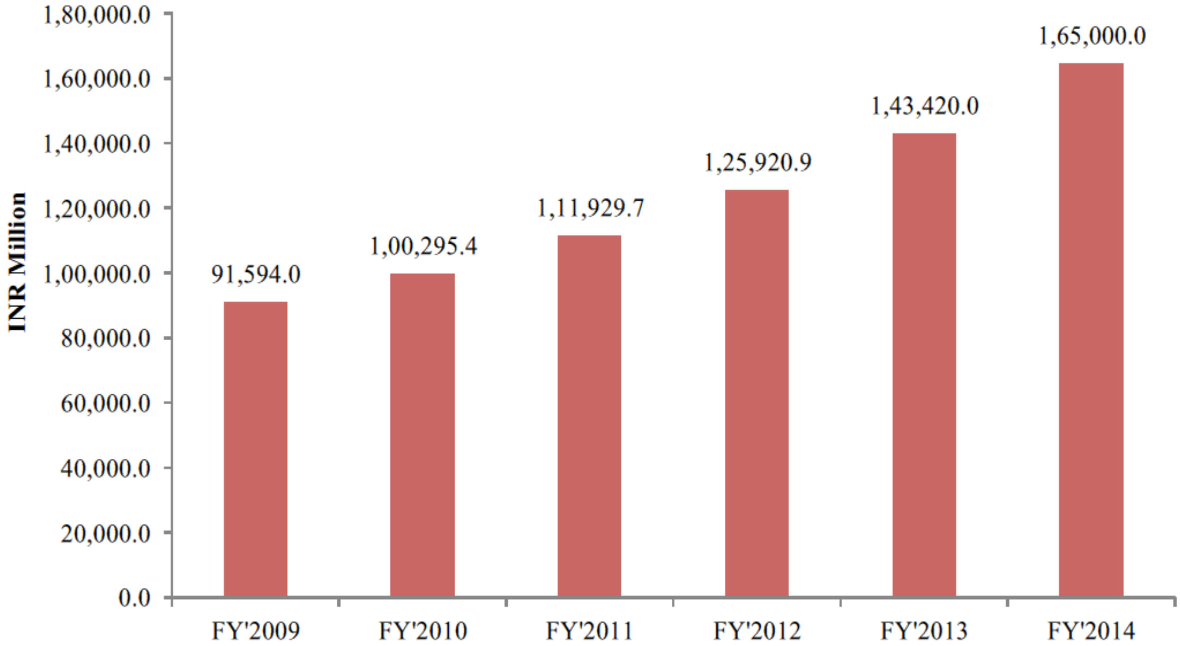
In the past few years, the Government of India has initiated many new projects and investments in the irrigation sector. The focus of the government is on rural water management, which will be fulfilled only when there is a proper infrastructure for transportation of water to the end-user. This factor is one of the major drivers for the growth of PVC pipe industry in India along with the expansion of housing sector and increasing demand for oil and gas transportation. Overall, the PVC piping system industry in India has grown significantly over the last few years due to the increase in the irrigated area, rising investments by the Government on infrastructure and spurring real estate demand on account of increasing urbanization trends. The market is further expected to grow at a CAGR of 18.8% to INR 391 billion in Fiscal 2019 from INR 165 billion in Fiscal 2014.

PVC Pipes and Fittings Market in India

Market Size by Revenue

PVC pipes and fittings market in India is valued at INR 165,000 million in Fiscal 2014 and has grown at a CAGR of 12.5% during the period between Fiscal 2009 and Fiscal 2014. The growth can be attributed to the increasing demand for agricultural production due to rising population, tremendous investment by the Government on infrastructure, augmentation of real estate sector and increasing recognition of the benefits of PVC pipes over other conventional piping systems. Over the past few years, PVC pipes have gradually replaced the conventional pipes such as galvanized iron, ductile iron and cement pipes due to their lower cost, higher strength and longer life. The main consuming industries for PVC pipes and fittings in India are housing, irrigation and water infrastructure. Agricultural sector accounts for major demand for PVC pipes in India. Subsidies and investments made by the Government in the agricultural sector have bolstered the demand for PVC pipes in the country in the last few years.

PVC Pipes and Fittings Market Size in India on the Basis of Revenue in INR Million, FY 2009 – FY 2014

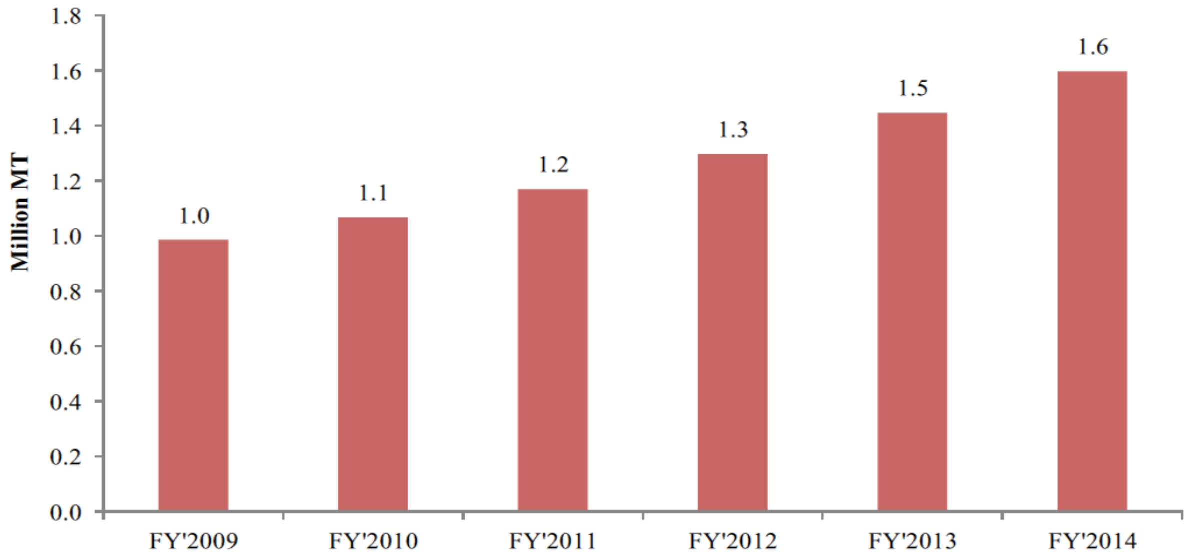


Source: Ken Report, 2014

Market Size by Production Capacity

In terms of production capacity, the Indian PVC pipes and fittings industry has witnessed remarkable growth over the last five years, at a CAGR of 10.1% over the period Fiscal 2009 to Fiscal 2014. Currently, the industry is grounded by a large number of organized and unorganized PVC pipes and fittings manufacturing companies. The total PVC pipes and fittings production capacity in Fiscal 2014 was 1.6 million MT as compared to 1.0 million MT in Fiscal 2009. The positive growth in the PVC pipes production capacity can mainly be attributed to the factors such as increased government focus on water and sanitation management, rise in irrigational land for food production which in turn impacted the demand for PVC pipes from the agriculture sector and growth in real estate market in India. Furthermore, disposable income, which amounted to INR 46,765,318.4 million in Fiscal 2009 augmented to INR 99,719,921.9 million in Fiscal 2014 showcasing a CAGR of 16.4% during the period was also a major growth driver of PVC pipes and fittings market in India. In addition, increase in the personal disposable income along with rapid development of infrastructure and housing sector in India has fuelled the demand for PVC pipes in the country. Thus, growing urbanization and the subsequent development of the residential and industrial construction have facilitated the production capacity expansion of PVC pipes by the leading players in the last few years. Though one of the major challenges the PVC pipe market in India faces is the increasing trend of crude oil prices which squeezes the profit margin of the manufacturers, however, increased budgetary allocation from the Government on infrastructure development and rise in the number of programs conducted for safe drinking water, urban and rural sanitation, rain-water harvesting and integrated watershed management program and others, have led to substantial rise in the demand for PVC pipes in the last few years. This has led expansion of production capacities, as well as establishment of new manufacturing plants.

PVC Pipes and Fittings Market Size in India on the Basis of Production Capacity in Million MT, FY 2009 –FY 2014

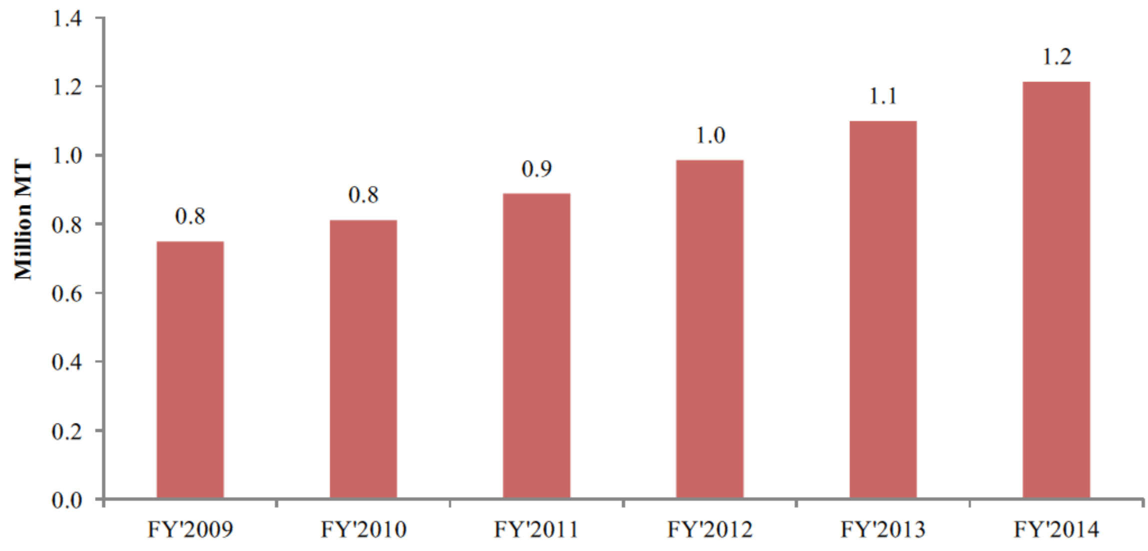


Source: Ken Report, 2014

Market Size by Production Volume

PVC pipes and fittings market in India has witnessed constant increase in terms of volume of PVC pipes and fittings manufactured, year on year. The industry has grown at a CAGR of 10.1% over the period Fiscal 2009 to Fiscal 2014. The total volume of PVC pipes and fittings produced in the country in Fiscal 2014 was 1.2 million MT as compared to 0.8 million MT in Fiscal 2009. The capacity utilization of the players in the industry is averaged at 76%. The major PVC pipes and fittings manufacturing companies in India have flexible production facilities which assist them to keep their production volumes in line with the demand in the market, thus reducing the impact of economic and seasonal changes. Their manufacturing facilities enable them to produce a wide range of products with different specifications to meet specific demand of the customers.

PVC Pipes and Fittings Market Size in India on the Basis of Production Volume in Million MT, FY 2009 –FY 2014



Source: Ken Report, 2014

Trends and Developments in India PVC Pipes and Fittings Market

Rising Popularity of CPVC Pipes

In the past few years, a shifting trend towards CPVC pipes has been witnessed in India. CPVC is obtained by chlorination of polyvinyl chloride. It has better physical and mechanical properties than PVC, which makes it ideal for making pipes and pipe fittings. CPVC gives pipes an unbeatable strength and high corrosive water and heat resistance. They are widely used in the industries for the transportation of hazardous and highly corrosive chemicals.

CPVC pipes have comparatively high barriers to entry on account of single supplier of raw material i.e. Lubrizol. Lubrizol has sole patent of manufacturing CPVC resin in the world. In India, Astral Polytechnik Limited is one of the three clients of Lubrizol. Lubrizol has given 4 product licenses in India which is for CPVC plumbing pipes and fittings, industrial pipes, bendable aluminum CPVC and for fire sprinkler system. Astral has all the 4. Since, Lubrizol has not licensed its technology to any other company for several years and may not be expected to licensee to others, it is difficult for new entrant in the CPVC pipes market to obtain such license.

Relative Comparison of Properties of GI, CPVC and PVC Pipes and Fittings

Properties	Galvanized Iron (GI)	CPVC	PVC
Life (years)	15-20	30-35	20-25
Cost	Costlier than CPVC	25% cheaper than GI and 15% costlier than PVC	Cheaper than galvanized iron and CPVC
Corrosion	Corrodes faster and deteriorates	Have Anti Corrosive properties	No effect due to chemical resistance
Fire Resistant	Easily catches fire and sustains burning	Does not catch fire or sustain burning, resistance up to 95°C	Less resistance (45°C) than CPVC
Leakage	Vulnerable to leakage	Leakage free for lifetime	Leakage free
Special Tools	Heavy tools to cut	Simple cutter	Hex Saw Blade
Bacterial Growth	Higher than Copper and CPVC	Extremely Low	Relatively Low
Installation	Requires more time and energy	No electric or heat source required, done through cold welding.	Done through cold welding
Thermal Conductivity and Insulation	Very High thermal conductivity increases heat loss and requires high insulation levels	Low thermal conductivity reduces heat loss and requires reduced insulation levels.	Low thermal conductivity

Source: Ken Report, 2014

Growing prices of copper and increasing recognition of benefits of plastic piping systems has led to a steady growth of the demand for plastic pipes in the Indian market in the last few years. In India, plastic pipes and fittings are particularly used in the sanitary, construction and agricultural sectors. In comparison to concrete, copper and steel pipes, plastic pipes have a lower leakage and corrosion rate and require lower installation costs, and therefore enjoys enhanced consumer confidence in plastic pipes and are more willing to install plastic pipes rather than other iron pipes at their households. Among different plastic pipes, presently PVC has a dominant share of nearly 85%. In order to remain competitive in a highly fragmented industry, several companies in the PVC pipes and fittings market in India are extensively investing on capacity expansions for boosting their production of PVC pipes.

Stringent Competition Acting as an Entry Barrier

In the recent years, the competition amongst the PVC pipes and fittings manufacturers in the country has intensified. PVC is currently one of the most lucrative products in the polymer space, and entry barriers are expected to build up in the PVC pipes and fittings industry in the coming years. PVC pipes and fittings manufacturers are forced to frequently tailor their production, distribution, marketing, and branding strategies, taking into account the stiff competition from other players. This competition will make it difficult for new foreign and domestic players to venture in the highly competitive PVC pipes market in India.

Growth Drivers and Opportunities in Indian PVC Pipes and Fittings Market

The demand growth for PVC pipes has mainly stemmed from the agricultural sector. The subsidies and investments made by the Government in the agricultural sector have further augmented the demand for PVC pipes. A good monsoon and increased emphasis on drip irrigation by various State Governments have also contributed to the spurt in demand for PVC pipes and fittings in the country in recent years. The availability of agricultural loans at low interest rates and various micro irrigation projects initiated by State Governments is expected to result in high demand for PVC pipes and fittings in the coming years.

Further, investment by the Government on infrastructure has escalated the demand for PVC pipes and fittings in India in the last few years. Housing shortage in urban area was 22 million units in Fiscal 2013. Government is targeting to build nearly 2 million units each year, whereas in rural area, housing shortage accounted to 54 million units in Fiscal 2013 with government target of 4.5 million units per year. Both urban and rural housing would drive the growth for PVC pipes in the coming years. Urbanization has also increased the demand for larger and cost effective sewage lines, which has further boosted the demand for PVC pipes and fittings. Additionally, the PVC pipes industry derives its demand from domestic plumbing industry, which is expected to grow between 15-20% annually for the next few years based on demand from new residential, commercial and industrial projects.

Durability and Strength Leading to Increased Industrial Applications

PVC pipes have the characteristics of being strong and long-lasting. At the same time, PVC pipes are flexible enough to bend without breaking which allows them to endure earth movement. No degradation of buried pipes is observed over time. These pipes do not undergo any chemical degradation which enhances their durability. They are highly resistant to strong acids, alkalis and surfactants, and can be used in the presence of sulphuric acid which often exists in abnormal conditions relating to sewerage systems. PVC piping systems are widely used in industrial applications for their excellent chemical resistance. In addition, PVC pipes are resistant to corrosion and are effectively inert which make it a better alternative to iron pipes. The above have driven the demand of PVC pipes in the market in India in the recent years and have made them preferred option over other traditional pipes.

Cost Efficient Installation Spurring Demand

Another key factor that has driven the demand of PVC pipes in India in the last few years is easy installation of PVC pipes. PVC piping systems are very light and yet strong which facilitates their easy installation at the site. The light weight of PVC pipes makes them easy to transport. It is feasible to carry 8 times as many PVC sewer pipes than concrete pipes on a single lorry and thus carrying the pipes to the site has a lower environmental impact. For the pipes with small diameter, no cranes are required on the site. Even after the installation of these pipes, minimal maintenance and upkeep is required.

PVC pipes are light and easy to handle, thereby significantly reducing the need for mechanical support for placing and fixing the pipes together, leading to a cost efficient installation. PVC piping systems can be installed using different types of joints such as solvent cement joints, push-fit joints and others. The use of push fit joints is a very significant characteristic of PVC piping systems since it ensures watertight, safe and durable union of the pipes. The use of push fit joints permits a fast and simple mounting which saves the cost during installation as it avoids using complex welding operations and costly investments in sophisticated equipment and skills. The cost efficiency has led to the use of PVC pipes in a wide variety of applications, ranging from sewage and drainage to ducting that is used for the protection of electrical cabling, thus driving the market growth.

Housing and Infrastructure Sector Shifting towards PVC Piping from Conventional Piping Systems

India has remained a galvanized iron pipe dominated market since many years. However, in the last few years, there has been a shift towards PVC pipes due to its advantages compared to conventional pipe systems. The replacement demand for PVC pipes and fittings has picked up mainly from housing and infrastructure sector, majority of which has been coming from Tier 1 cities, where the consumers are quality conscious; however healthy traction has also been witnessed from Tier 2 and 3 cities in the recent years.

Surging Demand for PVC pipes and fittings from the Rural Sector

With urban and suburban markets getting increasingly saturated, more and more PVC pipes and fittings marketers in India are looking towards the rural markets. Rural markets suffer from the problem of low penetration and poor availability of branded PVC pipes and fittings. Rural sector offers great opportunity and scope for companies in the organized market to encourage consumers to buy branded products and develop marketing strategies to treat the rural consumer differently than their counterparts in urban areas because they are economically and socially different. The use of PVC pipes in rural regions is expected to gain momentum in the coming years with higher infrastructure outlay envisaged through plans such as Bharat Nirman and National highway development. Furthermore, the increase in disposable incomes of the farmers led by an increase in Minimum Support Price and other government schemes such as NREGA has resulted in an increase in their spending power which will further lead to rise in investments in irrigation and plumbing, thus impacting the demand for PVC pipes and fittings in the country.

Issues and Challenges in India PVC Pipes and Fittings Market

Rising Prices of Crude Oil

Principal raw material required as a raw material for the production of PVC pipes and fittings is PVC resin. In India, total production of PVC resin has lagged the total demand, thus India depends heavily on imports for majority of its PVC resin requirement. PVC resin consumption in the country grew by 13.9% during Fiscal 2013 requiring larger volume of imports since there was only marginal increase in the local production during the year. The recovery of housing sector in the US and resurging economy of the US will increase the consumption of PVC raw materials there, thus reducing the supply to India. Thus, the cost of imported resin is expected to remain at a higher level. Price of PVC resin is mainly driven by global demand and supply. PVC resin is crude derivative and its price has a correlation with global crude oil prices. Adverse movements in the global demand-supply gap and crude oil prices may result in an increase in the price of PVC resin. Additionally, further depreciation in the rupee against USD may lead to increase in costs of resins. The companies cannot pass on the increased raw material costs to the customers in the short term and this may have an impact on their margins, thus impacting the market revenue.

High Dependence on the State of Economy and Prevailing Interest Rates

Real estate is a key driver of the demand for PVC pipes and fittings in India. Real estate development is largely dependent on the growth of the economy and prevailing market interest rates. A slowdown in the global economy could cause a slowdown in the Indian economy as it was witnessed in 2011 and 2012, when the European crisis adversely affected the global economy. A slowdown in the economy, sluggish real estate development and increase in interest rates acts as a major risk concern for the sector and can create an adverse effect on the demand for PVC pipes and fittings, thus affecting the market revenue.

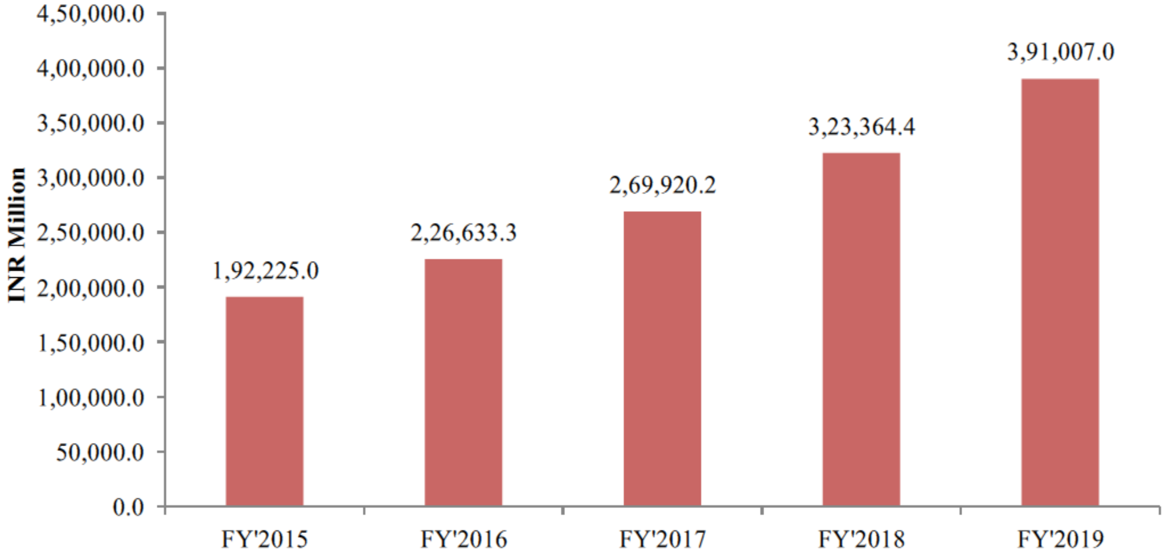
Low Profit Margins

In India, PVC pipes and fittings market is extremely competitive with a large number of national players catering to the regional market. The market is highly fragmented and the presence of large number of companies in the PVC pipe market has intensified the competition due to which margin per unit of the companies is not very high. However, constantly growing demand enables large companies with branded products to achieve high volume of sales.

PVC Pipes and Fittings Market Future Outlook and Projects in India, Fiscal 2015 – Fiscal 2019

The revenue from the Indian PVC pipes and fittings industry is projected to register strong growth over the period from Fiscal 2015 to Fiscal 2019. It is projected to grow by 18.8% over the period Fiscal 2014 to Fiscal 2019 and is expected to reach INR 391,007 million in Fiscal 2019 as compared to INR 165,000 million in Fiscal 2014. The organized segment of the market is predicted to grow at a faster rate in the coming years with shifting preferences towards branded and quality products being witnessed in the domestic market. Although the market, in terms of revenue, is expected to sustain its growth by several favorable factors, there are also certain factors which will continue to pose a threat to the growth of the PVC pipes and fittings industry in India in the future. One of the major challenges faced by the industry will be the increasing crude oil prices which squeezes the profit margin of the PVC pipes manufacturers. However, PVC pipes and fittings market in India still showcases potential growth prospects buoyed by surging technological developments and advancement of new and improved products.

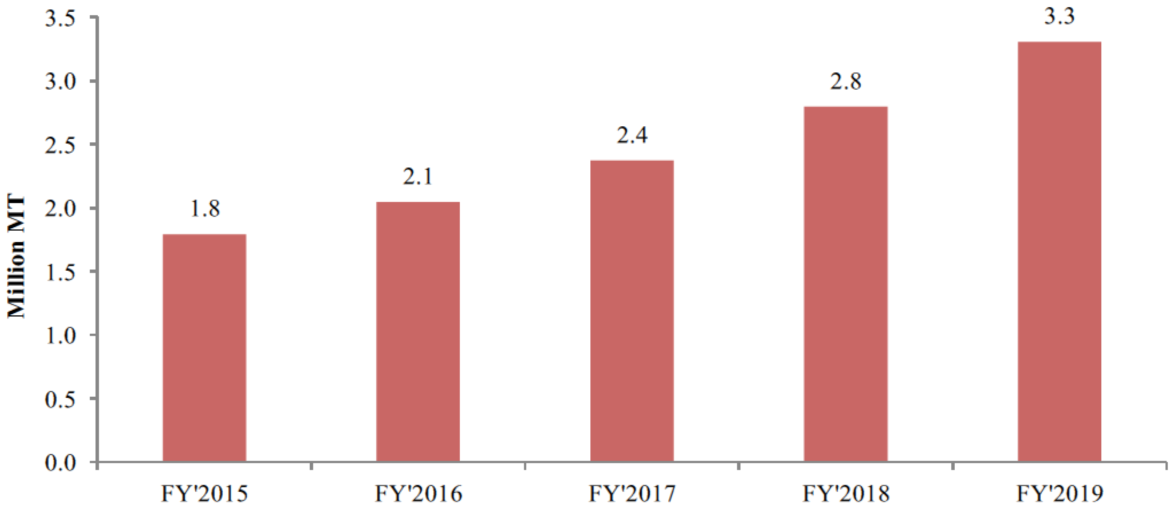
India PVC Pipes and Fittings Market Future Projections on the Basis of Revenue in INR Million, FY'2015-FY'2019



Source: Ken Report, 2014

The production capacity of the Indian PVC pipes and fittings industry is projected to register remarkable growth over the period from Fiscal 2015 to Fiscal 2019. It is projected to grow by 15.7% over the period from Fiscal 2014 to Fiscal 2019 and is expected to reach 3.3 million MT in Fiscal 2019 as compared to 1.6 million MT in Fiscal 2014. The major companies in the market will continue to carry out innovation and launch new products in the market to compete against the products manufactured by the local vendors. PVC pipes will gradually replace conventional piping systems in the market due to their lower cost and higher durability. Traditionally, PVC pipes were mainly used for agriculture. However, they have fast replaced steel pipes for plumbing applications in the last few years. All these factors are expected to drive the PVC pipes and fittings market in terms of production capacity in the next 5 years.

India PVC Pipes and Fittings Market Future Projections on the Basis of Production Capacity in Million MT, FY'2015-FY'2019

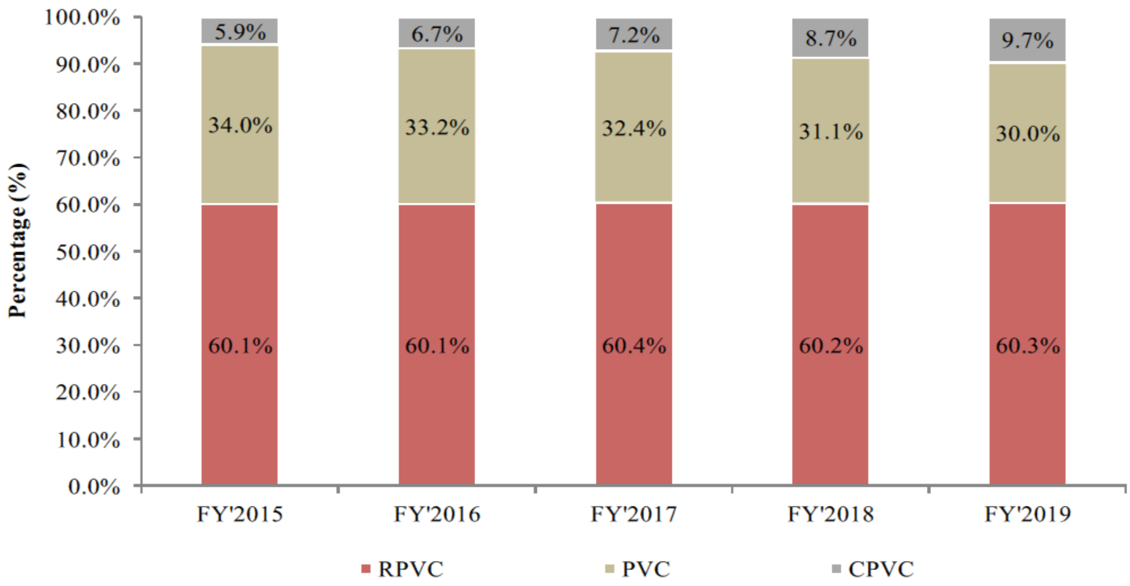


Source: Ken Report

CPVC pipes are expected to register fastest CAGR in terms of the production capacity in the next 5 years from Fiscal 2014 to Fiscal 2019. The share of CPVC pipes in the market will incline to 9.7% by Fiscal 2019 from the present share of 5% as in Fiscal 2014. Rising acceptance of CPVC pipes over galvanized or PVC pipes will lead to the growth in the future. Installing CPVC pipes through large structures is easy and does not require advanced equipments, thus facilitating their usage in the plumbing and other industries. In addition to this, the cumulative residential demand in India is estimated to grow at 15-20% in the near future. About 60% of estimated demand is expected to be spread across the top cities of Delhi NCR, Mumbai, Pune, Bengaluru, Chennai, Hyderabad and Kolkata, with metropolitan cities of NCR and Mumbai accounting for a major portion of 40% of the total demand. Thus, swift growth in construction sector will eventually create a constant and growing demand for plumbing products such as CPVC, PVC, bendable and other products, thus supporting the overall market growth.

The production capacity for rigid polyvinyl chlorinated pipes and fittings segment in India is expected to reach 1,235,415.6 MT in Fiscal 2016 which will further rise to 1,998,000.0 MT in Fiscal 2019, thus projected to grow at a CAGR of 15.8% for the period from Fiscal 2014 to Fiscal 2019. Flexible PVC pipes and fittings segment is also expected to continue its growth trajectory and will rise at a CAGR of 12.2% for the period from Fiscal 2014 to Fiscal 2019. In Fiscal 2014, the flexible PVC pipes and fittings segment had production capacity of 560,000.0 MT which is anticipated to reach 994,078.8 MT in Fiscal 2019. Chlorinated PVC pipes and fittings have grown at a stupendous CAGR of 30% during the period from Fiscal 2009 to Fiscal 2014.

India PVC Pipes and Fittings Market Future Projections by RPVC, PVC and CPVC on the Basis of Contribution in Production capacity in Percentage (%), FY'2015-FY'2019



Source: Ken Research Estimates

India PVC Pipes and Fittings Market Future Projections by RPVC, PVC and CPVC on the Basis of Production capacity in MT, FY'2015-FY'2019

Particulars	**FY'2015**	**FY'2016**	**FY'2017**	**FY'2018**	**FY'2019**
RPVC	1,081,800.0	1,235,415.6	1,438,994.0	1,688,087.7	1,998,000.0
PVC	612,000.0	682,459.2	771,910.7	872,085.2	994,078.8
CPVC	106,200.0	137,725.2	171,535.7	243,959.5	322,000.0
Total	**1,800,000.0**	**2,055,600.0**	**2,382,440.4**	**2,804,132.4**	**3,314,078.8**

Source: Ken Report, 2014

Effects on Relationship between Industry Factors and India PVC Pipes and Fittings Industry in India

Industry Factors	Market	Comments
Surging Personal Disposable Income	Positive	• **Cause**: The GDP of India has been rising constantly since the past decade. Better economic conditions have resulted in an increase in the disposable income of the population in India. • **Effect**: Increase in the personal disposable income of the people in India will fuel the demand for PVC pipes and fittings in the country due to the development of infrastructure and housing sector. Additionally, with the increase in the income, customers will gradually move from local to branded and high quality PVC pipes, thus facilitating the growth of the industry.
Increasing Population	Positive	• **Cause**: The population of India is constantly rising due to increasing number of births and declining death rate in the country. • **Effect**: This is further expected to impel the demand for basic commodities such as food, housing, water sanitation and others, which in turn will amplify the demand for PVC pipes and fittings.
Expansion in the Irrigated Area	Positive	• **Cause:** Higher demand for food products as a result of rising population has increased the total irrigated land in India. • **Effect:** Expansion in the irrigated land area means higher volume of crop plantings, which would require adequate infrastructure for transporting water from tube wells to the farms, thus increasing the demand for PVC pipes and fittings in the market.
Uncertain Weather Conditions	Positive	• **Cause:** Due to global warming, increasing CO2 emissions and decline in the area under plantation, the weather conditions in the country have deteriorated. • **Effect:** The uneven distribution of rainfall in the country, poor monsoon and seasonality and cyclical nature of agriculture is expected to increase the demand for irrigation systems in the coming years, which will boost the demand for PVC pipes, tubes and hoses.
Increasing crude oil price	Negative	• **Cause**: Rising inflation rates and exchange rate volatility have increased the crude oil prices in India. • **Effect**: With PVC resin being largely linked to global crude oil prices and currency fluctuations, piping business of the company might get adversely affected due to surge in raw material costs and INR depreciation, thus hampering market growth.
Discouragement of plastic usage	Negative	• **Cause**: Due to the adverse effects of plastic on the environment, several NGOs and other enterprises discourage the usage of plastic. • **Effect:** Decreased consumption of plastic may hamper the production capacity of the manufacturers of PVC pipes, thus creating an adverse effect on the market.
Increasing global demand for PVC resin	Negative	• **Cause:** The recovery of housing segment in the US and overall improvement in American economy has increased the consumption of PVC resin in the country. • **Effect:** Increased consumption of PVC resin by the US and other countries has reduced the supply to India thus adversely affecting the PVC pipes and fittings industry, since PVC resin is the key ingredient in the manufacture of PVC pipes and is largely imported in India.

Source: Ken Report, 2014

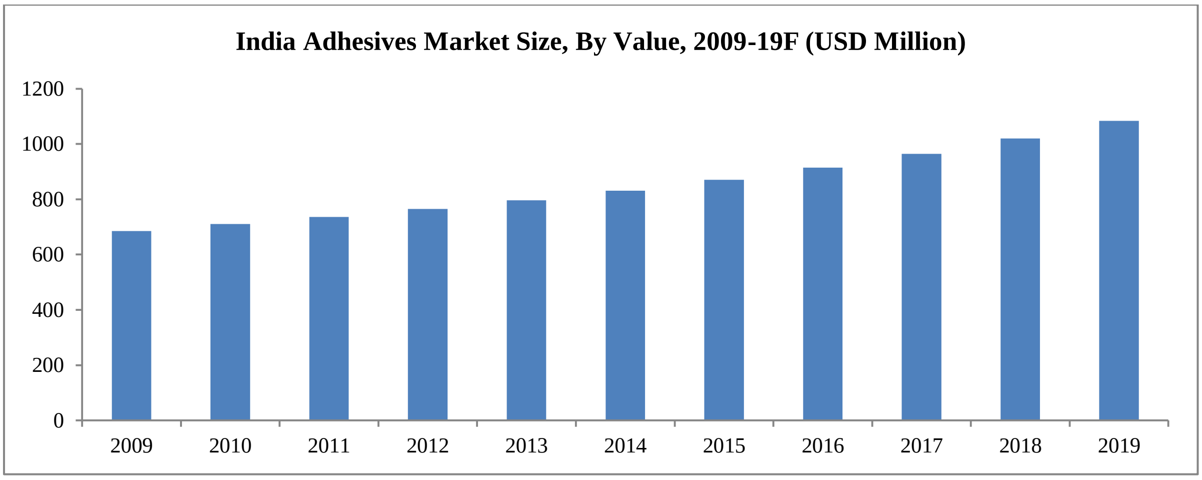
Overview of the Adhesive Market

The global adhesives industry is witnessing a healthy growth, owing to the rapid developments in key end- user markets like packaging, automobile, construction. Currently, market size of the global adhesives industry is around 8976 Kilotons per annum by volume, and is expected to reach 12300 kilotons by 2020. Asia-Pacific is the most prominent and fastest-growing market for adhesives, accounting for around 34% market share, by volume in 2012. The growth in the region is primarily buoyed by the emerging economies such as India and China, which are witnessing dynamic economic development with expanding middle- class population and strengthening of industries like construction and transportation. Investments from global giants in these two countries are also expected to yield promising results in coming years. Asia-Pacific was followed by North America and Europe, which together accounted for over 50% of the market value in 2012. In coming years, the growth in these regions is expected to be moderate due to their mature market characteristics. The stringent regulations on the use of Volatile Organic Compounds (VOCs) prevalent in these regions are expected to hinder the growth of adhesives at a significant rate over the forecast period. Growth in demand is supported by emerging applications, which is providing the base for emergence of small-scale adhesives producers. However, this trend is only visible in emerging markets, which are witnessing gradual consolidation. In major emerging markets such as China and India, major leading multinational players have acquired numerous small-scale manufacturers to expand their market presence. Such companies along with some new entrants will continue to strengthen their product portfolio, production and distribution in these markets, with an aim to capitalize the available market opportunities. *(Source: TechSci Research)*

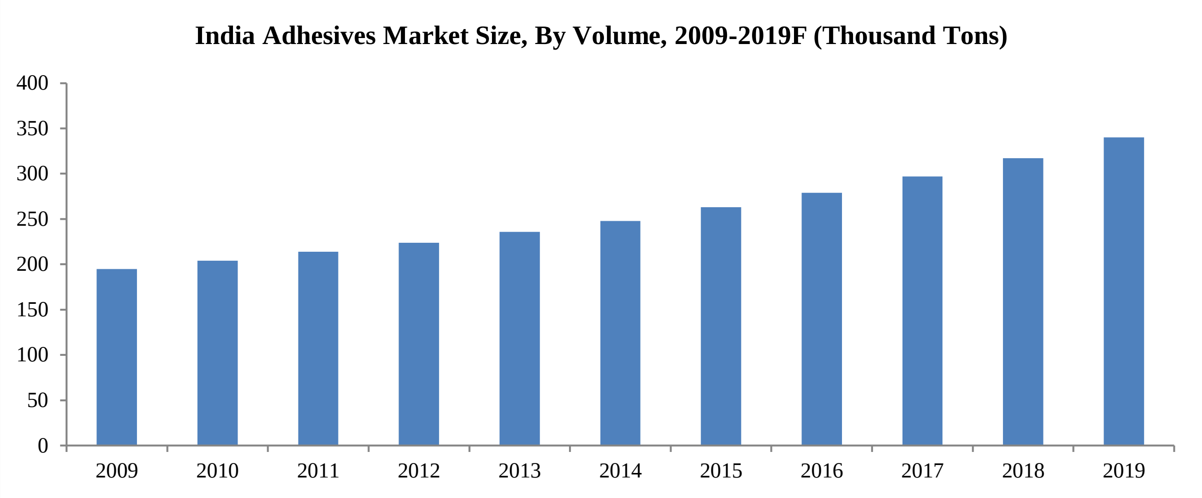
Adhesive Market in India

Adhesives market in India is an unorganized one with hundreds of manufacturers operating in this field. Many international players are investing heavily in India on account of potential growth opportunities due to the country's growing middle-class. Among the polymer types, acrylic water based adhesives segment is expected to witness exceptional growth over the forecast period due to growing environmental awareness and economical cost of production.

Adhesives market in India is diverse in terms of end-use applications, as almost every manufacturing sector requires some sort of adhesives. As adhesives offer strength and versatility for bonding two or more components, the product has developed unique position in the Indian market in both retail and industrial segment. Presently, the Indian adhesives market accounts for a mere 1% of the global adhesive market. This indicates that the Indian market exhibits high growth potential opportunity. Despite the small size, the industry operators are generating healthy profit margins, while some of the global giants in industrial product manufacturing have already forayed into this market. These companies have not just considered India as manufacturing base, but also invested in research and development for products that is are in demand. *(Source: TechSci Research)*



Source: TechSci Research

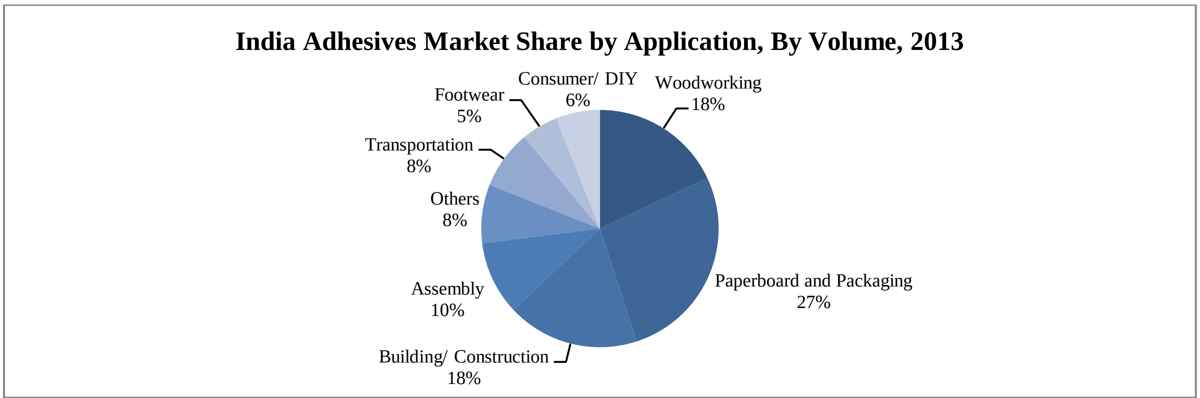


Source: TechSci Research

Market Share and Forecast of Adhesives in India

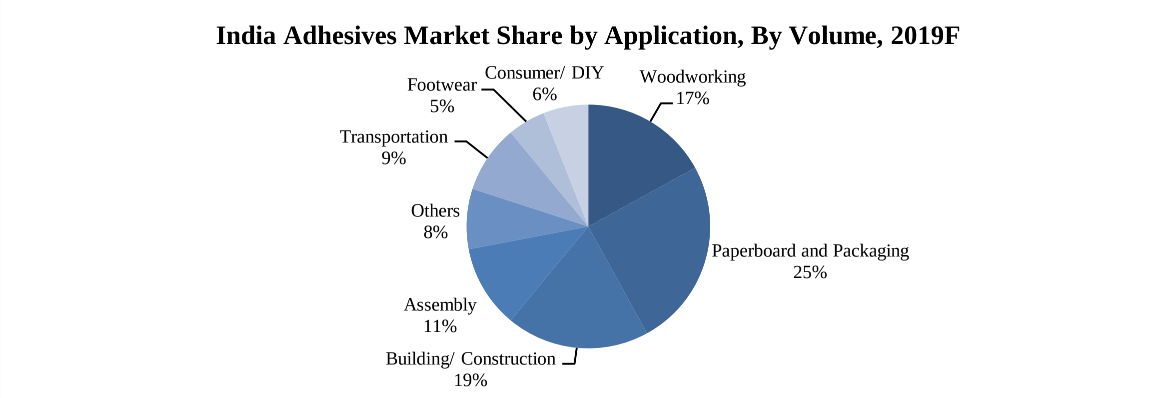
By Applications

Major end-use industries that utilize adhesives are furniture and woodworking, paperboard & packaging, and building & construction. Growth in these industries is expected to positively influence the market for adhesives in Indian. Development in areas like infrastructure is also expected to drive the demand for adhesives in building or construction sector. Many upcoming projects like metro rails in metropolitan cities, railways expansions, public transport growths indicate a healthy growth in the structural adhesives sector in the country.
However, sluggish growth in the automotive sector and increase in the use of plastic and steel furniture over wooden furniture might result in a slight market decline in the country.



Source: TechSci Research

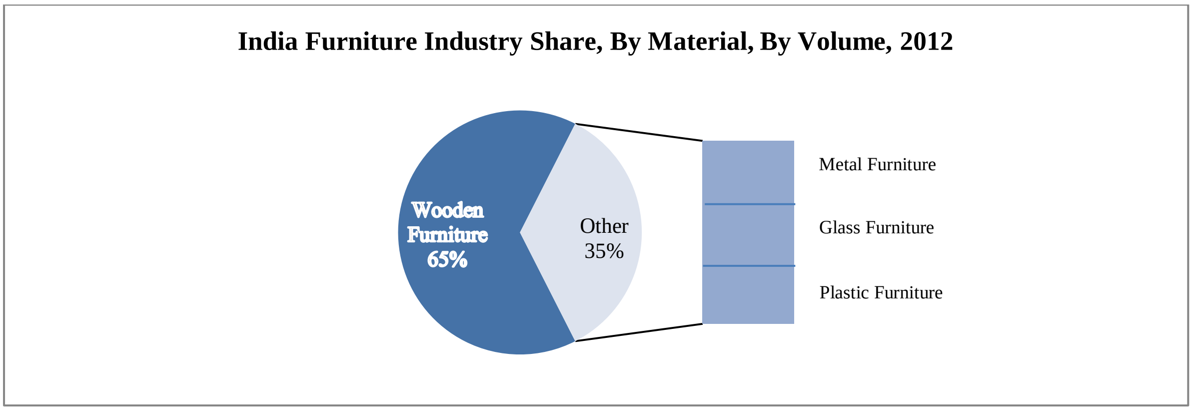
A slight decrease in the market share of woodworking and packaging adhesives is expected as their share will be taken up by product assembly and transportation segment. The Indian government is making continuous efforts to bring down CO_2 emission levels. One of the viable ways to cut down the emissions is through automotive light weighting, which can only be achieved by using structural adhesives. In addition, the country plans to set up 28 new power plants, which would further propel the demand for adhesive in the country. Various electrical equipment like transformers, circuits, ICs, etc. rely on product assembly, which require adhesives. As a result, the use of adhesives in product assembly application is expected to witness significant upsurge over the coming years.



Source: TechSci Research

Furniture and woodworking industry

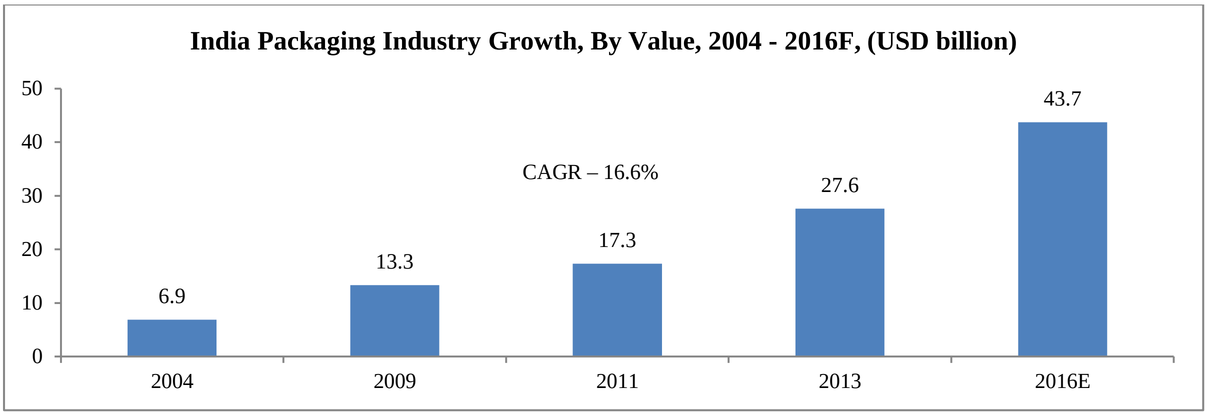
The wooden furniture industry accounts for large amounts of adhesives application, both in terms of volume and value. The furniture industry in India was valued at around USD 8 billion in 2012, and is growing at a rate of about 30% in 2013 on account of booming real estate and housing sector. Wooden furniture market is a highly unorganized market with 85% of the overall market being held by unorganized sector. Around 650 units are operating in the country, employing around 300,000 workers. Traditionally, Indian consumers purchased furniture from local carpenters, however, with rising disposable income, consumers are increasingly preferring branded, custom-made furniture. Polyvinyl Acetate is a suitable adhesive to bond wooden substrates, hence it is called the wood glue.



Source: TechSci Research

Paper and packaging industry

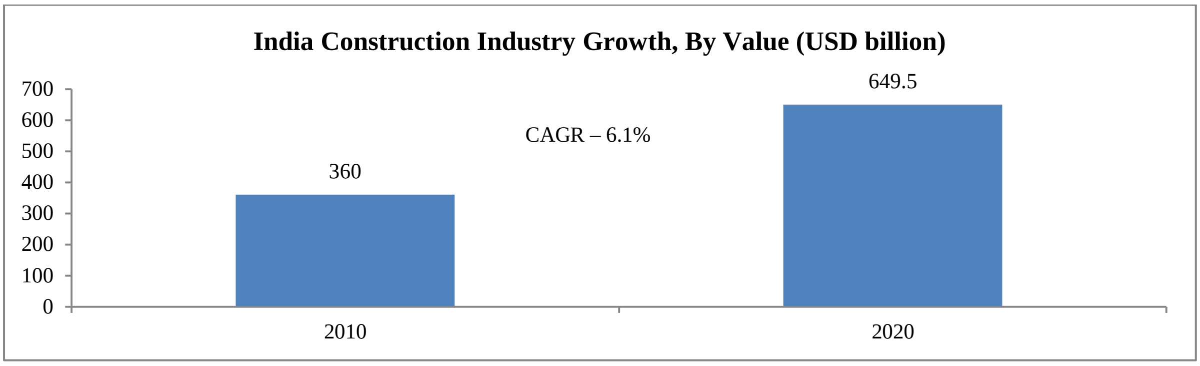
Packaging Industry is an important end-use segment for adhesives in India. This market size for this industry was valued at USD 27.6 billion in 2013, and is expected to reach USD 43.7 billion by 2016F. The industry continues to witness an average annual growth of over 15% in India in 2013, which is significantly higher compared to global average of around 5% in 2013. Water-based adhesives are most prevalent in this industry due to their low-cost, high strength and toxic-free nature. Starch-based adhesives are often used for formation and sealing of corrugated boxes. Hot-melt pressure sensitive adhesives are finding application in tapes and labels in processed food packaging sector. Packaging sector exhibits high fragmentation with only a few leading players dominating the industry.



Source: TechSci Research

Construction industry

The government of India, in its 12th annual plan, estimated that around USD 1 trillion of investment is required for developing the country's infrastructure. The sectors covered under infrastructure development are airports, railways, roadways, irrigation, telecom, oil and gas etc. As a result, the demand for adhesives like epoxies, acrylics, etc. is projected to rise in the coming years. Indian construction market, which stood at USD 360 billion in 2010, is forecast to double to USD 649.5 billion by 2020F. India is likely to emerge as the third largest construction market in the world. In real estate sector, adhesives would increasingly be used for various applications like tile bonding, coatings, repairing, gap filling, etc. *(Source: TechSci Research)*

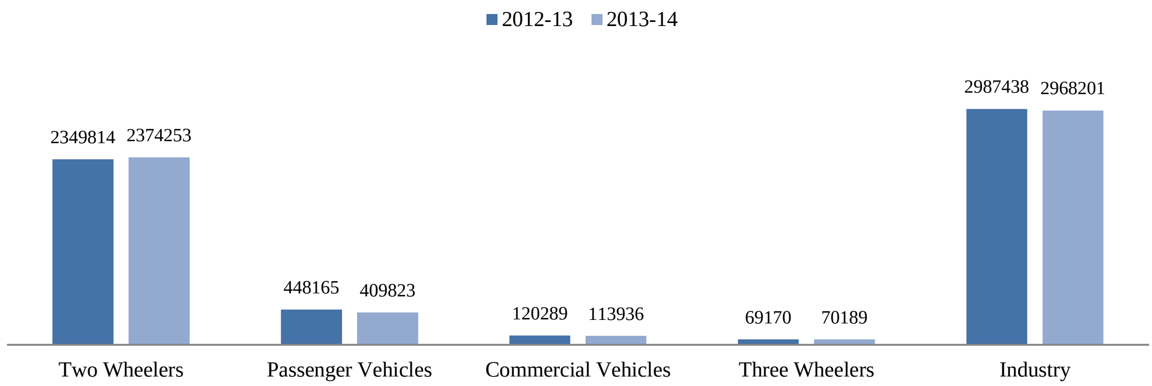


Source: TechSci Research

Automotive industry

Globally, India is expected to be among the top five automotive markets in terms of automobile production by 2015F on account of rising disposable incomes, growing middle-class population, and young population base. Adhesives find huge application in this sector for gasketing, sealing and bonding purpose. Two part epoxies are the most common adhesives used in the industry for these applications. Indian automotive companies have started using adhesives over welding as its economical and enhances the lightweight properties of a vehicle. According to an estimate, application of 2.2 pounds of adhesives can reduce the weight of a vehicle by 55 pounds. *(Source: TechSci Research)*

Automotive Industry Market, India 2012-2014

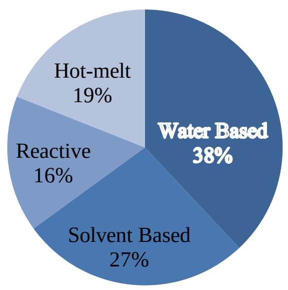


Source: TechSci Research

By Technology

On the basis of technology, adhesives can be classified into four major segments, including water-based adhesives, solvent-based adhesives, hot-melt adhesives and reactive adhesives. Among these four technologies, water-based adhesives dominated the Indian adhesives market with about 38% share in volume terms in 2013, followed by solvent-based, reactive and hot-melt adhesives. Water-based adhesives in India are largely dependent on wood and paper for packaging and furniture. As water-based adhesives provide maximum adhesion on porous substances made up of wood, they find major application in retail market for non-industrial applications.

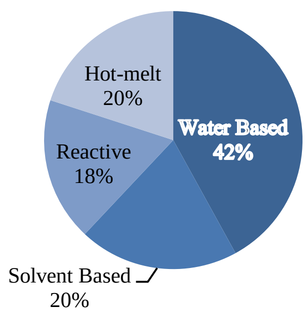
India Adhesives Market Share, By Technology, By Volume, 2013



Source: TechSci Research

Solvent-based adhesives are also being widely used in the country despite their high VOC emissions. The reason can be the absence of stringent regulations. Although, with growing awareness, manufacturers are switching to less costly and environment-friendly water-based adhesives. The added advantage is that, the same machinery can be used for water-based adhesives manufacturing, which initially used for solvent-based adhesives production. As a result share of solvent based adhesives market is forecast to grow at a moderate rate and account for around 20% share in the Indian adhesives market by fiscal 2019. Hot-melt and reactive adhesives technologies have comparable market share, with hot-melts being slightly ahead of reactive adhesives. These are generally the high-priced adhesives available in the Indian market. The market share of these technologies is expected to be driven by their use in emerging applications and research efforts in various fields like automotive, construction, product assembly, etc.

India Adheives Market Share, By Technology, By Volume, 2019F



Source: TechSci Research

In water-based adhesives, water is the carrier fluid and adhesive particles remain suspended in it. This reduces the thickness of the adhesive so that it can be applied to a wide range of substrates with desired viscosity. Water-based adhesives are of two types, water soluble and water dispersed adhesives. Animal glues are categorized under water soluble category, while adhesives based on natural rubber, synthetic rubber, etc. are categorized as water dispersed adhesives. Polyurethane Dispersions are composed of polyurethane, a polymer derived by reacting polyisocyanate and polyols to form thermoplastic polyurethane emulsion. These adhesives find extensive application in rigorous application due to their superior weatherability and resistance to chemical actions. Polyvinyl Acetates (PVAc) are synthetic polymers, which have gained significant market share by replacing hide glues. PVAc are used in various consumer and industrial market applications like paints, textiles, nonwovens, etc. Acrylics are available as emulsions as well as dispersions. Acrylic water-based adhesives are majorly used in pressure-sensitive adhesive applications.

Water based adhesive application

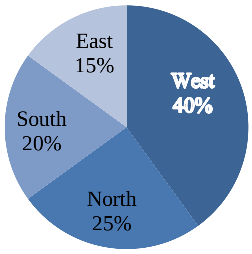
Industry	Application
Construction	Installation of Flooring, Carpeting, High Pressure Laminated Tub Kits, Plywood Paneling, Ceramic Tile, Corkboard, and Insulation Panels.
Paint	Binders
Non-Rigid Bonding	Apparels and Non Rigid Items; Bonding of Woven and Non-woven Textiles
Paper, Packaging and Surface Protection	Corrugated Boxes, Labels, Food Packaging
Rigid Bonding	Furniture and Woodworking Applications
Tapes	Tapes, Pressure-Sensitive Tapes, etc.
Transportation	Manufacturing Automobiles, Buses, Boats, Movable Homes, etc.

Acrylic and PVAc adhesives have a larger share in the water-based adhesives market in India in comparison to PU-based adhesives due to performance barriers. PVAc adhesives find application in construction and infrastructure industry, while acrylic adhesives are used in paints industry. As Infrastructure industry in India is booming, the market for water-based adhesives is expected to witness a rise. Another reason for their expected growth in India is because of awareness among consumers regarding environmental awareness and growing initiatives for green buildings.

By Region

Gujarat and Maharashtra are the two western states contributing to over 80% of the market in the western region in 2013. Gujarat's furniture products, especially swings, are famous all over the world. The state held 9% of the overall furniture market in India in 2013, and is famous for its textile business, which extensively uses adhesives. The industrial areas like Bharuch, Dahej, etc. are the base of many big and small adhesives players. Maharashtra accounted for 35% of the overall furniture production in India in 2013. *(Source: TechSci Research)*

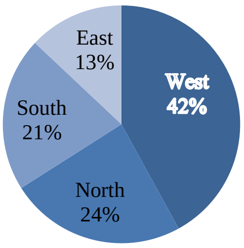
India Adhesives Market Share, By Region, By Volume, 2013



Source: TechSci Research

With a share of about 25% in 2013, North India is expected to witness gradual growth in adhesives demand, however, its market share is expected to marginally decline to 24% through the forecast period. Some of the major consumer industries of adhesives have concentrated in the state of Uttarakhand and Himachal Pradesh. Saharanpur, located in Uttar Pradesh is the hub for furniture, consuming large amount of adhesives provided by unorganized operators located in nearby states such as Delhi. Around 100 adhesives players operating in the Indian adhesives market are based in Noida (NCR) region. Packaging facilities for Uflex Ltd. are also located in this part of the country. Hoshiarpur, a famous center of woodworking, also consumes considerable amount of overall adhesives produced in the Northern region. Moreover, growth in leather footwear industry is also increasing adhesive consumption in the region. *(Source: TechSci Research)*

India Adhesives Market Share, By Region, By Volume, 2019



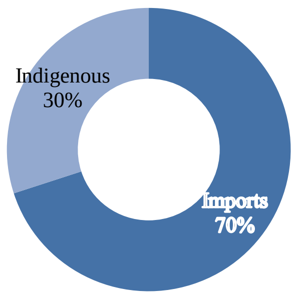
Source: TechSci Research

Certain adhesive giants along with a handful of other mid-sized players operate in the Southern region, supplying adhesives to various industries. Having a large wind energy capacity, the state utilizes a major chunk of the adhesives produced in the region. The region is forecast to witness significant growth in its wind power segment, thereby driving adhesives demand over the forecast period. Major states in South including Karnataka, Tamil Nadu and Andhra Pradesh are heavily investing in renewable resources, especially wind power plants. Therefore, Southern India would continue to be a strategically-important market for adhesive producers in India through 2019F. Certain players are also located in the eastern region. The woodworking industry concentrated in this region also uses adhesives in large quantity. In addition, growth in the automotive sector of the region is also increasing adhesive consumption.

Adhesives Trade Dynamics in India

Cyanoacrylates and Silicone adhesives are not produced in India and have to be imported from other countries. The total quantity of cyanoacrylates imported was estimated to be around 23,000 tpa for FY2012-13. Epoxy adhesives raw materials, including Epichlorohydrin and Bisphenol A, are also imported as manufacturing capacity for these is limited in the country. The fluctuation in crude oil prices and shortage of certain raw material has given high bargaining power to raw material suppliers. Vinyl Acetate monomer has to be imported in considerably large quantities as it is the most important base material for adhesives. Since 2009, the country has relied on imports from other countries for vinyl acetate monomer (VAM) supply.

India Adhesives Raw Materials Trade, Imports Share, By Volume



Adhesives Industry in India – Drivers and Challenges

Drivers

End user industry boost

The demand for industrial adhesives has grown considerably over the period 2007-13, at a CAGR of around 13%. The market for adhesives is majorly business-to-business, exceptions being the Do it Yourself segment, which goes directly to customers. Major end-use industries for adhesives are furniture, automotive, construction, packaging etc. The growth in GDP led to escalation in demand for premium products, for example, in earlier times, consumers preferred furniture from local carpenters, but now the trend has shifted towards custom-made, branded furniture. As a result, the Indian plywood and veneer industry, which accounts for hefty adhesives consumption, stands at around INR80 billion. Automotive Industry grew at a CAGR of around 8.4%, while construction industry exhibited a CAGR of around 15%. *(Source: TechSci Research)*

Alternate technology demand

Presently, Indian consumers are becoming more conscious about the upcoming trends and eco-friendly technologies available in the market. This is buoying companies like 3M India to take initiatives for the development of VOC-free adhesives and coatings. For instance, water-borne adhesives are being developed for sustainable usage, thereby driving the demand for green technologies in the country.

Cheaper machinery

China is expected to export relatively cheaper machinery for adhesives and textile industry. Textile industry is one of the largest end-use industries for adhesives. Massive production facilities and significant aid from government enables Chinese manufacturers to supply cheaper machinery, which is economical for the Indian adhesives manufacturers. This is the reason for rising imports of machinery from China.

Challenges

Raw material crisis

The Indian adhesives industry largely depends on imports for adhesives and raw materials, as more economical to import raw materials than manufacturing them. Vinyl Acetate Monomer, which the principal raw material for production of polyvinyl acetate adhesive one manufacturer, is produced only by one manufacturer in India. Hence, Indian companies heavily rely on imports from other countries. Major exporters of adhesive raw materials include the US, China, Singapore, Taiwan, etc. In addition, country also witnessed heavy imports of epoxy monomers, Epichlorohydrin and Bisphenol A during 2012-13.

US-INR exchange rate fluctuations

Since the Indian adhesives market heavily rely on imports for procurement of raw materials as well as some of the adhesives like silicones and cyanoacrylates, fluctuation in USD-INR exchange rate is significantly affecting the market dynamics. Cyanoacrylate is one of the major adhesives used in retail market segment and holds considerable market share in terms of volume. Since, demand for these products are growing at around 14% rate annually companies are importing bulk volume of these adhesives in India. However, due to fluctuation in INR USD value, which increased by around 32% over 2009-13, the raw material prices are growing steeply. This, in turn, is affecting the profit margin of adhesive companies, thereby affecting the adhesive market negatively. *(Source: TechSci Research)*

Market Extension

Commodity Labels and Packaging

The label industry in India is complex and dynamic. Narrow web flexo and combination presses are growing in the country. Although the country witnesses low per capita consumption, the industry is growing with a rapid rate of around 19%. This industry is highly fragmented into organized and disorganized players. The packaging industry, which is one of the allied industries of the label industry, accounts for a market size of around USD 13 billion, and has both unorganized as well as organized players. The organized players, however, hold around 70% of the market in India. Adhesives such as wet glue and pressure sensitive adhesives (PSAs) are used for labelling applications. Use of PSAs in transparent and filmic labels is witnessing significant growth. Fast moving consumer goods sector also account for around 18% share in the label industry. This industry is expected to witness growth as Foreign Direct investment and organized retail growth is being promoted in the country. *(Source: TechSci Research)*

Adhesives are also being widely developed for use in ready to eat meals, and other snack food applications. They are designed to not just cover the food material but also in the form of heat sealants and cold sealants. Cold sealant adhesives come in a wide variety with properties like low-odour, superior printability, aggressive/low tack, longer shelf life, durability, etc. Heat seal coatings are used in foods like frozen desert cups, yogurts, etc. to endure pasteurization and provide easy peel packaging. Polyurethane adhesives are extensively used for flexible packaging, which can be oragno-tin and bisphenol A free.

BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve months ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Astral Poly Technik Limited and its subsidiaries and joint venture entity on a consolidated basis, and any reference to the "Company" refers to Astral Poly Technik Limited.

Unless otherwise indicated, all financial information included in this section have been derived from our audited consolidated financial statements for fiscal 2012, 2013 and 2014 and our reviewed consolidated financial statements as of and for the six months ended September 30, 2014.

We acquired our subsidiary Seal It with effect from August 26, 2014. Our consolidated financial statements as of and for the six months ended September 30, 2014 reflects the consolidation of Seal It financial information for the period between August 26, 2014 and September 30, 2014, and therefore may not be comparable to our consolidated financial statement information for prior reporting periods. We have also recently completed the acquisition of RCL with effect from November 21, 2014, and the effect of such consolidation is not reflected in our consolidated financial statements included in this Placement Document.

This Placement Document does not include any pro forma financial information to show the effect of the consolidation of the financial statements of Seal It and RCL into our consolidated financial statements. We have however included in this Placement Document the audited standalone financial statements of Seal It for fiscal 2012 and 2013, the audited consolidated financial statements of Seal It for fiscal 2014 and the reviewed standalone financial statements as of and for the six months ended September 30, 2014. We have also included the audited financial statements of RCL for fiscal 2012, 2013 and 2014 and the reviewed financial statements as of and for the six months ended September 30, 2014. Investors will therefore need to base their assessment of our financial condition and results of operations subsequent to the acquisition of Seal It and RCL on the basis of our consolidated financial statements, and the historical audited and reviewed financial statements relating to Seal It and RCL included in this Placement Document.

In addition, Seal It is a United Kingdom Company and its financial statements are denominated in GBP, have been prepared under applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and have been audited in accordance with applicable law and International Standards on Auditing (UK and Ireland). United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) may vary significantly from Indian GAAP used in the preparation of financial statements of our Company and its Indian subsidiaries denominated in Indian Rupees. Accordingly, the presentation of the audited and reviewed financial statements of Seal It included in this Placement Document may not be comparable with the audited and reviewed consolidated financial statements of our Company included in this Placement Document.

Overview

We are a diversified building materials manufacturing company engaged in the business of manufacturing and providing chlorinated polyvinyl chloride ("**CPVC**") piping and plumbing systems and allied products. We have over the years expanded our range of products to also include PVC pipes as well as CPVC and PVC fittings for a range of applications, including soil and water drainage systems, surface drainage fittings, and piping system for automatic fire sprinklers. In addition, we manufacture a range of other building materials such as adhesives and environment friendly solvent cements and primers. We are also engaged in the distribution of certain other building materials and products that complement our own product range.

Our CPVC, PVC and other building materials products are principally used in domestic, commercial and industrial applications. Our quality and standard products involve technologies, processes and manufacturing know-how that are either owned by us or licensed from certain global technology and equipment suppliers in the CPVC products or other allied businesses. We were the first company in India to be granted technology licenses by Lubrizol Advanced Materials Europe BVBA, to manufacture Flowguard Plus CPVC piping system for hot and cold water distribution system, Corzan Industrial Systems, Blazemaster Fire Sprinkler System and FlowGuard Bendable Multilayer Pipes range of products and distribute and sell such products in India under Lubrizol's brands. Lubrizol also supplies us with CPVC compound, the primary raw material required in the manufacture of CPVC products. We have also entered into a manufacturing and trademark license agreement with Weld-On Adhesives, Inc., ("**Weld-On**"), a leading manufacturer of solvent cements and adhesives, pursuant to which we have been granted the license to manufacture and sell solvent cement, adhesives and related products.

Our current product range includes:

- *CPVC Products*

  Our CPVC products, manufactured under license from Lubrizol, include the Astral FlowGuard Plus range of products used in domestic hot and cold water plumbing applications; the Astral Corzan HP range of products used in industrial applications; the Astral Bendable range of products, which are a CPVC-aluminium-CPVC multilayer pipe primarily used in solar heater applications and under-slab installations for hot and cold water applications; and the Astral Blazemaster range of products used in automatic fire sprinkler systems. In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of CPVC products accounted for 62.47%, 59.26%, 58.17% and 53.60%, respectively, of the Company's net revenue from operations for such periods.

- *PVC Products*

  Our PVC products include Astral Aquarius range of products primarily used in domestic plumbing applications for cold water, swimming pools, saltwater lines, industrial process lines, coal washing and ash handling; Astral Column Pipes, primarily used in borewells; Astral Foamcore PVC Pipes, primarily used in underground drainage and sewerage applications; Astral DWV (Drain Waste and Vent) range of products used for sewerage and drain-water applications; Astral Ultradrain range of products used for ventilation, rain-water applications and drainage and sewerage applications; Astral Aquasafe range of products used in agricultural applications and for potable water; Astral Underground range of products used in drainage systems in residential complexes, commercial or office spaces, resorts and hospitals; Astral Wire-Guard range of products which are a conduit piping system for electrical cables. In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of PVC products accounted for 37.45%, 40.65%, 41.66% and 46.32%, respectively, of the Company's net revenue from operations for such periods.

- *Adhesives and Sealants*

  Our subsidiary Advanced Adhesives Limited ("**AAL**") manufactures the Weld on range of products under license from Weld-On. AAL manufactures plastic pipe cements and primers for PVC and CPVC plastic piping systems for residential and industrial applications.

  As part of our diversification strategy and expansion into the adhesives and sealants markets, we have recently acquired 80.00% shareholding in Seal It, a United Kingdom company, with effect from August 26, 2014 and 76.00% shareholding in RCL, an Indian company, with effect from November 21, 2014.

  Seal It manufactures a range of sealants and adhesives under the brand name "Bond-it", as well as a comprehensive range of silicones, sealants, cleaning agents, tile adhesives, waterproofing chemicals bitumens, polyurethane foams and building and construction chemicals, and its primary markets include United Kingdom, Europe and the Middle East.

  RCL manufactures adhesives, sealants, construction chemicals and industrial maintenance products under several brand names with a wide marketing network across India. RCL covers various industry segments for its products including the automobile sector, sanitation, paints, plywood, hardware and building materials. Its product range includes a broad range of chemical products including epoxy, silicones, cyanoacrylate, solvent cements, PU sealants, anaerobic, UV care, MS polymers, acrylic etc.

- *Special or Traded Products*

We also distribute certain products such as Astral Wavin AS which is a low noise soil and waste disposal system; Firstplast range of products which include channel drains for indoor and outdoor surface drainage fittings; and Astral clamps and hangers which provide support for piping systems and cables. In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of such traded products accounted for 4.27%, 6.60%, 7.91% and 8.29%, respectively, of the Company's net revenue from operations for such periods.

We have established four manufacturing facilities in India located strategically at Santej and at Dholka in Gujarat, Baddi in Himachal Pradesh and Hosur in Tamil Nadu. We intend to establish additional manufacturing facilities strategically located in the eastern region of India to increase our focus on increasing our market share in the eastern and north-eastern parts of India. Our subsidiary Advanced Adhesives Limited has its manufacturing facility located at Santej, Gujarat. Our subsidiary Seal It has established a manufacturing facility at Elland in the United Kingdom, and RCL has two manufacturing facilities located in Rania and Unnao in the State of Uttar Pradesh in India. In addition, our joint venture entity Astral Pipes Limited based in Kenya, in which we have a 37.50% shareholding, manufactures a range of pipes and related products.

We have over the years developed an expansive network of distributors and dealers across India. As of September 30, 2014, our distribution network included more than 400 distributors. We have also set up several warehouses across India, at Delhi, Ahmedabad, Goa, Vijayawada, Hyderabad, Coimbatore and Bangalore for effective storage and distribution of our products. Our extensive sales and distribution network enables us to sell standard plumbing and other building materials to retail customers across India and certain international markets. RCL operates through a network of 11 branches and an extensive distribution network of over 1,700 distributors across India. Our subsidiary Seal It also operates through an extensive distribution network of distributors and dealers across United Kingdom, Europe and the Middle East.

We have received several quality certifications for our products and manufacturing facilities. We believe we are one of the first companies in India to receive NSF Certification for our CPVC piping system. Our Gujarat and Baddi facilities are certified by NSF for certain CPVC range of products. We have also received the UPC-I certification mark from IAPMO Plumbing Codes and Standards India Private Limited in relation to our CPVC hot and cold water pipes and fittings. Our Santej facility has received the IS 15778:2007 from the Bureau of Indian Standards in relation to CPVC pipes for potable hot and cold water distribution supplies, and our CPVC pipes for automatic sprinkler fire extinguishing system have received the IS 16088:2012 standard mark from the Bureau of Indian Standards. We have also received various awards in recognition of our business operations such as the Star SME of the Year Award at the Business Standard Awards in 2013 and India Inc. Innovative 100 Award for Smart Innovation in Technology in 2013.

In fiscal 2012, 2013 and 2014, our total income was ₹ 5,865.07 million, ₹ 8,270.73 million and ₹ 10,820.75 million, respectively, while our profit after tax for the years was ₹ 394.96 million, ₹ 606.11 million and ₹ 789.15 million, respectively. Our total income in the six months ended September 30, 2014, which reflects consolidation of Seal It results of operations with effect from August 26, 2014, was ₹ 5,942.75 million, while our profit after tax for the six months ended September 30, 2014 was ₹ 416.24 million. RCL was acquired with effect from November 21, 2014 and therefore our consolidated financial information included in this Placement Document do not reflect the financial information of RCL. RCL had total income of ₹ 1,193.04 million, ₹ 1,401.18 million, ₹ 1,726.96 million, and ₹ 1,022.14 million, and profit after taxes of ₹ 46.13 million, ₹ 59.22 million, ₹ 74.54 million and ₹ 52.60 million, in fiscal 2012, 2013, 2014 and in the six months ended September 30, 2014, respectively.

Recent Developments and Presentation of Financial Information

As part of our diversification strategy and expansion into the adhesives and sealants markets, we have recently acquired 80.00% shareholding in Seal It, a United Kingdom company, with effect from August 26, 2014 and 76.00% shareholding in RCL, an Indian company, with effect from November 21, 2014.

Our consolidated financial statements as of and for the six months ended September 30, 2014 reflects the consolidation of Seal It financial information for the period between August 26, 2014 and September 30, 2014, and therefore may not be comparable to our consolidated financial statement information for prior reporting periods. Since we acquired RCL with effect from November 21, 2014, the effect of such consolidation is not reflected in our consolidated financial statements included in this Placement Document.

This Placement Document does not include any pro forma financial information to show the effect of the consolidation of the financial statements of Seal It and RCL into our consolidated financial statements. We have however included in this Placement Document the audited standalone financial statements of Seal It for fiscal 2012 and 2013, the audited consolidated financial statements of Seal It for fiscal 2014 and the reviewed standalone financial statements of Seal It for the six months ended September 30, 2014. We have also included the audited financial statements of RCL for fiscal 2012, 2013 and 2014 and the reviewed financial statements of RCL for the six months ended September 30, 2014. In addition to a discussion on our consolidated results of operations and financial condition for fiscal 2012, 2013 and 2014 and for the six months ended September 30, 2014, we have included in this Placement Document a discussion on the results of operations and financial condition of RCL for fiscal 2012, 2013 and 2014 and the six months ended September 30, 2014.

Accordingly, investors will need to base their assessment of our consolidated results of operations and financial condition subsequent to the acquisition of Seal It and RCL on the basis of our historical consolidated financial statements, the historical consolidated financial statements of Seal It and the historical financial statements of RCL included in this Placement Document.

Competitive Strengths

We believe we have the following competitive strengths:

Established brand in the plumbing and other building materials industry

We believe we have established a strong brand name in the building materials industry in India over the last fifteen years, particularly for CPVC and PVC piping and plumbing systems and allied products. Our brand has been strengthened through consistent delivery of quality products at competitive prices, development of an expansive pan-India network of distributors and dealers as well as intensive and strategic marketing efforts to create brand awareness among our target customer segments, particularly among plumbers, builders, real estate and infrastructure developers. Our sustained marketing efforts have included the print, electronic and other advertisement media, exhibitions and outdoor promotions directed at retail customers as well as training sessions and exhibitions involving our distributors, dealers and the plumber and builder community. We have also recently engaged Mr. Salman Khan, a popular film personality in India, as our brand ambassador. We believe that our effective marketing and branding strategy and successful implementation of such strategy over the past few years have enabled us to develop a strong brand in our industry segment and is a key competitive strength that we intend to leverage in executing our product diversification strategy.

Access to advanced technologies, international quality products and market leading product brands

Our international standard products involve advanced technologies, processes and manufacturing know-how that are either owned by us or licensed from certain global technology and equipment suppliers in the CPVC products or other allied businesses. We have entered into various technology licensing agreements and arrangements for the technology and/or know-how used in the manufacture of some of our products. We also typically enter into trademarks and/or brand licencing arrangements for the sale of such products. We were the first company in India to be granted technology licenses by Lubrizol, to manufacture Flowguard CPVC piping system for hot and cold water distribution system, Corzan Industrial Systems, Blazemaster Fire Sprinkler System and FlowGuard Bendable Multilayer Pipes range of products and distribute and sell such products in India under Lubrizol's brands. We have also entered into similar arrangements with Weld-on for the manufacture and sale of certain adhesive products under their "Weld On" range of products. Through these agreements, we have ensured access to advanced technologies and intellectual property required in connection with the manufacture of certain of our key products. We have also developed proprietary technology for our PVC range of products. Pursuant to the acquisition of Seal It and RCL, we believe we have also acquired advanced technologies and extensive network of distributors relating to the development and expansion of our adhesives and sealants business.

Comprehensive product offering

We believe we are one of the leading manufacturers and suppliers of CPVC and PVC pipes and fittings in India. We are a comprehensive plumbing solutions provider with a wide range of products used in domestic, commercial and industrial applications, including soil and water drainage systems, surface drainage fittings and CPVC automatic fire sprinkler system. Our product development and manufacturing capabilities have enabled us to develop a diversified range of CPVC and PVC products as well as other allied building materials such as sealants and adhesives. Our comprehensive range of products allow us to effectively address the diverse requirements of our end customers and enable our distributors to source most of their plumbing and allied building materials requirements directly from a single source. In addition, our international quality standards and extensive distribution network have enabled us to effectively capture significant market share in the CPVC and PVC plumbing products in India. We have recently introduced several new products including Blazemaster pipes, column pipes, bendable pipes, agriculture pipes and conduit piping system and expect sales of, and revenues from, such recently introduced products to increase in the future.

As part of our strategy of diversifying our product portfolio, in August 2014 we acquired Seal It, which manufactures a range of sealants and adhesives under the brand name “Bond-it”, as well as a comprehensive range of silicones, sealants, cleaning agents, tile adhesives, waterproofing chemicals bitumens, polyurethane foams and building and construction chemicals. Through Seal It’s subsidiary Calder Distribution Limited, we also distribute a range of ironmongery, door furniture and ancillary products. Subsequently, in November 2014, we also acquired RCL, which manufactures adhesives, sealants, construction chemicals and industrial maintenance products under several brand names with a wide marketing network across India. RCL covers various industry segments for its products including the automobile sector, sanitation, paints, plywood, hardware and building materials. Its product range includes a broad range of chemical products including epoxy, silicones, cyanoacrylate, solvent cements, PU sealants, anaerobic, UV care, MS polymers, acrylic etc.

Strategically located manufacturing and warehouse facilities and extensive distribution network

We have established strategically located manufacturing facilities for our products to serve various parts of India, ensuring access to major markets in north India through our Baddi manufacturing facility, in south India through our Hosur facility, and in the western regions of India through the Santej and Dholka facilities. These manufacturing facilities act as hubs for our distribution network through strategically located warehouse facilities across India at Delhi, Vijayawada, Hyderabad, Goa, Coimbatore, Bangalore and Ahmedabad. Our geographically widespread operations across India have enabled us to target the demand for a broad range of plumbing and allied building materials across India.

As of September 30, 2014, our pan-India distribution network included more than 11 branches and 400 distributors. Since the majority of our sales are through our distributors, the strategic location of our manufacturing and warehousing facilities and proximity to distributors and markets enable us to minimise delivery schedules and transportation expenses, and provide superior customer service.

In addition, as of September 30, 2014, RCL had 11 branches and approximately over 1,700 distributors, while our Seal It operations include an extensive distribution network across the United Kingdom, Europe and the Middle East.

Extensive product development capabilities

We have, over the years, strengthened our product development capabilities, focused on introduction of new products, modifying our range of products for local applications as well as improving cost and operational efficiencies. For example, our product development initiatives include working closely with our international technology partners such as Lubrizol to introduce fire resistant pipes and fire sprinkler systems suited to Indian consumer and regulatory requirements. We believe that our product development initiatives have also enabled us to establish strong relationships with our distributors and dealers as we are able to effectively address changing industry trends and consumer requirements. In addition, we believe that we will benefit from the advanced technology and product development initiatives undertaken by Seal It and RCL to develop a comprehensive range of complementary plumbing and building materials products such as sealants and adhesives.

Stringent quality assurance standards

Our stringent quality assurance standards enable us to collaborate closely with Lubrizol and other international market leaders in our existing and proposed product and industry segments. Further as a result of our quality assurance programmes we have received several quality certifications. For instance, we have received the UPC-I certification mark from IAPMO Plumbing Codes and Standards India Private Ltd in relation to our CPVC hot and cold water pipes and fittings; our Santej facility has received the IS 15778:2007 from the Bureau of Indian Standards in relation to CPVC pipes for potable hot and cold water distribution supplies; our Gujarat and Baddi facilities have also been certified as compliant with NSF/ANSI 14 and all applicable requirements and certain products that are appearing in the NSF official listing are authorised to bear the NSF mark. Our Santej facility has also received the authorisation to use the UL mark on the CPVC sprinkler pipe; our CPVC pipes for automatic sprinkler fire extinguishing system have received the IS 16088:2012 standard mark from the Bureau of Indian Standards; our Santej and Dholka (Gujarat) facilities and Kasauli (Himachal Pradesh) facility have also received the ISO 9001:2008 by Det Norske Veritas – Management system certificate from DNV. The management system of Seal It Services Limited has received ISO 9001:2008 and ISO 14001:2004 from ISOQAR, as manufacturers and distributors of building chemicals and consumables. We believe that our stringent manufacturing standards and quality products also enable us to develop strong relationship with our distributors, dealers and the end consumer of our products.

Strong track record of growth and financial performance

We have established a strong track record of growth and financial performance with steady cash flows from operations. In fiscal 2012, 2013 and 2014, our total income was ₹ 5,865.07 million, ₹ 8,270.73 million and ₹ 10,820.75 million, respectively, while our profit for the years was ₹ 394.96 million, ₹ 606.11 million and ₹ 789.15 million, respectively. Our total income in the six months ended September 30, 2014, which reflects consolidation of Seal It results of operations with effect from August 26, 2014, was ₹ 5,942.75 million, while our profit for the six months ended September 30, 2014 was ₹ 416.24 million. RCL was acquired with effect from November 21, 2014 and therefore our consolidated financial information included in this Placement Document do not reflect the financial information of RCL. RCL had total income of ₹ 1,193.04 million, ₹ 1,401.18 million, ₹ 1,726.97 million, and ₹ 1,022.14 million, and profit for the year/ period of ₹ 46.13 million, ₹ 59.22 million, ₹ 74.54 million and ₹ 52.60 million, in fiscal 2012, 2013, 2014 and in the six months ended September 30, 2014, respectively.

Between fiscal 2012 and 2014, our total income increased at a CAGR of 35.83%, while our EBITDA margin increased at a CAGR of 34.95%. As of September 30, 2014, our reserves and surplus was ₹ 3,426.25 million while our net worth was ₹ 3,538.63 million. Our debt equity ratio as of September 30, 2014 was 0.64:1. Our strong balance sheet and positive operating cash flows enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. Our financial strength also provides us a valuable competitive advantage in terms of access to bank guarantees and letters of credit, which are factors critical for the procurement of raw materials for our manufacturing operations.

Experienced management team

We believe that our qualified and experienced management team provides us significant competitive advantage and enables us to function effectively and efficiently. Our Managing Director, Mr. Sandeep Engineer has over 28 years of experience across several industries. He is supported by our experienced management team with extensive experience in technology related to pipes and fittings, supply chain management, finance, marketing, sales, research and development. We believe that our effective senior management team enables us to conceptualize and develop new products and effectively market such products in India and in our international markets.

Business Strategies

Diversify our business by further expanding our PVC as well as adhesives and sealants business

We believe that our recent acquisition of Seal It and RCL will enable us to significantly expand our product offerings in the building materials industry and further diversify our business and operations into the adhesives and sealants business. We intend to further expand our adhesives and sealant business to reduce our dependence on CPVC and PVC products. We believe that we are well positioned to leverage our established brand in the plumbing and allied product segments to target the significant growth opportunities available in the currently largely unorganized adhesives and sealants business in India. We believe that the adhesives and sealants business in India presents significant revenue growth as well as profitability with relatively lower levels of capital investment. We believe that our existing infrastructure, manufacturing capabilities, distribution network and access to technology and know-how will be effectively complemented by the business and operations of Seal It and RCL. We expect our adhesives, sealants and related products to represent an increasing proportion of our revenue from operations in the future as we expand our adhesives and sealants business. We believe that there are significant operating efficiencies and business synergies arising from our diversification initiatives, including access to technology as well as a wide marketing and distribution network in India and internationally.

Continue to introduce new CPVC and PVC products

We continue to focus on expanding our CPVC and PVC product offering. We work closely with our distributors and dealers to assess market trends and consumer requirements to introduce new CPVC and PVC products. We also collaborate with our technology partners to develop specialized products, and have recently introduced several new products, including piping system for automatic fire sprinkler system, column pipes and bendable pipes, in response to evolving consumer demand. We also intend to increase the revenue contribution of our PVC products. For example, we intend to increase manufacturing of pipes used in agriculture, particularly during traditionally lower capacity utilization periods such as during the monsoon season. We believe that such efforts will enable us to diversify our business as well as target growth opportunities across evolving product segments.

Increase strategic manufacturing capacity for CPVC and PVC products

We intend to further increase our manufacturing capacities for CPVC and PVC products, particularly targeted at increasing our market share in the growing markets of eastern and north-eastern regions of India. We believe that establishing a strategically located manufacturing facility to serve these markets will enable us to reduce transportation expenses and provide improved cost efficiencies for sales in these markets.

Continue to enhance operational efficiencies and increase cost competitiveness

We continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs. We continue to focus on investing in modern technology and equipment to continually upgrade the quality and functionality of our products to address changing industry trends and consumer requirements and increase operating efficiencies. We continue to partner with advanced technology providers to enhance our product offerings. We are also in the process of implementing a SAP ERP system across our manufacturing facilities and other operations.

We continue to adopt best practices and standards across our manufacturing facilities, drawing on our management's expertise and experience in plant management. We continue to increase operating efficiencies through comprehensive product planning, increasing utilization rates and a reduction in the unit cost of production. We continue to target economies of scale to gain increased negotiating power on procurements and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.

Continue to expand our distributor and customer base

We intend to grow our business by adding new distributors and customers both in existing as well as in new market segments and products. We intend to do this by effectively leveraging our distribution network and existing relationships. We sell our products primarily to distributors and rely on them for marketing and selling our products. Thus we believe that our strong marketing capabilities, wide distribution network and established relationships with our existing distributors/customers as well as our wide range of product offerings will enable us to expand our distributor/customer base. We believe that our distributor/customer focused services, as well as our range of products, will continue to differentiate us from our competitors and help enhance our distributor/customer base. In November 2014, we have also acquired RCL, which has a large distribution network across India, which we believe will provide significant marketing and distribution synergies to our existing distribution network. We also intend to grow our distribution network for our sealants and adhesives products internationally by growing the Seal It distribution and customer network across United Kingdom, Europe, Africa and the Middle East.

Pursue growth through selective acquisition opportunities in India and internationally.

As part of our strategy for growth, we may consider making strategic acquisitions of companies in India and/ or internationally. Such acquisitions will most likely be of companies whose resources, capabilities and strategies are complementary to and are likely to increase our product portfolio, expand our distribution network and/or develop new customers.

Our Products

We offer piping and plumbing systems and allied products for the building materials industry in India. We manufacture a range of standard products for our customers. Our principal products lines and products include:

CPVC Products

Our CPVC products are primarily manufactured under license from Lubrizol. We were the first licensee of Lubrizol to manufacture Flowguard Plus CPVC piping system, Corzan HP Industrial Systems, Blazemaster Fire Sprinkler System and FlowGuard Bendable Multilayer pipe in India. In addition, we also co-brand and market such products. In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of CPVC products accounted for 62.47%, 59.26%, 58.17% and 53.60%, respectively, of the Company's net revenue from operations for such periods.

Our CPVC products include:

- *Astral Flowguard Plus*

Astral Flowguard Plus range of products are primarily used in domestic plumbing applications for hot and cold water. It has received IS certification, IS 15778:2012, for its use as hot and cold water distribution systems.

- *Astral Corzan HP*

Astral Corzan HP range of products are typically used in industrial applications.

- *Astral Blazemaster*

Astral Blazemaster range of products are used in automatic fire sprinkler systems. They are ignition and burn resistant and cost efficient. Further our CPVC pipes for automatic sprinkler fire extinguishing system have received the IS 16088:2012 standard mark from the Bureau of Indian Standards.

- *Astral Bendable*

Astral Bendable pipes are CPVC-Aluminium-CPVC multilayer pipes that are primarily used in solar heater applications and under- slab installations for hot and cold water applications. They are corrosion resistant and flexible. These pipes are mostly used for high pressure and high temperature applications.

PVC Products

Our PVC products are developed based on proprietary technology. We have registered trademarks in relation to our various PVC products. In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of PVC products accounted for 37.45%, 40.65%, 41.66% and 46.32%, respectively, of the Company's net revenue from operations for such periods.

- *Astral Aquarius*

Astral Aquarius range of products are mainly used in domestic plumbing applications for cold water, swimming pools and salt water lines. They are also used for industrial process lines and in coal washing and ash handling equipment.

- *Astral Column Pipe*s

Astral column pipes are mainly used for underground application such as bore wells and primarily caters to agricultural and residential segments. These pipes are free of heavy metal and lead and are safe to carry drinking water. Further, they are also chemical resistant and corrosion resistant, resulting in relatively longer life.

- *Astral Foamcore PVC Pipe*s

Astral Foamcore PVC pipes are used for underground drainage and sewerage applications primarily in the residential and industrial applications.

- *Astral DWV (Drain Waste and Vent)*

Astral DWV pipes are mainly used for sewerage and drain water applications.

- *Astral Ultradrain*

Astral Ultradrain range of products are used for ventilation, rain water applications and drainage and sewerage applications and are corrosion resistant. These products primarily cater to the requirements of infrastructure sector as well as residential and commercial projects.

- *Astral Aquasafe*

Astral Aquasafe range of products are aimed at increasing our product offering in the agriculture sector. These pipes are primarily used in relation to agricultural applications and transportation of drinking water.

- *Astral Underground*

Astral Underground range of products are used in drainage systems in residential complexes, commercial or office spaces, resorts and hospitals.

- *Astral Wire-Guard*

Astral Wire-Guard range of products are a range of conduit piping systems for electrical cables. These products primarily cater to the requirements of residential and commercial projects.

Adhesives and Sealants

The adhesives and sealants business in India presents significant growth prospects and, we believe, provide higher margin opportunities with relatively lower levels of capital investments.

Advanced Adhesives

Our subsidiary, Advanced Adhesives Limited manufactures the Weld-on range of products under license from Weld-On. It is engaged in the business of manufacturing plastic pipe cements and primers for PVC and CPVC plastic piping systems for residential and industrial applications.

Seal It

In August 2014 we acquired 80.00% shareholding in Seal It, a United Kingdom company, which is engaged in the business of manufacturing various types of sealants and adhesives under the brand name Bond-it, as well as a comprehensive range of silicones, sealants, adhesives, bitumens, polyurethane foams and chemicals. The products manufactured by Seal It include:

- Mate range of products, a do-it-yourself range of silicone and water based sealants for domestic use;
- Premier range of sealants for use by professional tradesman in construction applications;
- Adhesives, which include a range of solvent and water-based adhesives for use in domestic, commercial and industrial applications;
- Tile adhesives and grouts, which include a range of cement based and ready mixed ceramic tile adhesives and grouts for use on floors and walls;
- Builders complete range of building chemicals, additives and general building accessories;
- Clean It range of surface cleaners for use on a variety of household materials;
- Drive Alive range of products used for maintenance of concrete pathways;
- Bitubond range of bitumen compounds, coating, paints and primers for exterior roofing applications;
- Plumbing solutions, which includes a range of complementary plumbing products and accessories;
- Flooring range of flooring products such as solvent-free self-levelling compounds and floor covering adhesives; and
- Merchandising products complementary to our product range.

Seal It also acts as the manufacturer and distributor of certain Schonox branded products in United Kingdom, including light cyan latex self levelling compound and FPL plus – cement based self levelling compounds under the license. In addition, Calder Distribution Limited, wholly owned subsidiary of Seal It, offers a range of ironmongery, door furniture and ancillary products that complement Seal It’s business.

RCL

With effect from November 21, 2014, we also acquired 76.00% shareholding in RCL, which manufactures adhesives, sealants, construction chemicals and industrial maintenance products under several brand names. The adhesives, sealants, construction chemicals and industrial maintenance products manufactured by RCL include:

- Bondtite range of epoxy products in several variants such as Ferol, Super Strength, Fast and Clear, Rapid etc. used for domestic and industrial applications;
- Resibond range of silicone products in several variants used in industrial, construction, engineering and auto sectors;
- Novabond range of epoxy products used for manufacture of bangles;
- Bondset range of epoxy putty products used for leakage repair and removal of dents on auto surfaces;
- Solvobond range of solvent cements used for repair and bonding of PVC pipes;
- Bondinsul range of epoxy products used in electrical insulation and electrical casting;
- Vetra Industrial range of epoxy products are used in handicrafts;
- Brushbond range of epoxy products used in brush manufacturing industry;
- Vetra range of cynoacrylate products used in fixing broken plastic parts; and
- Marco range of epoxy products used in handicrafts.

We believe that our existing infrastructure, manufacturing capabilities, distribution network and access to advanced technologies will be effectively complemented by the operations of Seal It and RCL.

Special or Traded Products

We also distribute products such as Astral Wavin AS which is a low noise soil and waste disposal system; Firstplast, which provide channel drains for indoor and outdoor surface water collection; and Astral clamps and hangers which provide support for piping systems and cables. In relation to Astral Wavin AS range of products we have entered into a distribution agreement with Wavin Overseas B.V. for appointing us as a non-exclusive distributor for marketing and sale of certain agreed products in India, together with a license to use certain trademarks of Wavin.

We generally enter into distribution agreements for plumbing and related products that have been commercially successful in international markets for the distribution of such products in India. This enables us to ascertain market demand for such products as well as the commercial viability of manufacturing, marketing and distribution of such products in India. We have in the past entered into distribution agreements for various traded products but have discontinued such distribution arrangements following assessment of market demand and commercial feasibility studies for such products. Accordingly, revenue from traded products may vary between financial reporting periods depending on strategic changes to our traded product portfolio.

In fiscal 2012, 2013 and 2014 and in the six months ended September 30, 2014, revenue from the sale of such traded products accounted for 4.27%, 6.60%, 7.91% and 8.29%, respectively, of the Company’s net revenue from operations for such periods.

Technology and Brand Collaborations

Our products involve advanced technologies, processes and manufacturing know-how that are either owned by us or licensed from certain global technology and equipment suppliers in the CPVC products or other allied businesses.

We have entered into various technology licensing agreements and arrangements for the technology and/or know-how used in the manufacture of some of our products. Through such agreements, we have ensured access to advanced technologies and intellectual property required in connection with the manufacture of certain of our key products.

Lubrizol

We have entered into several agreements with Lubrizol (formerly, B.F. Goodrich Company) and its affiliates including for: (i) purchase of certain equipment for manufacture of composite pipes composed of inner and outer layers of CPVC, and an inner core of metals together with a license agreement with another entity for use of the aforesaid equipment; (ii) license of technology to manufacture multi-layer bendable composite piping products and components; and (iii) license of certain trademarks, in relation to marketing and sale of certain agreed products in certain geographical territories, which are manufactured by our Company using the technology, know-how and raw materials supplied by Lubrizol and/ or its affiliates.

We have also entered into agreements with Lubrizol for the supply of CPVC compounds and resins for the manufacture of the Flow Guard range of products, the Corzan range of products and the Blazemaster range of products. These arrangements also grant us the license to use the FlowGuard, Corzan and Blazemaster trademarks and related brands for marketing such products in specified jurisdictions, including India. These agreements are typically for specified periods and automatically renewable unless otherwise terminated in accordance with their respective terms. Pursuant to such arrangements, we are required to use only Lubrizol supplied CPVC compounds and resin for the manufacture of such products, and such arrangements may be terminated by Lubrizol in the event of use of their trademarks and product brands on any products manufactured by us that do not exclusively use CPVC compounds and resin procured from Lubrizol.

Weld-On Adhesives, Inc.

Our subsidiary, Advanced Adhesives Limited, has entered into a manufacturing and trademark license agreement with Weld-On, for a non-exclusive license to use Weld-on supplied technology, know-how and trademarks for the manufacture and sale of certain specified products in certain markets including India, Nepal, Bangladesh, Bhutan and Kenya. The license agreement with Weld-on is typically for one year term and is automatically renewable unless otherwise terminated in accordance with its terms. We pay certain royalty to Weld-on under the terms of such agreement.

Manufacturing Facilities

We have manufacturing facilities in India located at Santej, Dholka, Baddi and Hosur as well as a manufacturing facility outside India in the United Kingdom. As of March 31, 2014, our Company's manufacturing facilities for CPVC and PVC products in India have an estimated installed capacity of 97,164 M.T.

The following table provides certain information relating to our manufacturing facilities, and the products manufactured:

Facility	Products
CPVC and PCV Products	
Santej, Gujarat	CPVC pipes and fittings, PVC pipes such as Astral Aquarius,
Dholka. Gujarat	PVC pipes such as Astral Ultradrain and fittings
Baddi, Himachal Pradesh	CPVC fittings
Hosur, Tamil Nadu	PVC pipes
Adhesives and Sealants	
AAL facility at Santej, Gujarat	Weld on range of products which are solvent cements and primers for CPVC and PVC pipes
Seal It facility at Elland, UK	Silicone products, adhesives, builders' products, cleaning products, decorators' products, bitubond products, flooring products, plumbing products and merchandising products
RCL facility in Unnao, Uttar Pradesh	Adhesives, sealants, construction chemicals and industrial maintenance products
RCL facility in Rania, Uttar Pradesh	Adhesives, sealants, construction chemicals and industrial maintenance products

In addition, our joint venture Astral Pipes Limited has a manufacturing facility in Kenya which is primarily involved in the manufacturing and trading of CPVC and PVC pipes and fittings.

Manufacturing Process

CPVC Pipes

CPVC pipes are manufactured by a process called extrusion. The primary raw material used in the manufacture of CPVC pipes is the CPVC compound which is typically obtained in dry powder form. This dry powder is fed to the doser feeder of the extruder through a hopper loader. From the doser feeder, the CPVC powder moves through different zones of a screw barrel which is specially designed for the process and at the end of the process the dry powder is melted and this material is then passed through the next zone of the extruder. This zone contains various units which are fitted according to the size of pipes we seek to manufacture. The entire process is temperature controlled and the material called the "extrudate" that comes out of this zone is made to pass through a vacuum tank to be moulded into a circular shape. Further spray nozzles are connected to this tank in order to prevent the extrudate from becoming rigid after which it is passed through a puller which pulls the pipe coming out of the extruder and is also responsible for the extrudate speed which determines the thickness of the pipes. After this process the pipe is passed through the final downstream equipment which is a chop saw or saw cutter and is cut as desired and sent for packing.

PVC Pipes

In this process PVC resin is fed into a high-speed mixture equipment along with other materials such as stabilizers, plasticizers, additives, processing aids, lubricants, fillers and ultra violet inhibitors. This process is also temperature controlled and after some time due to the heat generated in the process, the moisture evaporates and the mixture is then transferred to another mixture equipment where certain cooling compounds are added. Thereafter the mixture is transferred to the silo and then a particular quantity of the mixture is transferred to the extrusion machine for processing as and when required. The extrusion process for the manufacture of PVC pipes is then carried on in a manner identical to the extrusion process for manufacture of CPVC pipes.

CPVC Fittings

CPVC fittings are manufactured by a process called injection moulding. In this process the CPVC compound which is received in granular form is fed to a hopper loader, which is temperature controlled and enables the evaporation of moisture from the material. After undergoing a process similar to the process described in relation to manufacture of pipes the melted material is injected into cavities which are fitted to a mould base that is directly attached to the injection moulding machine. The temperature of the material is then brought down until it solidifies. The size and type of fittings are determined by the cavity fitted in the mould. Thereafter, the CPVC fittings are ejected from the cavities through an ejector system and are separated according to the size and type of the fittings.

PVC Fittings

The process followed for the manufacture of PVC fitting is similar to CPVC fittings manufacture except that in this case, a mixture of PVC resin with the necessary additives is used as the primary raw material.

Adhesives and Sealants

The manufacturing process primarily consists of mixing and kneading the necessary ingredients into a uniform paste / solution / powder. The required raw materials are weighed and then added to mixing vessels where the ingredients are batch mixed. Suitable preservatives or chemicals or solvents are added to products as per the performance requirements. Once such a solution is formed various pigments are added and the mixture is then thoroughly mixed. The mixture is then tested for clarity, viscosity and density and once it has passed the quality control test, it is then packed into tins and dispatched.

Raw Materials

Our primary raw materials include CPVC compound and PVC resin in addition to various additives necessary for the manufacture of pipes and fittings. For our CPVC compound requirements we are dependent on Lubrizol with whom we have entered into various technical and technological collaboration under which we are required to procure our CPVC compound requirements from Lubrizol. In relation to our PVC resin requirements we primarily enter into annual procurement arrangements with Reliance Industries Limited which provide certain volume based incentives and discounts. We source our other raw material requirements from various suppliers depending on price and availability. In addition to our CPVC compound and PVC resins, we also require certain chemicals for our pipes business which are generally procured locally.

We also require various chemical compounds for the manufacture of adhesives and sealants including silicone compounds, solvents, epoxy resin, limestone etc.

Other than the supply arrangement for CPVC compound with Lubrizol which is automatically extended from time to time, we typically do not have long term supply arrangements with our suppliers. In certain cases we may enter into annual contracts. The price and supply of raw materials depend on various factors beyond our control, including economic conditions, competition, availability of quality suppliers, production levels, transportation costs, import duties, fuel prices, trade restrictions and currency exchange rates. In order to maintain and manage our raw material requirements, we have a comprehensive inventory management system for raw materials, consumables and spares. We also have online systems for monitoring various raw materials and spares inventory.

Distribution Network

Our CPVC and PVC products are distributed through our pan-India network that included approximately 400 distributors as of September 30, 2014. These distributors in turn work with a large number of local dealers. Our manufacturing facilities are strategically located across India to access major markets in north India through the Baddi facility, in south India through the Hosur facility and in west India through the Santej and Dholka facilities. Our manufacturing facilities act as distribution hubs for our CPVC and PVC products and are distributed through storage depots located at Delhi, Vijayawada, Hyderabad, Goa, Coimbatore, Bangalore, and Ahmedabad. We provide certain credit arrangements to our distributors in order to facilitate ease of payment.

In certain circumstances we also make direct sales to large customers such as real estate companies or corporate groups with significant building projects.

RCL operates through a network of 11 branches and an extensive distribution network of approximately over 1,700 distributors across India. Our subsidiary Seal It also operates through an extensive distribution network of distributors and dealers across United Kingdom, Europe and the Middle East.

Marketing

We believe we have established a strong brand name in the building materials industry in India over the last fifteen years, particularly for CPVC and PVC piping and plumbing systems and allied products. Our brand has been strengthened through consistent delivery of quality products at competitive prices, development of an expansive pan-India network of distributors and dealers as well as intensive and strategic marketing efforts to create brand awareness among our target customer segments, particularly among plumbers, builders, real estate and infrastructure developers. With the expansion of our product offering in the adhesives and sealants segments through the recent acquisition of Seal It and RCL, we believe that there are significant marketing synergies and cross-selling opportunities for our comprehensive brand of building materials products.

Our sustained marketing efforts have included the print, electronic and other advertisement media, exhibitions and outdoor promotions directed at retail customers as well as training sessions and exhibitions involving our distributors, dealers and the plumber and builder community. We have also recently engaged Mr. Salman Khan, a popular film personality in India, as our brand ambassador. We also indirectly benefit from the extensive marketing activities undertaken by Lubrizol for its CPVC products globally.

In addition, in order to facilitate the understanding of the distinctive features, benefits and applications of our products as well as assistance with usage and installation, we have prepared product catalogues, technical and installation manual as well as audio - visual CDs. We also continue to train large numbers of plumbers and other primary users of our products by organizing various workshops across India.

Quality Assurance

We are committed to ensuring quality standards. Our products pass through stringent quality tests, and our quality assurance team monitors at various stages of the manufacturing process and performs finished product inspections to ensure the quality of our products. Our quality control team also performs root cause analysis of any non-conformances in order to continuously improve our production processes. Our quality assurance initiatives also include the continuous improvement of our manufacturing processes and reduction of internal rejection through comprehensive process audits and control.

Specific quality control procedures for our pipes and related products include ensuring that the dimensions of the products conform to relevant standards, particularly wall thickness and outer roundness. We also perform various tests on our products such as vice-crush test to ensure resistance to cracks, burst-pressure tests and dropimpact tests. In relation to our fittings, we ensure that the dimensions are correct including wall thickness, socket diameters and socket length and also perform burst-pressure tests.

Our facilities and manufacturing processes have been granted various quality certifications including:

- UPC-I certification mark from IAPMO Plumbing Codes and Standards India Private Limited for our CPVC hot and cold water pipes and fittings;
- IS 15778:2007 from the Bureau of Indian Standards for our Santej facility for potable hot and cold water CPVC pipes;
- Authorisation to use the UL mark on the CPVC sprinkler pipe from Underwriters Laboratories Inc. for our Santej facility;
- NSF/ANSI 14 compliance certification for our facility in Gujarat and Baddi facility in Himachal Pradesh, certain products appearing in the NSF official listing are authorised to bear the NSF mark;
- ISO 9001:2008 by Det Norske Veritas – Management System Certificate for our Santej and Dholka facilities in Gujarat and our facility in Himachal Pradesh for the supply of CPVC, PVC pipes and fittings
- IS 16088:2012 standard mark from the Bureau of Indian Standards for CPVC pipes for automatic sprinkler fire extinguishing system; and
- ISO 9001:2008 and ISO 14001:2004 from ISOQAR for management system of Seal It as manufacturers and distributors of building chemicals and consumables.

Awards

Our Company has received various awards in recognition of our business and operations including the following:

- Star SME of the Year Award at the Business Standard Awards in 2013
- Power Brands Rising Star Award in 2012-2013
- India Inc. Innovative 100 Award for Smart Innovation in Technology in 2013
- Certificate of Excellence at India Inc. 500 organized by Mind Your Business (MYB) in 2013

Similarly our Managing Director has also received various awards including:

- E&Y Entrepreneur of the Year Award 2013 – Finalist in 2013
- Enterprising Entrepreneur of the Year Award in 2012 for outstanding contribution to the industry and India rising.

Employees

We consider our human resources as a critical factor to our success and engage in a human resource strategy that addresses key aspects of human resource development and focuses heavily on recruiting, training and retaining our employees, as well as offering them competitive compensation. As of September 30, 2014 we had more than 750 employees including employees of Seal It. We may also engage contract labour depending on our requirements and the number of contract labor vary from time to time based on various factors. In addition to a base salary and performance-linked incentives, we provide a number of benefits to our employees, such as medical expenses, healthcare, and group gratuity schemes. Our employees are also covered under specific insurance schemes.

Our employee policies aim to recruit a talented and qualified work force, facilitate their integration and encourage development of their skills in order to facilitate the growth of our operations. We are also committed to providing an empowering environment that motivates and facilitates growth and rewards contribution.

Occupational Health and Safety

We are committed to the occupational health and safety of our workers. The management regularly sets health and safety targets to continually reduce risk of harm to employees and visitors to operational facilities. We maintain an occupational health and safety management system that defines guiding principles and standards for occupational health and safety performance. We have set up health and safety procedures at all operational facilities with participation from all levels of employees. Appropriate safety equipment is provided to all employees and visitors to operational facilities. Our operational facilities are regularly audited to ensure compliance for areas in which they operate, as well as for compliance with safety management system. Also any health and safety incidents are investigated and corrective actions developed. In addition, there are regular reports to management on our health and safety performance.

Competition

We sell our products in highly competitive markets. Certain competitors may be larger than us and may have significantly greater financial resources than us. As a result, to remain competitive in our markets, we continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. Our industry is to an extent localised, fragmented and unorganised and therefore we compete with other pipe manufactures in organised as well as unorganised sector on the basis of availability of product, product range, quality and other factors as well as based on price, reputation, customer service and customer convenience. Further there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Some of our major competitors include Supreme Industries, Ashirwad Pipes, Finolex Pipes and Prince Pipes and Fittings.

However we believe that our wide portfolio of products provides us with a competitive advantage over other manufacturers. In addition, our long standing relationship with Lubrizol, marketing initiatives, use of advanced technology, management of resources, scale of operations and geographically expansive facilities provide us with certain competitive advantages.

Intellectual Property

We create and own certain valuable intellectual property assets. Our Company and our subsidiaries are owners of several trademarks such as "Astral Aquarius – Standards Redefi", "Astral-where innovation flows" and others registered under various classes of trademarks. Our subsidiary, Seal it are also owners of trademarks such as "seal it", "BOND IT", "XTREME", "BITUBOND" and others registered under various classes of trademarks.

We were also the first company in India to be granted technology licenses by Lubrizol, to manufacture Corzan Industrial Systems, Blazemaster Fire Sprinkler System and FlowGuard Bendable Multilayer Pipes range of products and distribute and sell such products in India under Lubrizol's brands. We have also entered into a trademark license agreement with Weld-On, a leading manufacturer of solvent cements and adhesives, pursuant to which Weld-on has granted us the license to manufacture and sell solvent cement, adhesives and related products.

Seal It has also been granted the license to manufacture and market certain Schonox branded products in the United Kingdom. In addition, RCL is the owner of certain trademarks such as Salvobond, Resiseal and Resicast under various classes. RCL has also made applications for registration of other trademarks.

These trade and service marks are integral to our business, and the loss of any of these intellectual property rights could have a material adverse effect on our business. Also from time to time, we may encounter disputes over rights and obligations concerning intellectual property and there can be no assurance that we will prevail in any such intellectual property disputes and oppositions.

Insurance

We maintain insurance cover for our assets to cover all normal risks associated with operations of our business, including fire, accidents and other natural disasters. We typically maintain standard fire and special perils insurance policies for our plants and machineries and buildings at our manufacturing facilities to cover risks such as fire and other ancillary perils. We also maintain burglary policies apart from general insurance policies. Our subsidiary, Seal it, also maintains various policies which include: group personal accident and travel policy, motor fleet policy and commercial combined policy. Further, our operations are subject to hazards inherent in our industry and other *force majeure* events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Not all risks associated with our business and operations may be insurable, on commercially reasonable terms, or at all. Although we believe that the amount of insurance currently maintained by us and our subsidiaries represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

Property

We own the land on which our four manufacturing facilities are located, namely, Santej, Dholka, Baddi and Hosur. Our Company, have also obtained several premises on lease/leave and license basis for our depots located across the country. Our Company's Registered and Corporate Office is also owned by us. Our subsidiary AAL's manufacturing facility is situated on leasehold premises. The manufacturing facilities of RCL are situated at Unnao and Rania. The facility at Unnao is partly owned and partly on lease. The facility at Rania is owned by RCL. The registered office of RCL is situated on leasehold property. Further Seal It's office and manufacturing unit are situated on leasehold properties at Elland UK.

REGULATIONS AND POLICIES IN INDIA

The following is an overview of the important laws and regulations which are relevant to our business in India. The description of laws and regulations set out below is not exhaustive, and is only intended to provide general information, and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Benefits and Concessions Available to our Manufacturing Plant at Himachal Pradesh

Our Company has set up its second manufacturing facility at village Bated, District Solan, Tehsil Kasauli, Himachal Pradesh, making us eligible to enjoy certain concessions and benefits under

(i) The Industrial Policy Rules regarding Grant of Incentives, Concessions and Facilities to industrial Units in H.P. 2004, and

(ii) The H.P.-Industrial Renewal and Revival Scheme, 2004.

Further, our Company is also entitled to benefits under Section 80-IC of the Income Tax Act, which is available for ten years. The benefits as available to us under these schemes and being availed by us, include the following:

1. Our factory is set up in a Category "A" Area of Himachal Pradesh. Therefore, we are exempted from payment of state taxes and duties including concessional central sales tax @ 1.5% (excluding levies in the shape of cess, fees, royalties, etc.) effective from May 1, 2013 for a period of 5 years from date of commencement of commercial production;

2. Under Section 80IA of the Income Tax Act, 1961, for five financial years with effect from FY 2005-2006, income tax is totally exempted, and for the next five financial years, the exemption percentage is 30%.

The scheme empowers the Directorate of Industries, Himachal Pradesh Government to grant individual benefits and concessions, which are subject to several conditions and restrictions. As per the letter No. Ind. Dev.F(34) Regn.(L&M)-587/2004 dated December 2, 2004, from the Directorate of Industries, Government of Himachal Pradesh, we are required to employ at least 65%, or as prescribed from time to time, of the total manpower employment from amongst the *bona fide* Himachalis.

Labour Laws

The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 ("**ID Act**") provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or board of conciliation and by an order prohibit the continuance of any strike or lock-out in connection with such dispute which may be in existence on the date of reference. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment, reinstatement of workmen and awarding costs. The ID Act specifies that the tribunals and labour courts shall have the powers of a civil court in respect of enforcement of their decrees. The ID Act also provides workmen direct access to labour courts or tribunals in case of individual disputes relating to termination of services and prescribes a procedure for the voluntary reference of disputes (existing or apprehended) by the employer and workmen to arbitration. Further, establishments having 20 or more workmen are required to constitute a grievance settlement machinery, consisting of equal number of members from the employer and the workmen, for the resolution of disputes arising out of grievances.

The Factories Act, 1948

The Factories Act, 1948 (the "**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. It applies to industries in which (i) 10 or more than 10 workers are employed on any day of the preceding 12 months and are engaged in the manufacturing process being carried out with the aid of power, or (ii) 20 or more than 20 workers are employed in the manufacturing process being carried out without the aid of power. Each State has enacted rules in respect of the prior submission of plans and their approval for the establishment, registration and licensing of factories. The Factories Act provides that the occupier of a factory, i.e., the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. The Factories Act also provides for fines to be paid and imprisonment of the manager of the factory in case of any contravention of the provisions of the Factories Act.

Other labour legislation

Depending upon the nature of the activity undertaken by us, additional applicable labour laws and regulations include the following:

- The Employee's Compensation Act, 1923;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employee's State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936; and
- The Contract Labour (Regulation and Abolition) Act, 1970.

Environmental Laws

The Environment Protection Act, 1986 (the "**EPA**") is an umbrella legislation in respect of the various environment protection laws in India. The EPA vests in the GoI the power to take any measures it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution, including the power to prescribe standards for emission of environmental pollutants or handling of hazardous substances, inspection of any premises, plant, equipment or machinery, and examination of manufacturing processes and materials likely to cause pollution. There are also provisions with respect to furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts. Penalties for violation of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years, or both. The Ministry of Environment and Forests ("**MoEF**"), in exercise of powers conferred under the EPA, issued a notification on January 6, 2011 declaring coastal stretches as coastal regulation zones and thereby imposing restrictions on industries, operations and processes in a coastal regulation zone. Under the EPA and the Environment (Protection) Rules, 1986, as amended, the GoI has issued notifications) in January 1994, 1999 and September 14, 2006 (together, the "**EIA Notifications**"), which requires that prior approval of the MoEF, GoI, or State Environment Impact Assessment ("**EIA**") Authority, as the case may be, be obtained for the establishment of any new project and for expansion or modernization of existing projects specified in the EIA Notification. An application for environment clearance is made after identification of the prospective site for the project or activity to which the application relates, but prior to commencing construction activity or preparation of land at the site. Certain projects which require approval from a State Environment Impact Assessment Authority ("**SEIAA**") may not require an EIA report. For projects that require preparation of an EIA report, public consultation involving public hearing and written responses is conducted by the State Pollution Control Board, prior to submission of a final EIA report. The environment clearance (for commencement of the project) is valid for five years for all other projects and activities other than for mining. This period of validity may be extended by the concerned regulator for up to five years. The EIA Notification states that obtaining of prior environment clearance includes four stages, i.e., screening, scoping, public consultation and appraisal.

The MoEF has in November 2010, requested State governments to initiate action against projects where substantial progress relating to construction has been made and significant investments been made without obtaining requisite prior environment clearance. The memorandum prescribes the procedure for rectifying instances of non-compliance with the EIA Notification. Prior to environment clearance being granted, the concerned entity would be required to mandatorily highlight the violation before its board of directors/managing director/chief operating officer for consideration of its environmental policy or plan of action, and provide written commitment in the form of a formal resolution, to the MoEF or SEIAA within 90 days from receiving the communication from the MoEF or SEIAA, which will be uploaded on the websites of the MoEF or SEIAA.

If the project proponent does not file a response with the MoEF or SEIAA within 90 days, it will be assumed that the project proponent is no longer interested in pursuing the project and the project file will be closed, after which the procedure for obtaining environment clearance will be required to be initiated afresh if the project proponents are desirous of pursuing the project.

In case operations involve clearance of forest land, the Forest (Conservation) Act, 1980, as amended ("**Forest Conservation Act**") requires prior clearance of the GoI, through the MoEF. The penalties for non-compliance under the EPA and the Forest Conservation Act range from closure or prohibition of operations as well as monetary penalties on and imprisonment of the persons in charge of the conduct of the business of the Company.

The Water (Prevention and Control of Pollution) Act, 1974

The Water Act (Prevention and Control of Pollution) Act, 1974 (the "**Water Act**") aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for a Central and various State Pollution Control Boards to be constituted, to implement its provisions. The Water Act debars any person from establishing any industry, operation or process or any treatment and disposal system likely to discharge sewage or trade effluents into a water body, without prior consent of the State Pollution Control Board.

Further, under the Water (Prevention and Control of Pollution) Cess Act, 1977 (the "**Water Cess Act**"), a lessee carrying on any industry specified under the Water Cess Act is required to pay a surcharge calculated on the amount of water consumed and purpose for which the water is used. Penalties for non-compliance include a penalty not exceeding the cess in arrears, imprisonment up to six months or fine, or both.

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**") aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the State Pollution Control Board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. The Central Pollution Control Board and State Pollution Control Board constituted under the Water Act perform similar functions under the Air Act as well. All provisions of the Air Act do not automatically apply to all parts of India, and the State Pollution Control Board must notify an area as an 'air pollution control area' before the restrictions under the Air Act apply.

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 (the "**Hazardous Wastes Rules**") regulate the collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without adverse effect on the environment. Every occupier and operator of a facility generating hazardous waste must obtain approval from the applicable State Pollution Control Board. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and any fine that may be levied by the respective State Pollution Control Board.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

The general supervision, direction and management of our operation and business is vested in our Board, which exercises its powers subject to our Memorandum and Articles of Association and the requirements of applicable Indian laws. Pursuant to the Companies Act, 2013 and our Articles of Association, the Directors may be appointed by the Board or by our shareholders in a general meeting. In accordance with Article 134 of the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. Currently, our Company has five Directors. The present composition of the Board and its proceedings are in accordance with the Companies Act and the Listing Agreements.

The following table sets forth details regarding the Board as of the date of this Placement Document:

Name, Address, DIN, Term, Occupation and Nationality	Age (years)	Designation
Mr. K. R. Shenoy **Address:** Nalanda, 1st Cross Road, Chilimbi Hills, Mangalore-575 006, Karnataka, India **DIN:** 00801985 **Term:** Five years from August 25, 2014 **Occupation:** Financial Advisor **Nationality:** Indian	71	Independent Chairman
Mr. Sandeep P. Engineer **Address:** 59, Nehru Park, Vastrapur, Satellite Road, Ahmedabad 380 015, Gujarat, India **DIN:** 00067112 **Term:** Three years from February 1, 2012 **Occupation:** Industrialist **Nationality:** Indian	53	Managing Director
Ms. Jagruti S. Engineer **Address:** 59, Nehru Park, Vastrapur, Satellite Road, Ahmedabad 380 015, Gujarat, India **DIN:** 00067276 **Term:** Three years from May 1, 2014, liable to retire by rotation **Occupation:** Industrialist **Nationality:** Indian	49	Wholetime Director
Mr. Kyle A. Thompson **Address:** 102 Season Lane, N E Huntsville, AL 35811 USA **DIN:** 00254002 **Term:** To retire by rotation **Occupation:** Industrialist **Nationality:** American	53	Non Executive Director
Mr. Pradip N. Desai	62	Independent Director

Name, Address, DIN, Term, Occupation and Nationality	Age (years)	Designation
Address: 434/5, "SUVAS BUNGALOW", Law College Road, Ellisbridge, Law Garden, Ahmedabad – 380 006, Gujarat, India **DIN:** 00336937 **Term:** Five years from August 25, 2014 **Occupation:** Business **Nationality:** Indian		

Relationship with other Directors

Except Mr. Sandeep P. Engineer and Ms. Jagruti S. Engineer, who are spouses, none of the other Directors are related to each other.

Brief Profiles

Mr. K. R. Shenoy

Mr. K. R. Shenoy is our Independent Chairman. He holds a Masters of Science degree in Statistics from Mumbai University. He has over 37 years of work experience in the banking sector. Prior to jointing our Company, he was the Chairman and CEO of the Lakshmi Vilas Bank Limited, Karur, Tamil Nadu and served in various positions and retired as an Executive Director of Corporation Bank. He has also served in the RBI as a Statistical Assistant and Staff Officer Grade-A. He has been a Director since September 23, 2006.

Mr. Sandeep P. Engineer

Mr. Sandeep P. Engineer is our Managing Director. He holds a Chemical Engineering degree from the University of Gujarat. He has over 28 years of work experience. He was the Project Engineer in Cadila Laboratories Limited and was the promoter of Shree Chemicals, a proprietorship concern, thereafter he promoted Kairav Chemicals Private Limited, a pharmaceutical venture. He collaborated with Specialty Process LLC for CPVC business. He has received the 'Outstanding Entrepreneur Award' for the year 2012-13 from Ahmedabad Management Association and was also featured in the top 15 out of 350 nominees for the 'EY Entrepreneur of the Year Award, 2013'. He has been a Director since March 25, 1996.

Ms. Jagruti S. Engineer

Ms. Jagruti S. Engineer is a Wholetime Director in our Company. She holds a Bachelor of Arts degree in English from the University of Gujarat. She has over 22 years of work experience and was a partner in Jagruti Pharmaceuticals. She has been a Director since March 25, 1996.

Mr. Kyle A. Thompson

Mr. Kyle A. Thompson is a Non Executive Director in our Company. He holds a degree in Associates in Electronics from the DeVry Institute of Technology, USA. He is an Associate in Electronics from United States of America. He has over 30 years of work experience. He was the Director in Thompson Plastics Inc., a CPVC Manufacturing Company situated at USA. He has been a Director since December 1, 1997.

Mr. Pradip N. Desai

Mr. Pradip N. Desai is an Independent Director on our Board. He holds a bachelor's degree in science in Physics from the Gujarat University. He had set up his own company which manufactured PVC conduit pipes and pressure pipes, which was operational for seven years. He was the Secretary and President of the Paper Merchants' Association, Ahmedabad, for six years, a Committee Member of the Gujarat Chamber of Commerce for 10 years and the Vice President of All India Federation of Paper Traders' Association. He was also the Director of N. Desai Papers Private Limited, which is authorized to distribute paper manufactured by Ballarpur Industries Limited. He has been a Director since September 23, 2006.

Borrowing Powers of our Directors

Our Directors may raise monies from time to time at its discretion by a resolution passed at a meeting of the Board. In accordance with the Companies Act 2013, our Company may borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, pursuant to a special resolution passed by its shareholders in a general meeting.

Interests of our Directors

Our Directors may be deemed to be interested to the extent of any fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of any reimbursement of expenses payable to them under our Articles of Association. Our Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares held by them, if any, or that may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

There are no existing or potential conflicts of interest between any duties owed to our Company by our Directors and the private interests or external duties of the Directors. As part of their investment portfolio, certain of the Directors may from time to time hold direct or beneficial interests in securities of our Company or other companies, with which our Company has engaged or may engage in transactions, including those in the ordinary course of business. Our Company does not believe that the holdings in such other companies create a conflict of interest because transactions typically engaged between such other companies and our Company is not likely to have a material effect on the prices of such securities.

Except as disclosed in this Placement Document, and except to the extent of shareholding in our Company, our Directors do not have any economic interest in our Company. As of March 31, 2014, there were no outstanding transactions other than in the ordinary course of business undertaken by our Company in which the Directors were interested parties.

For details relating to contracts, agreements or arrangements entered into by our Company during the two years preceding the date of this Placement Document, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements, see "***Financial Statements***" on page 180.

Shareholding of Directors

The following table sets forth the shareholding of the Directors as of September 30, 2014:

Name	Number of Equity Shares	Percentage (%)
Mr. K.R. Shenoy	Nil	Nil
Mr. Sandeep P. Engineer	23,671,410	21.06
Ms. Jagruti S. Engineer	9,143,410	8.14
Mr. Kyle A. Thompson	Nil	Nil
Mr. Pradip N. Desai	405,144	0.36

Terms of appointment of Executive Directors

Mr. Sandeep P. Engineer

Mr. Sandeep P. Engineer has been appointed as the Managing Director of our Company for a term of three years with effect from February1, 2012 pursuant to a Board resolution dated January 23, 2012 and shareholders' resolution dated August 13, 2012.

In accordance with terms and conditions of his appointment, Mr. Sandeep P. Engineer is entitled to:

- **Salary:** ₹ 0.8 million per month including but not limiting to House Rent Allowance, contribution to Super Annuation Fund, Gratuity and all other benefits, in accordance with our Company's Rules in force from time to time, with an increment at the rate of 20% of the Salary on cumulative basis.

- **Reimbursement:** of all the actual expenses incurred wholly, necessarily and exclusively for and on behalf of our Company and/ or incurred in performance of the duties of our Company.

- **Incentive:** 1% of the net profits of our Company, in addition to the above, if our Company registers an increase in Net Profits by 15% or more in that year as compared to the Net Profits of the previous accounting year which however is applicable from the Financial year 2012-13.

Ms. Jagruti S. Engineer

Ms. Jagruti S. Engineer has been appointed as the Whole time Director of our Company for a term of three years with effect from May 1, 2014 pursuant to a Board resolution dated February 5, 2014 and shareholders' resolution dated August 25, 2014.

In accordance with terms and conditions of her appointment, Ms. Jagruti S. Engineer is entitled to:

- **Salary:** ₹ 0.25 million per month with annual increments of ₹ 0.05 million up to ₹ 0.35 million per month.

- **Perquisites and Allowances:** Perquisites and allowances, such as medical allowance ₹ 0.05 million per month and conveyance allowance ₹ 0.05 million per month.

Remuneration of the Directors

A. Executive Directors

The following table sets forth the compensation paid by our Company to the Executive Directors for the period between April 1, 2014 and September 30, 2014:

(*In ₹ million*)

Name	Details of Remuneration
Mr. Sandeep P. Engineer	6.91
Ms. Jagruti S. Engineer	2.00

The following table sets forth the compensation paid by our Company to the Executive Directors for the fiscal 2014, 2013 and 2012:

(*In ₹ million*)

Name	Details of Remuneration for Fiscal 2014	Details of Remuneration for Fiscal 2013	Details of Remuneration for Fiscal 2012
Mr. Sandeep P. Engineer	• **Basic Salary**: ₹ 11.90 • **Contribution to PF/ Superannuation/ Gratuity**: Nil • **Commission/ Performance Bonus**: ₹ 10.23 • **Perquisites**: Nil	• **Basic Salary**: ₹ 9.92 • **Contribution to PF/ Superannuation/ Gratuity**: Nil • **Commission/ Performance Bonus**: ₹ 7.87 • **Perquisites**: Nil	• **Basic Salary**: ₹ 6.35 • **Contribution to PF/ Superannuation/ Gratuity**: Nil • **Commission/ Performance Bonus**: Nil • **Perquisites**: Nil
	Total Remuneration: ₹ 22.13	**Total Remuneration**: ₹ 17.79	**Total Remuneration**: ₹ 6.35
Ms. Jagruti S. Engineer	• **Basic Salary**: ₹ 2.95 • **Contribution to PF/ Superannuation/ Gratuity**: Nil • **Commission/ Performance Bonus**: Nil • **Perquisites**: Nil	• **Basic Salary**: ₹ 2.35 • **Contribution to PF/ Superannuation/ Gratuity**: Nil • **Commission/ Performance Bonus**: Nil • **Perquisites**: Nil	• **Basic Salary**: ₹ 1.73 • **Contribution to PF/ Superannuation/ Gratuity**: Nil • **Commission/ Performance Bonus**: Nil • **Perquisites**: Nil
	Total Remuneration: ₹ 2.95	**Total Remuneration**: ₹ 2.35	**Total Remuneration**: ₹ 1.73

B. Non-Executive Directors

The non-executive Directors are paid remuneration in the form of commission.

The following table sets forth the compensation paid by our Company to the non-executive Directors for the period between April 1, 2014 and September 30, 2014:

(*In ₹ million*)

Name	Sitting Fees	Commission	Total Compensation
Mr. K. R. Shenoy	Nil	0.05	0.05
Mr. Kyle A. Thompson	Nil	-	Nil
Mr. Pradip N. Desai	Nil	-	Nil

The following table sets forth the compensation paid by our Company to the non-executive Directors for the fiscal 2014, 2013 and 2012:

(*In ₹ million*)

Name	Sitting Fees			Commission provided			Total Compensation		
	For Fiscal ended March 31,								
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Mr. K. R. Shenoy	Nil	Nil	Nil	0.20	0.20	0.20	0.20	0.20	0.20
Mr. Kyle A. Thompson	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Pradip N. Desai	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Corporate Governance

Our Company has been complying with the requirements of applicable law, including the Listing Agreements and the SEBI guidelines, in respect of corporate governance including constitution of the Board of Directors and committees thereof.

The Board of Directors presently consists of five directors. In compliance with the requirements of the Listing Agreements and the Companies Act, the Board of Directors includes two independent Directors.

The corporate governance framework, *inter alia*, is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of committees of the Board, as required under law. The Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of the Board of Directors

The Board has constituted four committees, each of which functions in accordance with the relevant provisions of the Companies Act and the Listing Agreements, as applicable. These are, (i) Audit Committee, (ii) Stakeholders Relationship Committee, (iii) Nomination and Remuneration Committee and (iv) Corporate Social Responsibility Committee. The details of these committees are as follows:

A. Audit Committee

The members of the Audit Committee are:

1. Mr. K. R. Shenoy (Chairman);
2. Mr. Sandeep P. Engineer; and
3. Mr. Pradip N. Desai.

The terms of reference of the Audit Committee, amongst others, include overview of our Company's financial reporting process, review of financial statements, related party transactions and review and adequacy of internal audit function and internal control system of our Company.

B. Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

1. Mr. K. R. Shenoy (Chairman);

2. Mr. Sandeep P. Engineer; and
3. Mr. Pradip N. Desai.

The terms of reference of the Stakeholders Relationship Committee, amongst others, include approval of transfer/ transmission of shares/ debentures issued by our Company, issue of duplicate certificates, issue of certificates after split/ consolidation/ replacement and looking into the redressal of shareholders' complaints and other areas of investor services.

C. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Mr. Sandeep P. Engineer (Chairman);
2. Mr. Pradip N. Desai; and
3. Mr. K. R. Shenoy.

The terms of reference of the Nomination and Remuneration Committee, among others, include formulating the criteria for determining qualifications, attributes and independence of the Directors, formulating policy for determination of remuneration of Directors/ Key Managerial Personnel/ other employees and recommend to the Board such policies.

D. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Mr. K. R. Shenoy (Chairman);
2. Mrs. Jagruti S. Engineer; and
3. Mr. Pradip N. Desai.

The terms of reference of the Corporate Social Responsibility Committee, among others, include formulating and monitoring the corporate social responsibility policy of our Company and recommending the expenditure to be incurred in this regard.

Key Managerial Personnel

In addition to our Managing Directors and Whole-time Directors, our key managerial personnel include:

Mr. Hiranand Savlani, our Chief Financial Officer, holds a graduate degree in Commerce from HL College of Commerce, Gujarat, along with being Company Secretary, Cost and Works Accountant and Chartered Accountant. He also holds an LL.B. degree from the University of Gujarat. He began his career with Dynamic Industries Limited. Subsequently, he worked with Kalpataru Power Transmission Limited and joined our Company in 2003. He received a remuneration of ₹ 2.37 million in the fiscal 2014.

Mr. Kairav Engineer, our Manager – Business Development and Branding, holds a bachelors degree in Science in Industrial Engineering and Management from Georgia Institute of Technology, Atlanta, USA. He joined our Company from August 1, 2011 as a Junior Business Development Executive. He was responsible to our collaborations with Alca Plast and First Plast Corporation. He was also responsible for the completion of our Hosur manufacturing facility. He also handles information technology, new projects, branding, and marketing. He was primarily involved in the engagement of Salman Khan and is also involved in trade exhibitions as well as various promotional meets and marketing activities. He received a remuneration of ₹ 1.69 million in the fiscal 2014.

Mr. Paresh Ambani, our Senior General Manager – HR, holds a graduate degree from the University of Saurashtra, and a masters degree in Social Work from Maharaja Sayajirao University. He joined our Company on February 7, 2014. Prior to joining our Company, he worked in Reliance, Ingersoll Rand and AIA Engineering Limited. He is primarily responsible for the human resources functions of our Company. He received a remuneration of ₹ 0.29 million in the fiscal 2014.

Mr. Siddharth Joshi, our General Manager – Marketing, holds a graduate degree in Science from the University of Gujarat and a diploma in Management from Bharatiya Vidya Bhavan's College. He joined our

Company on May 20, 2002 and is primarily responsible for handling domestic sales as well as export sales of our Company. Prior to joining our Company, he has worked in Dutron Polymers Limited and in Supreme Industries Limited. He received a remuneration of ₹ 1.47 million in the fiscal 2014.

Mr. Amishkumar P. Shah, our Company Secretary, holds a degree in commerce from M.D.S. University, Ajmer, Rajasthan, an LL.B. degree and an LL.M. degree from the University of Gujarat, Ahmedabad, and is a qualified company secretary and an associate of the Institute of Company Secretaries of India. He has previously worked with Gujarat Gokul Power Limited and Arvee Denims & Export Limited. Subsequently, he joined our Company in 2014. Since he joined our Company in Fiscal 2015, has not received any remuneration in fiscal 2014.

Shareholding of Key Managerial Personnel

The following table sets forth the shareholding of our key managerial personnel as of September 30, 2014:

Name	Number of Equity Shares	Percentage (%)
Mr. Hiranand Savlani	115,000	0.10
Mr. Siddharth Joshi	20,000	0.02
Mr. Kairav Engineer	Nil	Nil
Mr. Paresh Ambani	Nil	Nil
Mr. Amishkumar P. Shah	Nil	Nil

Interest of Key Managerial Personnel

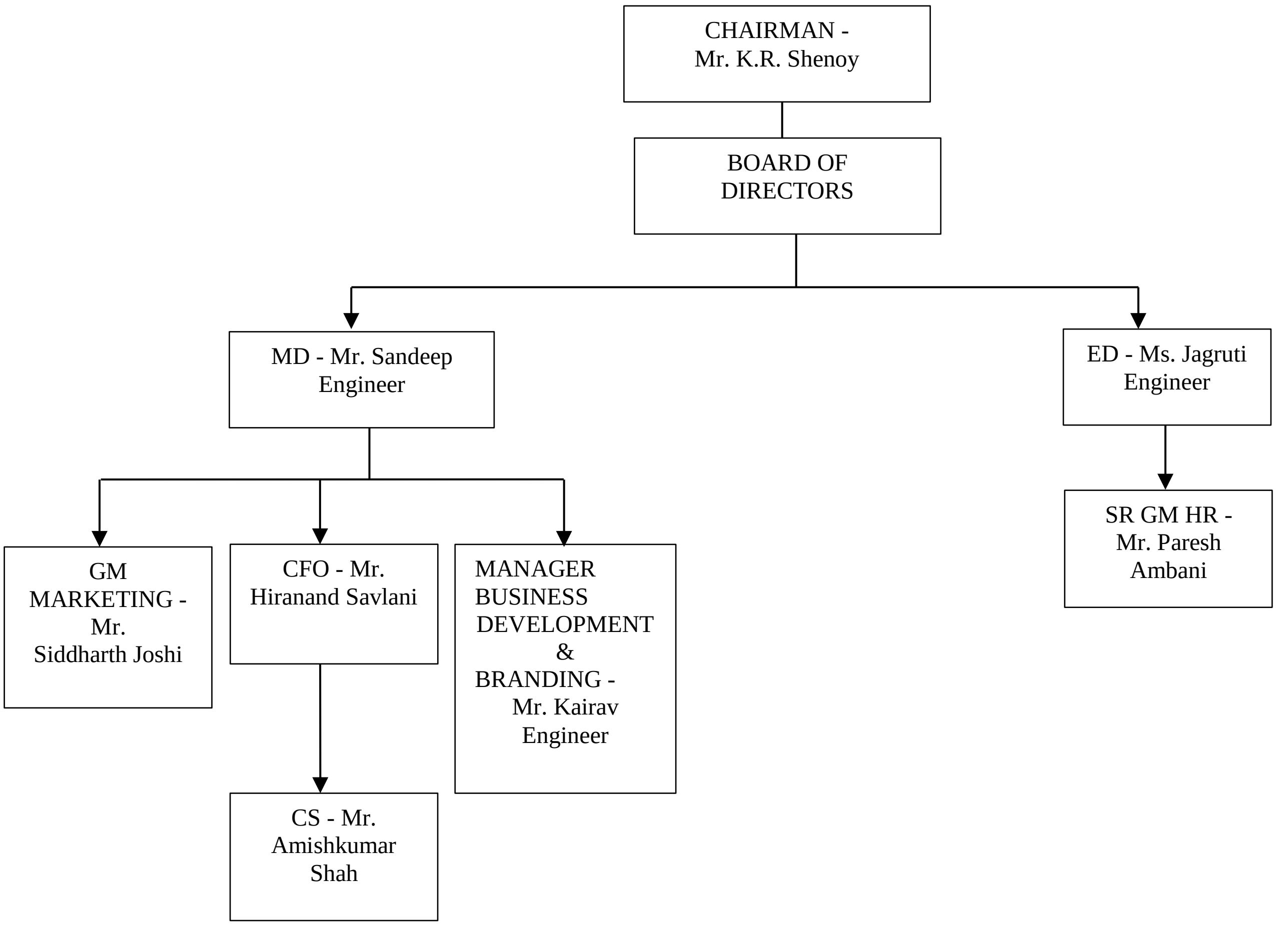
Except as stated in "***Financial Statements – Related Party Transactions***", and to the extent of remuneration or benefits to which they are entitled as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business, our Company's key managerial personnel do not have any other interest in our Company.

Payment or Benefit to Directors and Key Managerial Personnel of our Company

The perquisites and allowances that may be payable to the Directors are in accordance with the Companies Act, 2013. The perquisites and allowances that may be payable to the key managerial personnel of our Company are in accordance with our Company's human resources policies. Except as disclosed above, our Directors and key management personnel are not entitled to any other non-salary related amount or benefit.

Organization chart

Our Company's management organization structure is set forth below:



Policy on disclosures and internal procedure for prevention of insider trading

Regulation 12(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ("**Insider Trading Regulations**"), applies to our Company and requires our Company to implement a code of internal procedures and conduct for the prevention of insider training. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the Insider Trading Regulations.

Other Confirmations

Except as otherwise stated above in "-***Interests of our Directors***" and "-***Interest of Key Managerial Personnel*** " on pages 125 and 129, respectively, none of the Directors (including Mr. Sandeep P. Engineer and Ms. Jagruti S. Engineer who are Promoters of our Company) or key managerial personnel of our Company have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

ORGANIZATIONAL STRUCTURE AND MAJOR SHAREHOLDERS

Corporate History

Our Company was incorporated in the State of Gujarat on March 25, 1996 as a private limited company, 'Astral Poly Technik Private Limited'. The name of our Company was changed to 'Astral Poly Technik Limited' and a fresh certificate of incorporation dated September 29, 2006 was issued. Our Company is engaged in the business of manufacturing and providing PVC and CPVC piping and plumbing systems.

The Registered & Corporate Office of our Company is located at "Astral House", 207/1, B/h Rajpath Club, off S.G. Highway, Ahmedabad, 380 059, Gujarat, India.

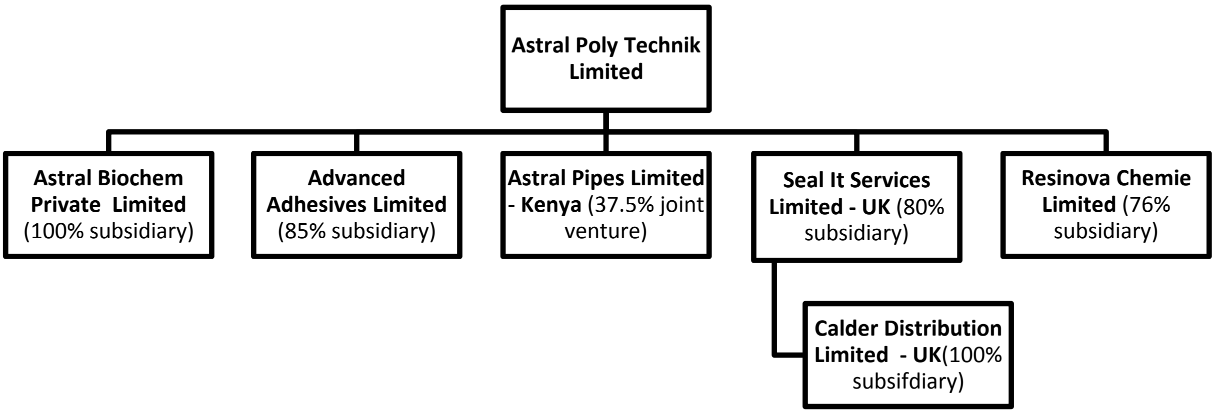
Our Company presently has manufacturing facilities at Santej, Gujarat, Dholka, Gujarat, Baddi, Himachal Pradesh and Hosur, Tamil Nadu.

Our Company completed its initial public offering of Equity Shares in India on February 22, 2007, in conjunction with which our Equity Shares were listed on the BSE and the NSE on March 20, 2007.

Pursuant to our shareholders' resolution dated August 9, 2010, the equity shares of our Company were sub-divided from every one equity share bearing a face value of ₹ 10 each in to two equity shares bearing a face value of ₹ 5 each. Thereafter, pursuant to our shareholders' resolution dated August 5, 2013, the equity shares of our Company were sub-divided from every one equity share bearing a face value of ₹ 5 each in to 2.50 equity shares bearing a face value of ₹ 2 each. Further, pursuant to our shareholders' resolution dated August 25, 2014, the equity shares of our Company were sub-divided from every one equity share bearing a face value of ₹ 2 each in to two equity shares bearing a face value of ₹ 1 each.

Our Company has three subsidiaries in India, Astral Biochem Private Limited, Advanced Adhesives Limited and Resinova Chemie Limited. Our Company has two subsidiaries in United Kingdom, Seal It Services Limited and Calder Distribution Limited. Our Company also has a joint venture, Astral Pipes Limited (previously known as Astral Technologies Limited), in Nairobi, Republic of Kenya.

Below is a chart depicting the holding structure in relation to our Subsidiaries and Joint Venture:



Shareholding Pattern

(a) The shareholding pattern of our Company as of September 30, 2014 is detailed in the table below:

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	2	32,814,820	32,814,820	29.20	29.20	0	0.00
Bodies Corporate	3	23,624,810	23,624,810	21.02	21.02	0	0.00
Any Others (Specify)	**2**	**7,320,760**	**7,320,760**	**6.51**	**6.51**	**0**	**0.00**
Directors/Promoters & their Relatives & Friends	2	7,320,760	7,320,760	6.51	6.51	0	0.00
Sub Total	**7**	**63,760,390**	**63,760,390**	**56.74**	**56.74**	**0**	**0.00**
(2) Foreign							
Bodies Corporate	1	7,955,770	7,955,770	7.08	7.08	0	0.00
Sub Total	**1**	**7,955,770**	**7,955,770**	**7.08**	**7.08**	**0**	**0.00**
Total shareholding of Promoter and Promoter Group (A)	**8**	**71,716,160**	**71,716,160**	**63.82**	**63.82**	**0**	**0.00**
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	9	1,298,344	1,298,344	1.16	1.16	0	0.00
Financial Institutions / Banks	2	3,430	3,430	0.00	0.00	0	0.00
Foreign Institutional Investors	14	17,907,086	17,907,086	15.93	15.93	0	0.00
Sub Total	**25**	**19,208,860**	**19,208,860**	**17.09**	**17.09**	**0**	**0.00**
(2) Non-Institutions							
Bodies Corporate	353	3,374,618	3,374,618	3.00	3.00	0	0.00
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	7,562	10,441,956	10,414,486	9.29	9.29	0	0.00
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	18	5,650,684	5,650,684	5.03	5.03	0	0.00
Any Others (Specify)	**461**	**1,988,282**	**1,988,282**	**1.77**	**1.77**	**0**	**0.00**
Clearing Members	124	61,318	61,318	0.05	0.05	0	0.00
Non Resident Indians	336	1,746,964	1,746,964	1.55	1.55	0	0.00
Overseas Corporate Bodies	1	180,000	180,000	0.16	0.16	0	0.00
Sub Total	**8,394**	**21,455,540**	**21,428,070**	**19.09**	**19.09**	**0**	**0.00**
Total Public shareholding (B)	**8,419**	**40,664,400**	**40,636,930**	**36.18**	**36.18**	**0**	**0.00**
Total (A)+(B)	**8,427**	**112,380,560**	**112,353,090**	**100.00**	**100.00**	**0**	**0.00**
(C) Shares held by Custodians and against which Depository Receipts have been issued	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
(1) Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
(2) Public	0	0	0	0.00	0.00	0	0.00
Sub Total	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
Total (A)+(B)+(C)	**8,427**	**112,380,560**	**112,353,090**	**0.00**	**100.00**	**0**	**0.00**

(b) Statement showing shareholding of persons belonging to the category "Promoter and Promoter Group" as of September 30, 2014 is detailed in the table below:

Name of the Shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
	No. of Shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
Sandeep Pravinbhai Engineer	23,671,410	21.06	0	0.00	0.00	0	0.00	0	0.00	0.00
Saumya Polymers LLP	15,758,170	14.02	0	0.00	0.00	0	0.00	0	0.00	0.00
Specialty Process LLC	7,955,770	7.08	0	0.00	0.00	0	0.00	0	0.00	0.00
Jagruti Sandeep Engineer	9,143,410	8.14	0	0.00	0.00	0	0.00	0	0.00	0.00
Hansa Pravinbhai Engineer	6,670,460	5.94	0	0.00	0.00	0	0.00	0	0.00	0.00
Saumya Polymers LLP	5,506,380	4.90	0	0.00	0.00	0	0.00	0	0.00	0.00
Bipin Ranchodbhai Mehta	650,300	0.58	0	0.00	0.00	0	0.00	0	0.00	0.00
Kairav Chemicals Ltd	2,360,260	2.10	0	0.00	0.00	0	0.00	0	0.00	0.00
Total	**71,716,160**	**63.82**	**0**	**0.00**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0.00**

**The term encumbrance has the same meaning as assigned to it in regulation 28(3) of the Takeover Regulations.*

(c) Statement showing shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of Equity Shares as of September 30, 2014 is detailed in the table below:

Name of the Shareholder	No. of Shares held	Shares as % of Total No. of Shares	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
			Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
HSBC Bank (Mauritius) Ltd A/c Jwalamukhi Inv	11,162,284	9.93	0	0.00	0	0.00	0.00
Steadview Capital Mauritius Ltd	1,798,598	1.60	0	0.00	0	0.00	0.00
Miten Mehta	1,500,000	1.33	0	0.00	0	0.00	0.00
Massachusetts Institute of Technology SCM	1,218,272	1.08	0	0.00	0	0.00	0.00
LTR Focus Fund	1,128,444	1.00	0	0.00	0	0.00	0.00
Total	**16,807,598**	**14.96**	**0**	**0.00**	**0**	**0.00**	**0.00**

As of the date of this Placement Document, our Company does not have any outstanding securities convertible into or exercisable or exchangeable for Equity Shares of our Company.

Subsidiary Companies

Details of our Subsidiaries are as set forth:

1. Astral Biochem Private Limited

Incorporation and Business

Astral Biochem Private Limited was incorporated as a private limited company in India on July 17, 2008. Its Corporate Identification Number is U01407GJ2008PTC054506. Its registered office is situated at "Astral House", 207/1, B/h Rajpath Club, off S.G.Highway, Ahmedabad, 380 059, Gujarat.

Astral Biochem Private Limited has been established for manufacturing of sealants / adhesives products. As on date, it has not commenced any business activity.

Authorized, Issued and Paid-up Share Capital

As of September 30, 2014, the authorized share capital of Astral Biochem Private Limited was ₹ 0.5 million divided into 50,000 equity shares of ₹ 10 each, and the issued and paid-up share capital of Astral Biochem Private Limited was ₹ 0.5 million divided into 50,000 equity shares of ₹ 10 each. Our Company (including through its nominees) holds 50,000 equity shares of ₹ 10 each in Astral Biochem Private Limited, which is equivalent to 100% of the issued and paid-up share capital of Astral Biochem Private Limited.

2. Advanced Adhesives Limited

Incorporation and Business

Advanced Adhesives Limited (previously known as 'Advanced Adhesives Private Limited') was incorporated as a private limited company in India on September 16, 2009. Pursuant to its conversion into a public limited company, a fresh certificate of incorporation was issued on January 31, 2011 to change the name of the company to 'Advanced Adhesives Limited'. Its Corporate Identification Number is U24295GJ2009PLC058120. Its registered office is situated at "Astral House", 207/1, B/h Rajpath Club, off S.G.Highway, Ahmedabad, 380 059, Gujarat.

Advanced Adhesives Limited is engaged in the business of manufacturing plastic pipe cements, primers and specialty products, solvent cements, primers and cleaners for PVC, CPVC, and ABS plastic piping systems, industrial adhesives.

Authorized, Issued and Paid-up Share Capital

As of September 30, 2014, the authorized share capital of Advanced Adhesives Limited was ₹ 5.00 million divided into 0.5 million equity shares of ₹ 10 each, and the issued and paid-up share capital of Advanced Adhesives Limited is ₹ 0.5 million divided into 50,000 equity shares of ₹ 10 each. Our Company holds 42,500 equity shares of ₹ 10 each in Advanced Adhesives Limited, which is equivalent to 85% of the issued and paid-up share capital of Advanced Adhesives Limited.

3. Seal It Services Limited

Our Company entered into an agreement dated August 26, 2014 with Thomas Hugh Morrow Horner, Ashtonvale Limited, Gerard Majella Callan, Ian Gregory Woods and Laydex (NI) Limited, pursuant to which, our Company acquired 80% of the issued and paid up share capital of Seal It for an aggregate consideration of £ 4.40 million. Further, our Company entered into and agreement dated August 26, 2014 with David Moore ("**Seal It Agreement**"). In accordance with the terms of the Seal It Agreement, our Company is entitled to nominate two directors on the board of directors of Seal It. Our Company has an option to buy, and David Moore has the option to sell, 20 ordinary shares of £ 1 each in Seal It, subject to certain conditions.

In addition, Seal It shall not, without the prior consent of the parties, take any action for certain matters, including, altering the articles or rights attached to shares, increasing the share capital; and without the prior consent of our Company, take any action for certain matters, including, among other things, approval of business plan, issuing loan capital, making any acquisitions, declaring or paying any dividend, winding up, listing of the shares or debt securities.

The Seal It Agreement shall terminate in the event either party ceases to hold any shares in Seal It or when Seal It is would up.

Incorporation and Business

Seal It was incorporated in United Kingdom, on July 16, 2002, with company number 4487206. Its registered office is situated at Unit G16, Lowfields Business Park, Lacey Way, Elland, West Yorkshire, HX5 9DN, United Kingdom.

Seal It is engaged in the business of manufacturing various types of sealants and adhesives under the brand name "Bond-it", comprehensive range of silicones, sealants, adhesives, bitumens, PU foams and chemicals.

Authorized, Issued and Paid-up Share Capital

As of September 30, 2014, the authorized share capital of Seal It was £ 100 divided into 100 ordinary shares of £ 1 each, and the issued and paid-up share capital of Seal It was £ 100 divided into 100 ordinary shares of £ 1 each. Our Company holds 80 ordinary shares of £ 1 each in Seal It, which is equivalent to 80% of the issued and paid-up share capital of Seal It.

4. Calder Distribution Limited

Incorporation and Business

Calder Distribution Limited was incorporated in United Kingdom, on September 7, 2012, with company number 08207088. Its registered office is situated at Unit G 16,River Bank Way, Lowefields, Business Park, Elland, West Yorkshire, UK HX 5 9 DN, United Kingdom.

Calder Distribution Limited is engaged in the business of ironmongery.

Authorized, Issued and Paid-up Share Capital

As of September 30, 2014, the authorized share capital of Calder Distribution Limited was £ 100 divided into 100 ordinary shares of £ 1 each, and the issued and paid-up share capital of Calder Distribution Limited was £ 100 divided into 100 equity shares of £ 1 each. Seal It holds 100 equity shares of £ 1 each in Calder Distribution Limited, which is equivalent to 100% of the issued and paid-up share capital of £ 100.

5. Resinova Chemie Limited

Our Company, Sandeep Engineer, Jagruti Engineer, Kairav Engineer, Saumya Engineer, Saumya Polymers LLP entered into an agreement dated November 21, 2014 with Vijay S. Parikh, Nita V. Parikh, Vijay S. Parikh (HUF), Kushal V. Parikh, Nihir V. Parikh, Usha S. Parikh, Suresh Chandra M. Parikh, Ramesh Shah and RCL ("**RC SPA**"), pursuant to which, our Company acquired 76% of the issued and paid up capital of the RCL for an aggregate consideration of ₹ 2,128 million. On the fourth anniversary of such acquisition by our Company, Vijay Parikh shall transfer the remaining 24% of the issued paid up capital of RCL to our Company, at a price determined in accordance with this agreement.

Further, our Company entered into a shareholders' agreement dated November 21, 2014 with Vijay S. Parikh and RCL ("**RC Agreement**"). In accordance with the terms of the RC Agreement, our Company is entitled to nominate three directors on the board of directors of RCL. In the event our Company proposes to transfer its shareholding in RCL to any person other than an affiliate, our Company has the right to require Vijay S. Parikh to transfer all or a part of the equity shares held by him, to such person on the same terms and conditions.

In addition, RCL shall not, without the prior consent of Vijay Parikh, take any action for certain matters, including, amending the charter documents, increasing or reduction of authorized share capital, establishment of any subsidiary, approve any arrangement or compromise, wind up RCL voluntarily.

The RC Agreement shall terminate upon the termination of the RC SPA or Vijay S. Parikh and his affiliates ceasing to be shareholders of RCL.

Incorporation and Business

RCL was originally incorporated as Parikh Resins & Polymers Limited as a public limited company in India on May 29, 1995. The name of the company was changed to RCL and a fresh certificate of incorporation, consequent to change of name, was issued on June 22, 2000. The certificate for commencement of business was issued on June 7, 1995. Its corporate identification number is U24131UP1995PLC018135. Its registered office is situated at 15/78 - C, Civil Lines, Kanpur, Uttar Pradesh-208001, India.

RCL is engaged in the business of manufacturing, distributing and selling a diversified range of adhesives and sealants.

Authorized, Issued and Paid-up Share Capital

As of September 30, 2014, the authorized share capital of RCL was ₹ 52.50 million divided into 5.25 million equity shares of ₹ 10 each, and the issued and paid-up share capital of RCL is ₹ 40.0485 million divided into 4,004,850 equity shares of ₹ 10 each. Our Company (including through its nominees) holds 3,043,686 equity shares of ₹ 10 each in RCL, which is equivalent to 76% of the issued and paid-up share capital of RCL.

Joint Venture Company

Details of our joint venture company are set forth:

Astral Pipes Limited

Our Company entered into a joint venture agreement dated June 20, 2008 with Imaran Industrial & Allied Ltd., Yogesh Patel, Pachkard Ltd., and Plumbware Ltd. ("**APL Agreement**"), in relation to Astal Pipes Limited ("**APL**"). In accordance with the terms of the APL Agreement, if any party (other than our Company) intends to sell its shares in APL, it shall first offer them to the other parties (other than our Company), and subsequently to our Company, if such shares are not purchased by the other parties. Further, in the event our Company intends to sell its shares in APL, it shall first offer them to the other parties. In the event such shares intended to be sold are not purchased by the parties to the APL Agreement, such offer can be made to any third party. Further, in accordance with the terms of the APL Agreement, our Company is entitled to certain rights, including the receipt of periodic management reports and financial statements and inspection of facilities and records. Our Company shall be entitled to nominate two directors on the board of directors of APL, of which, one director shall be appointed on all committees.

In addition, APL shall not, without the consent of (i) a nominee of our Company on the board of directors in case of a meeting of the board of directors; and (ii) a representative, in case of a meeting of the shareholders of APL, take any action for certain reserved matters, including, among other things, approval of business plan, create or issue shares and reclassification of outstanding shares; amendment to the constitutional documents; any merger, acquisition or consolidation; any creation or divestment of a subsidiary; liquidation, dissolution, disposition, sale, license or transfer of all or substantially all the assets of APL and any related party transactions.

Any party shall be entitled to terminate the APL Agreement in the event our Company's holding falls below 5% of the paid up equity capital of APL or in case of liquidation or dissolution of our Company.

Incorporation and Business

Astral Pipes Limited (previously known as 'Astral Technologies Limited'), a joint venture company of our Company, was incorporated as a limited company in Nairobi, Republic of Kenya, on July 22, 2008. During fiscal 2014, Astral Technologies Limited has changed its name to "Astral Pipes Limited" by way of a revised certificate of change of name dated August 19, 2013 issued by the Registrar of Companies, Nairobi, Republic of Kenya. Its Personal Identification Number is P051227893R. Its registered office is situated at P.O. Box 18141 00500 Mombasa Road, Behind Libra House, Masai Road, Nairobi, Kenya in Nairobi, Republic of Kenya.

APL is engaged in the business of manufacturing and trading in pipes.

Authorized, Issued and Paid-up Share Capital

As of September 30, 3014, the authorized, issued and paid-up share capital of APL was Kenya Shillings 400 million divided into 2 million ordinary shares of Kenya Shillings 50 each and 6 million preference shares of Kenya Shillings 50 each. Our Company holds 750,000 ordinary shares of Kenya Shillings 50 each and 2.25 million preference shares of Kenya Shillings 50 each in APL, which is equivalent to 37.5% of the issued and paid up capital of APL.

For more information with respect to our subsidiaries and joint venture, see "***Financial Statements***" on page 180.

Other Investments

Our Company has invested ₹ 3.2 million in Indogreen Plastic Technologies, a partnership firm, which is involved in business of reprocessing of plastic granuals and manufacturing of CPVC and PVC pipes and fittings.

Our Company and Mr. Sandeep Engineer ("**Incoming Partners**") entered into an addendum to partnership deed dated October 1, 2014, to the original partnership deed dated January 1, 2010, as amended pursuant to addendum dated March 22, 2011 ("**Partnership Deed**"), with Mr. Arvind Kumar Singh and Mr. Anoop Kumar Singh ("**Retiring Partners**") and Mr. Sandeep Vyas ("**Continuing Partner**"). The Retiring Partners have retired and the Incoming Partners have been inducted as partners, in Indogreen Plastic Technologies from October 1, 2014. The total capital contribution in Indogreen Plastic Technologies is ₹ 3 million, where our Company, Mr. Sandeep Engineer and Mr. Sandeep Vyas are required to contribute 98%, 1% and 1%, respectively. The partners are entitled to share the profit and bear the loss in proportion to their contribution.

Shareholder Agreements

There is no shareholders' agreement among our shareholders in relation to our Company.

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, Bid payment, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Global Coordinators and Book Running Lead Managers. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "**Distribution and Solicitation Restrictions**" and "**Transfer Restrictions**" on pages 152 and 156, respectively.*

Our Company and the Global Coordinators and Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Application Forms would not result in triggering a tender offer under the Takeover Regulations.

Qualified Institutions Placement

This Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013, through the mechanism of a Qualified Institutions Placement ("**QIP**"). Under Chapter VIII of the SEBI ICDR Regulations read with Section 42 of the Companies Act, 2013, our Company, being a listed company in India may issue Equity Shares to QIBs, provided that:

- the shareholders of our Company have adopted a special resolution approving the QIP. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- Equity Shares of the same class of our Company, which are proposed to be allotted through the QIP, are listed on the Stock Exchanges, which have nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to adopt the above-mentioned special resolution;

- the Issue must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the QIB to whom the Issue is made and is sent within 30 days of recording the names of such QIBs;

- the aggregate of the proposed Issue and all previous QIPs made by our Company in the same financial year must not exceed five times the net worth (as defined in the SEBI ICDR Regulations) of our Company as per the audited balance sheet of the previous financial year;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer;

- an offer to QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer letter, our Company must prepare and record a list of QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by our Company prior to the invitation to subscribe;

- our Company shall offer to each Allottee such number of our Equity Shares in the Issue which would aggregate to at least ₹ 20,000 calculated at the face value of our Equity Shares;

- our Company complies with the minimum public shareholding requirements set out in the Securities Contracts (Regulation) Rules, 1957; and

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited.

At least 10% of the equity shares issued to QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other QIBs.

Bidders are not allowed to withdraw their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date. However, a discount of upto 5% of the Floor Price is permitted in accordance with the provisions of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or Securities Committee decide to open the proposed issue and "stock exchange" means any of the recognized stock exchanges in which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of the shareholders passed on August 25, 2014, our Company may offer a discount of not more than five percent on the Floor Price.

The Equity Shares will be Allotted within 12 months from the date of the shareholders' resolution approving the QIP and within 60 days from the date of receipt of subscription money from the successful Bidders. For details of refund of application money, see the section "***– Pricing and Allocation – Designated Date and Allotment of Equity Shares***" on page 148.

The Equity Shares issued pursuant to the QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document shall contain all material information required under applicable law including the information specified in Schedule XVIII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 2,500 million; and
- five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50 % of the Issue Size.

QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes "same group" or "common control", see the section "***—Bid Process—Application Form***" on page 144.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

The Equity Shares offered hereby have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For a description of certain restrictions on transfer of the Equity Shares, see "***Transfer Restrictions***" on page 156.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any

such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

This Issue was authorized and approved by our Board of Directors on July 18, 2014 and approved by our shareholders on August 25, 2014.

Our Company has also filed a copy of the Preliminary Placement Document and this Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Clause 24 (a) of the Listing Agreements for the listing of the Equity Shares on the BSE and NSE on December 3, 2014 and December 3, 2014, respectively.

Our Company shall also make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Issue Procedure

1. Our Company and the Global Coordinators and Book Running Lead Managers shall circulate serially numbered copies of this Placement Document and the serially numbered Application Form, either in electronic or physical form, to the QIBs and the Application Form will be specifically addressed to such QIBs. In terms of Section 42(7) of the Companies Act, 2013, our Company shall maintain complete records of the QIBs to whom this Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and SEBI within the stipulated time periods as required under the Companies Act, 2013.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Bidders shall submit Bids for, and our Company shall issue and Allot to each Allottee at least such number of Equity Shares in the Issue which would aggregate to at least ₹ 20,000 calculated at the face value of the Equity Shares.

4. QIBs may submit an Application Form, including any revisions thereof, during the Issue Period to the Global Coordinators and Book Running Lead Managers.

5. Bidders will be required to indicate the following in the Application Form:

    - name of the QIB to whom Equity Shares are to be Allotted;
    - number of Equity Shares Bid for;
    - price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price"; which shall be any price as may be determined by our Company in consultation with the Global Coordinators and Book Running Lead Managers at or above the Floor Price or the Floor Price net of such discount as approved in accordance with SEBI ICDR Regulations;
    - details of the depository account to which the Equity Shares should be credited; and
    - a representation that it is outside the United States acquiring the Equity Shares in an offshore transaction in reliance of Regulation S and it has agreed to certain other representations set forth in the Application Form.

***Note*: Each sub-account of an FII other than a sub-account which is a foreign corporate or a foreign individual will be considered as an individual QIB and separate Application Forms would be required from each such sub-account for submitting Bids.**

6. Once a duly completed Application Form is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Issue Closing Date. The Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

8. Upon receipt of the Application Form, after the Issue Closing Date, our Company shall determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue in consultation with the Global Coordinators and Book Running Lead Managers. Upon determination of the final terms of the Equity Shares, the Global Coordinators and Book Running Lead Managers will send the serially numbered CAN along with the Placement Document to the QIBs who have been Allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the QIB to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIB. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Global Coordinators and Book Running Lead Managers.**

9. Pursuant to receiving a CAN, each QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to the Escrow Bank Account by the Pay-In Date as specified in the CAN sent to the respective QIBs. No payment shall be made by QIBs in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only after listing of the Equity Shares being offered under this Issue for the purposes permitted under the Companies Act, 2013.

10. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CANs sent to the QIBs.

11. After passing the resolution for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals. Our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the QIBs.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

15. Upon receipt of intimation of final trading and listing approval from the Stock Exchanges, our Company shall inform the Allottees of the receipt of such approval. Our Company and the Global Coordinators and Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations are eligible to invest. Currently, under Regulation 2(1)(zd) of the SEBI ICDR Regulations, a QIB means:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- foreign venture capital investors registered with SEBI;
- insurance companies registered with Insurance Regulatory and Development Authority;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Fund;
- pension funds with minimum corpus of ₹ 250 million;
- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions as defined in Section 4A of the Companies Act, 1956 (Section 2(72) of the Companies Act, 2013);
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- venture capital funds registered with SEBI.

Eligible non-resident QIBs can participate in the Issue under Schedule 1 of FEMA 20.

FIIs (other than a sub-account which is a foreign corporate or a foreign individual) and Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule 2 and Schedule 2A of FEMA 20 respectively, in this Issue. FIIs and Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA 20, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company. The Board of Directors of our Company, on November 21, 2014, has passed a resolution to increase the FPI limit of our Company to 45%, subject to the approval of the shareholders of our Company.

The existing foreign investment limit for FPIs in our Company is 24% of the paid up capital of our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as FIIs shall be included.

Under Regulation 86(1)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or persons related to the Promoters;

- veto rights; or

- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company and the Global Coordinators and Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations.

Note: *Affiliates or associates of the Global Coordinators and Book Running Lead Managers who are QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Global Coordinators and Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Placement Document, the QIB will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under the sections "***Notice to Investors***", "***Representations by Investors***", "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" on pages 1, 3, 152, and 156, respectively:

- The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI ICDR Regulations and is not excluded under Regulation 86 of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

- The QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

- The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

- The QIB acknowledges that it has no right to withdraw its Bid after the Issue Closing Date;

- The QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

- The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

- The QIB confirms that its Bids would not result in triggering a tender offer under the Takeover Regulations;

- The QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. The expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

- The QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

- The QIB confirms that it is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and it shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India. It also confirms all other applicable representations and warranties included under "***Representations by Investors***" "***Notice to Investors***", and "***Transfer Restrictions***", on pages 3, 1 and 156, respectively.

QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, ELIGIBLE SUB ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT QIB.

IF SO REQUIRED BY THE GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS, COLLECTION BANK(S) OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the QIB upon issuance of the CAN by our Company in favour of the QIB.

Bids by Mutual Funds

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. Each scheme/fund of a Mutual Fund registered with SEBI, will have to submit separate Application Form.

Each Mutual Fund will have to submit separate Application Forms for each of its participating schemes. Such applications will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. However, for the purpose of calculating the number of applicants, various schemes of the same mutual fund will be considered as a single allottee/applicant.

Demographic details like address, bank account among other will be obtained from the Depositories as per the demat account details given above.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

The above information is given for the benefit of the Bidders. Our Company and the Global Coordinators and Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Placement Document. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under the applicable laws and regulations.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. The Application Form shall be submitted to the Global Coordinators and Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Ambit Corporate Finance Private Limited
Ambit House
449, Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Maharashtra, India
Contact Person: Ms. Akriti Jain
Email: projectflow@ambitpte.com
Phone No.: +91 22 3982 1819

Kotak Mahindra Capital Company Limited
27 BKC, 1st Floor
Plot No. C-27, G Block
Bandra Kurla Complex, Bandra East
Mumbai 400 013
Maharashtra, India
Contact Person: Mr. Karl Sahukar
Email: astral.qip@kotak.com
Phone No.: +91 22 4336 0000

The Global Coordinators and Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form.

Permanent Account Number or PAN

Each QIB should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build up of the Book

The QIBs shall submit their Bids (including the revision of bids) within the Issue Period to the Global Coordinators and Book Running Lead Managers. Such Bids cannot be withdrawn after the Issue Closing Date. The book shall be maintained by the Global Coordinators and Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Global Coordinators and Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Global Coordinators and Book Running Lead Managers on a discretionary basis and in compliance with Chapter VIII of the SEBI ICDR Regulations.

Bids received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on the Application Forms received, our Company, in consultation with the Global Coordinators and Book Running Lead Managers, in their sole and absolute discretion, shall decide the QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such QIBs. Additionally, a CAN will include details of the relevant Escrow Bank Account into which such payments would need to be made, address where the application money needs to be sent, Pay-In Date as well as the probable Designated Date, being the date of credit of the Equity Shares to the respective successful QIB's account.

The eligible QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to the QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the Global Coordinators and Book Running Lead Managers and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened the "Astral – QIP Escrow Account" with Kotak Mahindra Bank Limited in terms of the arrangement among our Company, the Global Coordinators and Book Running Lead Managers and Kotak Mahindra Bank Limited, as escrow bank. The QIB will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in, and in accordance with, the respective CAN.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques or demand draft or cash shall be rejected.

If the payment is not made favouring the "Astral – QIP Escrow Account" within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in Astral – QIP Escrow Account only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

In case of cancellations or default by the QIBs, our Company and the Global Coordinators and Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among other investors at their sole and absolute discretion.

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless the QIBs pay the Issue Price to the "Astral – QIP Escrow Account" as stated above.

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIBs' Depository Participant accounts, our Company will apply for final trading and listing approvals from the Stock Exchanges.

In the case of QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. If you are Allotted any Equity Shares, our Company is required to disclose details such as your name, address and the number of Equity Shares Allotted to the RoC and the SEBI.

The Escrow Bank shall release the monies lying to the credit of the Escrow Bank Account to our Company after Allotment of Equity Shares to QIBs.

In the event that our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of application money, our Company shall repay the application money within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% per annum from expiry of the sixtieth day. The application money to be refunded by our Company shall be refunded to the same bank account from which application money was remitted by the respective applicants.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Global Coordinators and Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the Global Coordinators and Book Running Lead Managers in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

A QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Global Coordinators and Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the QIBs.

Release of Funds to our Company

The Escrow Agent shall not release the monies lying to the credit of the "Astral – QIP Escrow Account" till such time, that it receives an instruction in pursuance to the Escrow Agreement, along with the listing approval of the Stock Exchanges for the Equity Shares offered in the Issue.

PLACEMENT AND LOCK-UP

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Placement Agreement

The Global Coordinators and Book Running Lead Managers and our Company have entered into a Placement Agreement dated December 3, 2014, pursuant to which the Global Coordinators and Book Running Lead Managers have agreed to use their reasonable efforts to procure QIBs to subscribe to such number of our Equity Shares as may be agreed among our Company and the Global Coordinators and Book Running Lead Managers, pursuant to Chapter VIII of the SEBI ICDR Regulations.

The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to certain conditions and termination provisions in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

From time to time, the Global Coordinators and Book Running Lead Managers and certain of their affiliates have provided and continue to provide commercial and investment banking services, particularly acting as an underwriter or lead manager, to us or our affiliates for which they have received and may in the future receive compensation.

Lock-up

The Company will not, for a period of 60 days from the date of the Placement Document, directly or indirectly: (a) issue, offer, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) or file any registration statement under the Securities Act, with respect to any of the foregoing; (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, any of the economic consequences associated with the ownership of any of the Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares), regardless of whether any of the transactions described above is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise; (c) deposit Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) with any depositary in connection with a depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares or such other securities in any depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (d) above; provided that the foregoing restrictions do not apply to any sale, transfer or disposition of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) pursuant to (A) the issuance of Equity Shares pursuant to the Issue; (B) subject to receipt of prior intimation by each Global Coordinators and Book Running Lead Manager, Equity Shares or other securities to be issued pursuant to any scheme of amalgamation or arrangement or otherwise in connection with any merger or acquisition of securities, business, property or other assets, joint ventures or other strategic corporate transaction; and (C) effected after obtaining prior written consent of the Global Coordinators and Book Running Lead Managers, such prior written consent not to be unreasonably withheld or delayed.

Promoter Lock-up

Mr. Sandeep P. Engineer, Saumya Polymers LLP, Specialty Process LLC, Ms. Jagruti Engineer, Ms. Hansa Pravinbhai Engineer and Kairav Chemicals Limited, during the period commencing on the date hereof and ending 60 days after the date of allotment of Equity Shares pursuant to the Issue (the "**Lock-up Period**") agrees not to, directly or indirectly: (a) offer, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares (including without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned), with respect to any of the foregoing; (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, any of the economic consequences associated with the ownership of any of the Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned), regardless of whether any of the transactions described above is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise; (c) deposit Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned) with any depositary in connection with a depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares or such other securities in any depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (d) above; provided that the foregoing restrictions do not apply to any sale, purchase, transfer or disposition of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned) pursuant to (A) acquisition in open market transactions, subject to compliance with applicable laws, including, without limitation, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (B) solely among the promoters/ promoter group or their affiliates, provided that prior to any such sale, transfer or disposition, the transferee shall agree to be bound by the restrictions set forth in this Letter Agreement as if it were the transferor by executing and delivering a lock-up agreement to the Global Coordinators and Book Running Lead Managers, to the satisfaction of the Global Coordinators and Book Running Lead Managers; (C) the pledge of Equity Shares of the Company by the promoters or promoter group to either (i) top up existing pledges of Equity Shares pledged by the promoters or the promoter group as of the date of the Placement Agreement, as required under the relevant financing and security documents in force as of that date, or (ii) in relation to any new financing or refinancing arrangement entered into by the Company, or (iii) for any borrowing incurred by any member(s) of the Company's promoters / promoter group, provided that in no event shall any general sale, transfer or disposition of additional Equity Shares be permitted without prior intimation to and consent of the Global Coordinators and Book Running Lead Managers; (D) with prior written intimation to and consent of the Global Coordinators and Book Running Lead Managers, such consent not to be unreasonably withheld or delayed; and (E) to the extent such sale, transfer or disposition is required by applicable law.

DISTRIBUTION AND SOLICITATION RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Persons who come into possession of this Placement Document or any offering material are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorised or permitted.

General

No action has been or will be taken in any jurisdiction by our Company or the Global Coordinators and Book Running Lead Managers that would permit a public offering of the Equity Shares or the possession, circulation or distribution of the Placement Document or any other material relating to our Company or the Equity Shares in the Issue in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares in the Issue may not be offered or sold, directly or indirectly and neither the Placement Document nor any other offering material or advertisements in connection with the Equity Shares issued pursuant to the Issue may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on our Company or the Global Coordinators and Book Running Lead Managers. The Issue will be made in compliance with the SEBI ICDR Regulations. Each subscriber of the Equity Shares in the Issue will be required to make, or will be deemed to have made, as applicable, the acknowledgments and agreements as described under the section titled "***Transfer Restrictions***" on page 156.

Australia. The Placement Document is not a disclosure document under Chapter 6D of the Corporations Act 2001 (the "**Australian Corporations Act**"), has not been lodged with the Australian Securities & Investments Commission and does not purport to include the information required of a disclosure document under the Australian Corporations Act. (i) The offer of Equity Shares under the Placement Document is only made to persons to whom it is lawful to offer Equity Shares without disclosure to investors under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in Section 708 of the Australian Corporations Act; (ii) the Placement Document is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Share sold to the offeree within 12 months after their transfer to the offeree under the Placement Document.

Cayman Islands. No offer or invitation to purchase Equity Shares may be made to the public in the Cayman Islands.

European Economic Area (including Liechtenstein, Iceland and Norway). In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer may not made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), make an offer of Equity Shares to the public in that Relevant Member State at any time:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity which has two or more of (i) an average of at least 250 employees during the last Fiscal Year, (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Global Coordinators and Book Running Lead Managers for any such offer; or

- in any other circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

provided that no such offer of Equity Shares shall result in a requirement for the publication by our Company or the Global Coordinators and Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means, of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

Hong Kong. No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32) of Hong Kong. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to the Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan. The offering of the Equity Shares has not been and will not be registered under the Financial Instruments and Exchange Law of Japan, as amended (the "**Financial Instruments and Exchange Law**"). No Equity Shares have been offered or sold, and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for reoffering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and otherwise in compliance with the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial ordinances of Japan.

Korea. The Equity Shares have not been registered under the Korean Securities and Exchange Law, and the Equity Shares acquired in connection with the distribution contemplated hereby may not be offered or sold, directly or indirectly, in Korea or to or for the account of any resident thereof, except as otherwise permitted by applicable Korean laws and regulations, including, without limitation, the Korean Securities and Exchange Law and the Foreign Exchange Transaction Laws.

Kuwait. The Equity Shares have not been authorized or licensed for offering, marketing or sale in the State of Kuwait. The distribution of the Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Qatar. The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the state of Qatar in a manner that would constitute a public offering. The Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, the Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than recipient thereof.

Singapore. The Global Coordinators and Book Running Lead Managers have acknowledged that the Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Global Coordinators and Book Running Lead Managers have represented and agreed that they had not offered or sold any Equity Shares issued pursuant to the Issue or caused such Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell such Equity Shares issued pursuant to the Issue or cause such Equity Shares to be made the subject of an invitation for subscription or purchase, and have not circulated or distributed, nor will they circulate or distribute, the Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Equity Shares issued pursuant to the Issue, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 by a relevant person which is:

(a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except:

(i) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law; or

(iv) as specified in Section 276(7) of the SFA.

Switzerland. The Placement Document does not constitute an issue prospectus pursuant to Art. 652a of the Swiss Code of Obligations. The Equity Shares will not be listed on the SWX Swiss Exchange, and therefore, the Placement Document does not comply with the disclosure standards of the Listing Rules of the SWX Swiss Exchange. Accordingly, the Equity Shares may not be offered to the public in or from Switzerland, but only to a selected and limited group of investors, which do not subscribe the Shares with a view to distribution to the public. The investors will be individually approached by the Global Coordinators and Book Running Lead Managers.

The Placement Document is personal to each offeree and does not constitute an offer to any other person. The Placement Document may only be used by those persons to whom it has been handed out in connection with the offer described herein and may neither directly nor indirectly be distributed or made available to other persons without the express consent of our Company. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

United Arab Emirates. The Placement Document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates (the "**UAE**"). The Equity Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE exchange. The Issue, the Equity Shares and interests therein do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. The Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Equity Shares may not be offered or sold directly or indirectly to the public in the UAE.

By receiving this Placement Document, the person or entity to whom the Placement Document has been issued understands, acknowledges and agrees that the Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre, governing the issue, offering or sale of securities. The Dubai Financial Services Authority has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it.

United Kingdom. Each of the Global Coordinators and Book Running Lead Managers represent and agree that it:

i. is a person who is a qualified investor within the meaning of Section 86(7) of the Financial Services and Markets Act 2000 (the "**FSMA**"), being an investor whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business;

ii. has not offered or sold and will not offer or sell the Equity Shares other than to persons who are qualified investors within the meaning of Section 86(7) of the FSMA or who it reasonably expects will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Equity Shares would otherwise constitute a contravention of Section 19 of the FSMA by us;

iii. has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to it; and

iv. has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

United States of America.

The Equity Shares in the Issue have not been and will not be registered under the Securities Act Securities Act, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Each purchaser of the Equity Shares will be deemed to have made the representations, agreements and acknowledgements as described under the section titled "***Transfer Restrictions***" on page 156.

TRANSFER RESTRICTIONS

Pursuant to Chapter VIII of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsel prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to QIBs, including FVCIs, VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "***Distribution and Solicitation Restrictions***" on page 152.

Subject to the foregoing, by accepting this Placement Document and purchasing any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed with our Company and the Global Coordinators and Book Running Lead Managers as follows:

- you have received a copy of the Placement Document and such other information as you deem necessary to make an informed decision and that you are not relying on any other information or the representation concerning our Company or the Equity Shares and neither our Company nor any other person responsible for this document or any part of it or the Global Coordinators and Book Running Lead Managers will have any liability for any such other information or representation;

- you are purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and you agree that you will not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India;

- you are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

- you acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that such Equity Shares have not been and will not be registered under the Securities Act;

- you certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and are located outside the United States (within the meaning of Regulation S) or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S); and

- our Company, the Global Coordinators and Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of your representations, warranties, acknowledgements and undertakings set out in this document, each of which is given to (a) the Global Coordinators and Book Running Lead Managers on their own behalf and on behalf of our Company, and (b) to our Company, and each of which is irrevocable and, if any of such representations, warranties, acknowledgements or undertakings deemed to have been made by virtue of your purchase of the Equity Shares are no longer accurate, you will promptly notify our Company.

In addition to the above, allotments made to QIBs, including FVCIs, VCFs and AIFs in the Issue, may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them.

Any resale or other transfer or attempted resale or other transfer, made other than in compliance with the above stated restrictions will not be recognised by our Company.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Global Coordinators and Book Running Lead Managers or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"). On June 20, 2012, SEBI, in exercise of its powers under the SCRA and the Securities and Exchange Board of India Act, 1992, as amended from time to time (the "**SEBI Act**"), notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (the "**SCR (SECC) Rules**"), which regulate, *inter alia*, the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Most of the stock exchanges have their own governing board for self regulation. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalization and trading activity.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI and the listing agreements of the respective stock exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non compliance with any conditions or breach of company's obligations under such listing agreement or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend such equity listing agreements and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

All listed companies are required to maintain a minimum public shareholding of 25% and were given a period of three years to comply with such requirement. In this regard, SEBI has amended the listing agreement and has provided several mechanisms to comply with this requirement.

Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. S&P BSE SENSEX, India's first equity index was launched in 1986. BSE provides a market for trading in equity, debt instruments, derivatives, mutual funds. It also has a platform for trading in equities of small-and-medium enterprises which was launched in 2012. BSE also entered into a strategic partnership with S&P Dow Jones Indices in 2013. (Source: www.bseindia.com)

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996. The securities in the NSE 50 Index are highly liquid. (Source: www.nseindia.com)

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m. that has been introduced recently). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (or "**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or "**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeovers Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Prohibition of Insider Trading Regulations

The Insider Trading Regulations have been notified by SEBI to prohibit and penalize insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information.

The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

SEBI, by a circular dated August 6, 2008, as modified by its circular dated March 24, 2009, has issued guidelines on exchange traded currency derivatives. The circular lays down the framework for the launch of exchange traded currency futures in terms of eligibility norms for existing and new exchanges and their clearing corporations or clearing houses, eligibility criteria for members of such exchanges or clearing corporations or clearing houses, product design, risk management measures, surveillance mechanism and other related issues.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is certain information relating to the share capital of our Company, including a brief summary of certain provisions of our Company's Memorandum and Articles of Association and the Companies Act, 2013 and certain related legislations of India, all as currently in effect. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company as of August 25, 2014 is ₹ 150 million, divided into 150 million Equity Shares of ₹ 1 each.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. Unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013, or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. The Companies Act, 2013, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, provides that if the profit for a year is inadequate or nil, the dividend for that year may be declared out of the accumulated profits earned in previous years and transferred to reserves, subject to the following conditions: (i) the rate of dividend to be declared shall not exceed the average of the rates at which dividend was declared by the company in the three years immediately preceding that year; (ii) the total amount to be drawn from such accumulated profits from previous years shall not exceed one-tenth of the sum of the paid-up share capital and free reserves as appearing in the latest audited financial statement; (iii) the amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared; (iv) the balance of reserves after withdrawal must not be below 15% of paid-up share capital as appearing in the latest audited financial statement; and (v) unless carried over previous losses and depreciation not provided in previous year or years are set-off against profit of the company of the current year for which the dividend is declared or paid. SEBI, by its circular dated April 24, 2009, amended the Listing Agreement and provided that the dividend declared has to be on a per share basis only.

According to our Articles of Association, the shareholders of our Company may declare dividend which may not exceed the amount of the dividend recommended by the Board of Directors. However, the Board of Directors is not obligated to recommend a dividend. The decision of the Board of Directors and shareholders may depend on a number of factors, including but not limited to our Company's profits, capital requirements and overall financial condition. The profits of our Company shall, subject to any special rights relating thereto created or authorized to be created under our Articles of Association, be divisible among our shareholders in proportion to the amount of capital paid-up on the Equity Shares held by them respectively. The Board of Directors may also, from time to time, without the sanction of the shareholders of our Company in general meeting, pay to the shareholders of our Company, such interim dividends as appear to be justified by the profits of our Company. Under the Companies Act, 2013, dividends can only be paid in cash to shareholders listed on the register of shareholders or to the order of such registered shareholders or to his bankers. According to our Articles of Association, no shareholder is entitled to a dividend while unpaid calls on any of his shares are outstanding.

Unclaimed dividend shall not be forfeited by our Company unless the claim thereof becomes barred by law. In terms of Section 124 read with Section 125 of the Companies Act, 2013, our Company shall credit such unclaimed dividends to the unpaid dividend account of our Company, and any money transferred to the unclaimed dividend account of our Company which remains unpaid and unclaimed for a period of seven years from the date they became due for payment, shall be transferred by our Company to the 'Investor Education and Protection Fund', established by the Central Government.

Capitalization of Reserves

In addition to permitting dividends to be paid out of current or retained earnings, the Companies Act, 2013, permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid up bonus shares, which are similar to a stock dividend. Bonus shares are distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. The relevant provisions of the SEBI ICDR Regulations prescribe that no company shall, pending conversion of outstanding convertible securities, fully or partly convertible debt instruments, issue any shares by way of bonus unless similar benefit is extended to the holders of such convertible securities, through reservation of shares in proportion to such conversion. Further, as per the Companies Act, 2013, for the issuance of bonus shares a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

Our Company, in a general meeting, may upon the recommendation of the Board of Directors, resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of our Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, among such shareholders as would be entitled to receive dividends, provided that any sum standing to the credit of a share premium account or capital redemption reserve fund may only be applied in paying up of unissued equity shares to be issued to our Company’s shareholders as fully paid bonus shares.

Pre-Emptive Rights and Alteration of Share Capital

The Companies Act, 2013 and our Articles of Association give the shareholders the preemptive right to subscribe for new shares in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have declined. The offer shall be deemed to include: a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorized to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Under Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our Company’s shareholders in a general meeting.

Our Articles of Association provide that our Company may from time to time, by ordinary resolution:

- Increase its share capital by such amount as it thinks expedient by creating new shares;
- Consolidate and divide all or any of its share capital into shares of larger amount than the existing shares;
- Sub-divide all or any of its existing shares into shares of smaller amount than is fixed by our Memorandum of Association so, however, that in the sub-division the proportion between the amount paid and any amount unpaid on each reduced share shall be the same as it was in the case of shares from which the reduced shares are derived; and
- Cancel shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Preference Shares

Subject to Section 55 of the Companies Act, 2013, any new shares may be issued as preference shares which are liable to be redeemed within a period not exceeding 20 years from the date of their issue, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption subject to the conditions provided in the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014.

General Meetings of Shareholders

There are two types of general meetings of the shareholders:

(i) Annual General Meeting; and

(ii) Extraordinary General Meeting

In accordance with Section 96 of the Companies Act, 2013, a company must hold its annual general meeting within six months after the expiry of each fiscal provided that not more than 15 months shall elapse between the annual general meeting and the next one, unless extended by the Registrar of Companies at its request for any special reason for a period not exceeding three months.

The Board of Directors may, whenever it thinks fit, call an Extraordinary General Meeting and an Extraordinary General Meeting shall also be requisitioned or in default may be called by such requisitionists as provided by Section 100 of the Companies Act, 2013. As per Section 103 of the Companies Act, 2013, since our Company has more than 5,000 members, the quorum for a general meeting of the shareholders of our Company shall be 30 shareholders present in person. If the quorum is not present within half an hour of the scheduled time for holding of the general meeting, the meeting, convened upon requisition of members shall be dissolved, but in any other case it shall stand adjourned and reconvened to the same day in the next week.

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A document may be served by the company on any member thereof and the notice of every meeting of the company shall be given to every member in any manner authorized by and as provided in Sections 20 and 101 of the Companies Act, 2013.

According to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, a company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of its memorandum of association, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013, shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company. On a show of hands, every member holding Equity Shares and present in person shall have one vote. On a poll, every member holding Equity Shares therein shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, anyone of such persons may vote at any meeting either personally or by his proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting, that the vote of the first named person of such joint holders in the register of members, who tenders a vote whether in person or proxy shall be accepted to the exclusion of the votes of the other joint holders.

Any preference shareholder present at any meeting of our Company, shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares. However, where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

Under the Companies Act, 2013 and our Articles of Association, every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, shall be signed by an officer or any attorney duly authorized by it.

The proxy so appointed shall have no right to speak at such meeting and shall not be entitled to vote except on poll.

The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer of the share shall have been received by our Company at the Registered Office before the meeting.

Registration of Transfers and Register of Members

Our Company shall keep its Register of Members at its Registered Office and shall enter the particulars of every transfer or transmission of Equity Shares. Subject to the provisions of Section 91 of the Companies Act, 2013, the Board of Directors shall have the power to close the Register of Members for such periods, not exceeding 45 days in aggregate in a year and 30 days at any one time, subject to giving of previous notice of at least seven days or such lesser period as may be specified by SEBI. Under the Listing Agreements with the Stock Exchanges, our Company may, upon at least seven working days' advance notice to such Stock Exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of equity shares and the delivery of certificates in respect thereof may continue while the register of members is closed.

Directors

The Articles of Association of our Company provide that unless otherwise determined by the shareholders of our Company at a general meeting, the number of directors of our Company shall not be less than three and not be more than 12. The directors shall be appointed by our Company in a general meeting subject to the provisions of the Companies Act, 2013, and the Articles of Association. Pursuant to the Companies Act, 2013, not less than two-thirds of the total numbers of directors shall be persons whose period of office is subject to retirement by rotation and one third of such directors, or if their number is not three or a multiple of three, the number nearest to one-third, shall retire from office at every annual general meeting. The directors to retire are those who have been the longest in the office since their last appointment.

The directors have the power to appoint any other persons as an addition to the Board of Directors but any Director so appointed shall hold office only up to the date of the next following annual general meeting of our Company but shall be eligible for re-election at such meeting. A casual vacancy in the Board of Directors (for instance, due to the death or resignation of a Director) who is appointed by the shareholders can be filled by the Board of Directors at a meeting of the Board of Directors, and the person so appointed shall hold office only until the date which the Director in whose place he is appointed would have held office. Subject to the provisions of Section 161 of the Companies Act, 2013, the Board of Directors shall also have the power to appoint any person to act as an alternate Director for a Director during the latter's absence for a period of not less than three months from India.

Annual Report and Financial Results

The annual report must be laid before the annual general meeting of the shareholders of a company. This includes financial information about the company such as the audited financial statements as of the date of closing of the financial year, directors' report, management's discussion and analysis and a corporate governance section, and is sent to the shareholders of the company. Under Section 137 the Companies Act, 2013, a company must file the financial statements with the Registrar of Companies within 30 days from the date of the annual general meeting. As required under the Listing Agreements with the Stock Exchanges, copies of such balance sheet and the profit and loss account are required to be simultaneously sent to the Stock Exchanges on which the shares of our Company making such filings are listed. A listed company must also publish its financial results in at least one English language daily newspaper circulating the whole or substantially the whole of India and also in a newspaper published in the language of the region where the registered office of such company is situated. Our Company submits certain information online, including its financial results and the shareholding pattern statement, in accordance with the requirements of the Listing Agreements and as may be specified by SEBI from time to time.

Transfer of shares

Equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), which are, however, exempt from stamp duty.

Under Section 58 of the Companies Act, 2013, if a public company without sufficient cause refuses to register a transfer of shares within 30 days from the date on which the instrument or intimation of transfer is delivered to the company, the transferee may, within a period of 60 days of such refusal or where no intimation has been received from the company, within 90 days of the delivery of the instrument of transfer, appeal to the National Company Law Tribunal seeking to register the transfer of shares.

Pursuant to the Listing Agreements, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, our Company is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Companies Act, 2013, provides that the shares or debentures of a publicly listed company shall be freely transferable. However, the Board of Directors may, under our Articles of Association, subject to Section 58 of the Companies Act, 2013 and the SCRA, at any time in its absolute discretion decline to register transfer of shares. Notice of such refusal must be sent to the transferee within two months of the date on which the transfer was lodged with our Company.

According to our Articles of Association, a nominee on becoming entitled to shares or debentures by reason of the death of the holder(s) shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, except that he shall not, before being registered as a member in respect of the shares, be entitled to exercise any rights conferred by membership in relation to meetings of the company. Further, any person who becomes entitled to shares by reason of death or insolvency of a member, or by any other lawful means other than by a transfer, may with the consent of the Board of Directors upon producing such evidence as may be required by the Board of Directors, either be registered as holder of shares or make such transfer as the deceased or insolvent member would have made.

Acquisition by our Company of its own Equity Shares

Sections 68, 69 and 70 of the Companies Act, 2013, read with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014, relate to the power of a company to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the proceeds of the issue of any shares or other specified securities (other than from the proceeds of an earlier issue of the same kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:

- the buy-back has been authorized by the articles of association of the company;
- a special resolution has been passed in a general meeting of the company authorizing the buy-back. Under the Companies (Management and Administration) Rules, 2014, such resolution authorizing buy-back has to be passed through a postal ballot;
- the buy-back is for less than 25% of the total paid-up capital and free reserves of the company, provided that the buy-back of equity shares in any financial year shall not exceed 25% of its total paid-up equity capital in that financial year;
- the ratio of the aggregate of secured and unsecured debts owed by the company after buy-back is not more than twice the paid-up capital and its free reserves;
- all the shares or other specified securities for buy-back are fully paid-up; and
- the buy-back is in accordance with the regulations made by SEBI in this behalf.

The requirement of special resolution mentioned above would not be applicable if the buy-back is for less than 10% of the total paid-up equity capital and free reserves of the company and provided that such buy-back has been authorized by the board of directors of the company. A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy back any securities for a period of one year from the buy-back or to issue the same kind of securities for six months subject to certain exceptions. Every buy-back must be completed within a period of one year from the date of passing of the special resolution or resolution of the board of directors, as the case may be. Under Section 70 of the Companies Act, 2013, a company is also prohibited from purchasing its own shares or other specified securities through any subsidiary company, including its own subsidiary companies, or through any investment company or group of investment companies or if the company is defaulting on the repayment of deposit or interest, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act, 2013.

Winding up

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of our Company, and may, with the like sanction, vest any part of the assets of our Company in trustees upon such trusts for the benefit of the contributories, as the liquidator with the like sanction shall think fit.

As per the Companies Act, 2013, subject to the rights of creditors, of employees, and of the holders of any other shares entitled by their terms of issue to preferential repayments over the shares, in the event of winding-up of our Company, the holders of Equity Shares are entitled to be repaid the amounts of capital paid up or credited as paid up on such shares or in case of a shortfall, proportionately. All surplus assets after payments due to employees, the holders of any preference shares and other creditors belong to the holders of ordinary shares in proportion to the amount paid up or credited as paid up on such shares, respectively, at the commencement of winding up. Without prejudice to the rights or the holder of shares issued upon special terms and conditions, preference shareholders shall have prior rights to repayment of capital and dividends due.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Astral Poly Technik Limited
207/1, Astral House,
B/h. Rajpath Club,
Off S. G. Highway,
Ahmedabad – 380 059

Dear Sirs,

Sub: Possible tax Benefits available to Astral Poly Technik limited and its Shareholders.

We hereby certify that the enclosed annexure details all material tax benefits/consequences as relevant and applicable under the provisions of Indian laws, including the Income Tax Act, 1961 ("the Act"), as amended, other direct tax laws presently in force in India, to qualified institutional buyers ("QIBs") investing in the Equity Shares of Astral Poly Technik Limited ('the Company') pursuant to the Issue.

Several of these tax benefits / consequences are dependent on the Company or the QIBs fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or the QIBs to derive tax benefits is dependent upon fulfillment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The enclosed annexure is only intended to provide general information to the QIBs and is neither designed nor intended to be a substitute for professional tax advice. A potential investor is advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

The enclosed annexure is intended solely for your information and for inclusion in the preliminary placement document and the placement document in connection with the proposed Issue and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance whether:
- the Company or the QIBs will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been or would be met with.

for **Deloitte Haskins & Sells LLP**
Chartered Accountants

Firm Registration No. 117366W/W-100018

Yogesh G Shah
Partner
Membership No. 40260
Ahmedabad
Date: 28.11.2014

Statement of Possible Tax Benefits Available to Astral Poly Technik Limited and its Shareholders

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2014-15.

A. Special Tax Benefits available to the Company

Subject to the fulfilment of conditions, the company is entitled to claim deduction under Section 80IC(2)(a)(ii) of the Income Tax Act, 1961 ("the Act"), with respect to its plant situated at Solan, Himachal Pradesh. The amount of deduction available is 100% of the profits and gains derived from the aforesaid business, for first five years and 30% of the profits and gains for next five years, in such a manner that total period of deduction does not exceed ten consecutive years.

The Company is eligible for deduction under this section since its plant is located in an area notified by the Board for the purposes of section 80IC(2)(a)(ii) of the Act.

In connection with the Plant situated at Himachal Pradesh, the company commenced the operation during the year 2005 and had started claiming deduction under section 80IC(2)(a)(ii) of the Act from financial year (FY) 2005-06. Therefore the company is eligible to claim 30% of the profits and gains derived from Plant situated at Himachal Pradesh for two more consecutive years i.e. FY 2013-14 and 2014-15.

B. General Tax Benefits to the Company under the Act

- Business income

- The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Unabsorbed Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 read with section 72 of the Act

- MAT credit

  – As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after 1 April 2006. The amount of credit available shall be the difference between MAT paid under section 115JB of the Act and taxes payable on total income computed under other provisions of the Act. MAT credit shall be allowed for set-off for subsequent assessment years to the extent of difference between the tax payable as per the normal provisions of the Act and the taxes payable under Section 115JB of the Act for that assessment year.

  – MAT credit is eligible for carry forward and set-off for up to 10 years succeeding the assessment year in which the MAT credit arises.

- Capital gains

  (i) Computation of capital gains

  – Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets, being securities (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held by an assessee for more than 12 months are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as long-term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed 36 months to be considered as long-term capital assets.

  – Short-term capital gains ('STCG') means capital gains arising from the transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of

India or a unit of an equity oriented fund or a zero coupon bond, held by an assessee for 12 months or less.

- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.

- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.

- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration. Further, expenditure incurred wholly and exclusively in connection with the transfer is also deductible.

- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities (other than a unit) or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.

- The tax rates mentioned above stands increased by surcharge, payable at the rate of 10% where the taxable income of a domestic company exceeds INR 100,000,000 and by 5% where the taxable income of a domestic company exceeds INR 10,000,000 but is less than INR 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

- As per provisions of Section 71 read with Section 74 of the Act, short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

- As per provisions of Section 71 read with Section 74 of the Act, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent eight assessment years.

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

(ii) Exemption of capital gains from income tax

- Under Section 54EC of the Act, capital gain arising from transfer of long-term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested within a period of six months from the date of transfer, in bonds redeemable after three years and issued by:

- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and

- Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

– Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long-term asset cannot exceed INR 5,000,000 whether made in the Financial Year when the asset or assets are transferred or in a subsequent financial year.

– Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

- Securities Transaction Tax (STT)

– As per provisions of Section 36(1) (xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

- Dividends

– As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company distributing the dividend will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

– However, effective from 1st October, 2014 dividend distribution tax would be paid after grossing up the net distributed profits by the company.

– Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O(1A) of the Act, subject to fulfillment of prescribed conditions.

– As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.

- As per provisions of Section 80G/80GGB of the Act, the Company is entitled to claim deduction of specified amount in respect of eligible donations and contribution to any political party, subject to the fulfillment of the conditions specified in that section.

- As per the provisions of Section 115BBD of the Act, dividend received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess). No deduction in respect of any expenditure or allowance shall be allowed to the assessee under any provisions of the Act.

C. General Tax Benefits available to the resident shareholders of the Company under the Act

(a) Dividends exempt under section 10(34) of the Act

– As per provisions of Section 10(34) read with section 115-O of the Act, dividend (both interim and final), if any, received by the shareholders from the Company is exempt from tax.

(b) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets, being securities (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held by an assessee for more than 12 months are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed 36 months to be considered as long-term capital assets.

- STCG means capital gains arising from the transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held by an assessee for 12 months or less.

- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.

- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.

- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration. Further, expenditure incurred wholly and exclusively with the transfer is also deductible.

- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20%.

- If such tax payable on LTCG on transfer of the shares exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising in any other case or arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%/40%, as applicable.

- The tax rates mentioned above stands increased by applicable surcharge depending on the status of the tax payer (i.e. resident or non-resident). Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

- As per provisions of Section 71 read with Section 74 of the Act, short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

- As per provisions of Section 71 read with Section 74 of the Act, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent 8 assessment years.

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

(ii) Exemption of capital gains from income tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long-term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.

- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long-term asset cannot exceed INR 5,000,000 per assessee, whether made in the Financial Year when the asset or assets are transferred or in a subsequent financial year.

- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family (‘HUF’).

- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of one new residential house in India, or for construction of one residential house in India within three years from the date of transfer and subject to conditions and to the extent specified therein.

(c) Other Provisions

- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

- The characterization of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

D. General Tax Benefits available to the Non-resident shareholders of the Company under the Act

(a) Dividends exempt under section 10(34)

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by non-resident shareholders from the domestic company is exempt from tax. The domestic company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend

(b) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, theholding period should exceed thirty-six months to be considered as long-term capital assets.

- STCG means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds held by an assessee for 12 months or less. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.

- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.

- As per provisions of Section 112 of the Act, LTCG arising out of listed securities not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner prescribed under the first proviso to Section 48. As per first proviso to Section 48 of the Act, where the shares have been purchased in foreign currency by a non-resident, the capital gains arising on transfer need to be computed by converting the Cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased, the resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assesse.

- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund [as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)], are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising on sale of equity shares or units of equity oriented mutual fund [as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)], where such transaction is not chargeable to STT is taxable at the normal rates of taxation as applicable to the taxpayer.

- The tax rates mentioned above stands increased by surcharge, payable at the rate of 2% where the taxable income of a foreign company exceeds ₹ 10,000,000. Such surcharge rate would stand increased to 5% where the taxable income of the domestic company exceeds ₹ 100,000,000.

- Further, education cess and secondary and higher education cess on the tax on total income and surcharge at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

- As per provisions of Section 70 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years in terms of the provisions of section 74 of the IT Act.

- As per provisions of Section 70 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years in terms of the provisions of section 74 of the IT Act.

(ii) Exemption of capital gains from income-tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:

- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed ₹ 5,000,000 per assessee during any financial year.

- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer conversion.

- The characterization of the gain/ losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

(c) Other Provisions

- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

(d) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate containing the particulars prescribed under Notification No. 57 of 2013 dated 1 August 2013 issued by the Central Board of Direct Taxes in order to claim benefits under the applicable tax treaty.

(e) Non-resident Indian taxation

- Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

    - NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

    - Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.

    - As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).

    - As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VIA of the Act.

    - As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.

- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of investment income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.

- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

- As per provisions of Section 115-I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

E. General Tax Benefits available to Foreign Institutional Investors ('FIIs') under the Act

(a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) read with section 115-O of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax.

(b) Long term capital gains exempt under section 10(38) of the Act

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act.

(c) Capital gains

- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows, subject to conditions specifies therein:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

- For corporate FIIs, the tax rates mentioned above would have to be increased by applicable surcharge, payable at the rate of 5% where the taxable income company exceeds INR 100,000,000 and by 2% where the taxable income of INR 10,000,000 but is less than INR 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.

- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

(d) Others

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.

- Income in respect of interest referred in section 194LD (interest on certain bonds and government securities) is taxable at the rate of 5%.

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. However, as per the provisions of section 2(14) of the Act, securities held by FIIs in accordance with the SEBI regulations will be regarded as Capital Asset and not as stock in trade.

(e) Securities Transaction Tax

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(f) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial.

F. General Tax Benefits available to Mutual Funds under the Act

(a) Dividend income

Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.

(b) As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

G. General Tax Benefits available to Venture Capital companies/Funds under the Act

In terms of section 10(23FB) of the Act all Venture capital companies/Funds registered with SEBI, subject to conditions specified, are eligible for exemption under the Act on all their income, including profits on sale of shares of a company.

<u>Expenditure incurred on exempt income</u>:

As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

H. Wealth Tax Act, 1957

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.

- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

Note: All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

LEGAL PROCEEDINGS

Except as described below, our Company is not involved in any material legal proceedings, and no proceedings are threatened, which may have, or have had, during the 12 months preceding the date of this Placement Document a material adverse effect on the business, properties, financial condition or operations of our Company.

A. *Material Litigation Involving our Company*

Civil Suits involving our Company

1. Mr. R. Suresh Babu has filed a suit (O.S. No. 3/2014) on November 18, 2013 before the Court of the Principal District Judge, Krishnagiri against our Company and other parties. Mr. R. Suresh Babu has disputed the validity of the registered sale deed pursuant to which our Company acquired an aggregate of five acres of land at Hosur Taluk, Krishnagiri district in the state of Tamil Nadu and has prayed before the Court to, *inter alia*, restrain us by a permanent injunction from in any way interfering with the impugned parcel of land. Our Company is yet to file a written statement in this matter.

2. Ashirvad Pipes Private Limited has filed a suit (O.S. No. 27080/2007) on November 29, 2007 before the City Civil Judge, Bangalore City, Bangalore against our Company and another, alleging that our Company had infringed upon the design rights and intellectual property rights of the plaintiff by copying, manufacturing and selling the alignments systems registered by the plaintiff for the protection of its design rights and intellectual property rights on such products. Ashirvad Pipes Private Limited has prayed before the Court to, *inter alia*, restrain us from manufacturing, sale or use such products, pay the plaintiffs all the profits made by our Company by the sale of such products along with interest until the date of realization. Ashirvad Pipes Private Limited has also filed two interim applications before the same forum on November 29, 2007, requesting the Court to restrain our Company from manufacturing, sale or use such products, which the Court was satisfied to grant against our Company. Our Company had filed an application for transfer of the suit to High Court of Karnataka which was dismissed by an order dated February 2, 2008. Subsequently, our Company approached the High Court of Karnataka by filing W.P No.2642/2008, which was allowed by the High Court of Karnataka, setting aside the order dated November 29, 2007 of the City Civil Judge, Bangalore City, Bangalore and directed the City Civil Judge, Bangalore City, Bangalore to transfer the suit O.S.No.27080/2007 to the High Court of Karnataka. The W.P No. 2642/2008 was subsequently dismissed for non-prosecution by an order dated July 28, 2008. Our Company filed an application with High Court of Karnataka, for restoration of the writ petition which was allowed by an order dated February 6, 2009 and restored the suit in O.S.No.1/2008. The High Court of Karnataka by an order dated September 26, 2009 stated that the interim order dated November 29, 2007 is not revived or restored by the restoration order dated February 6, 2009 and that the suit will be decided on merit. Our Company has simultaneously filed a petition with the Controller of Designs, Officer of the Controller of Patents & Designs, for cancellation of the design registration of Ashirvad Pipes Private Limited, by way of Form 8 along with a written statement, and the same is pending for hearing.

Sales Tax

There are four sales tax matters involving our Company, pending before the Assistant Commissioner of Commercial Tax, Ahmedabad, involving demand of sales tax, and certain claimed procedural irregularities, where the amounts involved aggregate to approximately ₹ 7.54 million, which has been paid by our Company under protest.

Income Tax

There are 10 income tax matters with the tax authorities, pending at various levels of adjudication, pertaining to disallowance of claimed deductions, where the amounts involved aggregate to approximately ₹ 80.30 million.

B. *Material Past Proceedings Involving our Company*

There are no material past proceedings involving our Company.

C. *Material Litigation Involving the Directors of our Company*

There are no legal, regulatory or arbitral proceedings or penalties or other adverse judgments involving our Directors, which may have a material adverse impact on us.

D. *Material Litigation involving our Subsidiaries*

Advances Adhesives Limited

Advanced Adhesives Limited had filed an application dated November 6, 2012 with the Reserve Bank of India for compounding contraventions of certain provisions of FEMA, in relation to delay in reporting receipt of foreign inward remittance towards subscription of equity; delay in submission of Form FC-GPR pursuant to the issue of shares to a person resident outside India; and delay in allotment of shares/refund of excess share application money beyond the stipulated time period. Pursuant to an order dated November 8, 2012, the Reserve Bank of India directed Advanced Adhesives Limited to pay a penalty of ₹ 0.02 million, which was paid by Advanced Adhesives Limited.

Resinova Chemie Limited

1. RCL's application for its trade mark 'RESIBOND' is objected by Pidilite Industries Limited, before the Trade Marks Registry. The matter is pending for hearing.

2. RCL's application for its trade mark 'ZENOX' is objected by Sabic Innovative Plastics IP BV, before the Trade Marks Registry. The matter is pending for hearing.

3. RCL had purchased a parcel of land in Rania Village for its Rania facility, in relation to which, the Additional District Magistrate, Finance Department, pursuant to a notice dated April 24, 2008, demanded a sum of ₹ 176,045 as deficiency in the payment of stamp duty alleging that the stamp duty was payable as per residential land rates. RCL filed a reply against the notice dated April 24, 2008. The Additional District Magistrate by its order, dated June 30, 2008, upheld the said notice and imposed a penalty of ₹ 528,500 together with penal interest. RCL filed an appeal against the order dated June 30, 2008, with the Additional Commissioner (F&R), Kanpur. The Additional Commissioner (Administration), Kanpur by its order dated July 15, 2009 upheld the order dated June 30, 2008, against which, RCL has filed a writ petition.

4. There are three sales tax matters involving RCL, involving amounts aggregating to approximately ₹ 5.03 million pending at various stages of adjudication.

E. *Material Litigation involving our Promoters*

There are no legal, regulatory or arbitral proceedings or penalties or other adverse judgments involving our Promoters, which may have a material adverse impact on us.

F. *Litigation or legal action against Promoters taken by any Ministry, Department of Government or any statutory authority*

There is no litigation or legal action against our Promoters taken by any Ministry, Department of Government or any statutory authority.

G. *Material Fraud Committed against our Company*

No material fraud on our Company was reported during the years ended March 31, 2014, March 31, 2013 and March 31, 2012.

H. *Details of Default and Statutory Dues*

As on the date of this Placement Document, our Company has not defaulted in any deposits accepted and payment of interest or principal on any loan from any bank or financial institution. Our Company has generally been regular in depositing undisputed dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to our Company, with appropriate authorities during the period April 1, 2014 to October 31, 2014. Our Company has not issued any debentures.

I. ***Details of Inquiries, Inspection or Investigation under the Companies Act 2013 or any Previous Companies Law***

There has been no inquiry, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act 2013 or any previous companies law in the last three years immediately preceding the date of this Placement Document. Further, there have been no prosecutions filed or fines imposed against our Company or our Subsidiaries, or compounding of offences in this relation in the last three years immediately preceding the date of this Placement Document.

INDEPENDENT ACCOUNTANTS

Our audited consolidated financial statements as of and for the financial years ended March 31, 2014, 2013 and 2012, included in this Placement Document, have been audited by Deloitte Haskins & Sells, Chartered Accountants. Deloitte Haskins & Sells, Chartered Accountants, has applied the necessary procedures in accordance with professional standard in India with respect to our unaudited consolidated reviewed financial statements as of and for the six month period ended September 30, 2014.

The audited standalone financial statements for Seal It as of and for the years ended March 31, 2012 and 2013, and the audited consolidated financial statements for Seal It as of and for the year ended March 31, 2014 have been prepared in GBP in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and have been audited in accordance with applicable law and International Standards on Auditing (UK and Ireland) by its statutory auditors BDO Northen Ireland. Further, the unaudited reviewed standalone financial statements for Seal It as of and for the six month period ended September 30, 2014 has been prepared in GBP in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and have been reviewed in accordance with applicable law and International Standards on Auditing (UK and Ireland) by its statutory auditors BDO Northen Ireland.

The audited financial statements of RCL as of and for the years ended March 31, 2012, 2013 and 2014, audited in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India by Shailesh Vishesh & Co., statutory auditors of RCL, have been included in this Placement Document. Further, the unaudited reviewed financials statements of RCL for the six month period ended September 30, 2014, subjected to a limited review by Shailesh Vishesh & Co., statutory auditors of RCL have been included in this Placement Document.

See, "***Financial Statements***" on page 180.

FINANCIAL STATEMENTS

Financial Statements of the Company

Financial Statements of Seal It

Financial Statements of RCL

Deloitte
Haskins & Sells

Deloitte Haskins & Sells
Chartered Accountants
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INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
ASTRAL POLY TECHNIK LIMITED

1. We have reviewed the accompanying Consolidated Unaudited Financial Statements of **ASTRAL POLY TECHNIK LIMITED** ("the Company"), its subsidiaries and a jointly controlled entity (the Company, its subsidiaries and a jointly controlled entity constitute "the Group") which comprise the Consolidated Balance Sheet as at 30th September, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for Six Months then ended, and a summary of significant accounting policies and other explanatory notes for the purposes of inclusion in the Preliminary Placement Document and the Placement Document prepared by the Company in connection with the proposed qualified institutions placement (the "QIP") of its equity shares (the "Offering") in accordance with provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, as amended from time to time (the "ICDR Regulations"). Management is responsible for the preparation and fair presentation of these consolidated unaudited financial statements in accordance with accounting principles generally accepted in India. Our responsibility is to express a conclusion on these consolidated unaudited financial statements based on our review.

2. We conducted our review of the consolidated unaudited financial statements in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. The consolidated unaudited financial statements includes the unaudited financial statements of the following entities:

   Subsidiaries: Advanced Adhesives Limited, Astral Biochem Private Limited, Seal It Services Limited, United Kingdom.

   Joint Venture: Astral Pipes Limited, Kenya

4. We did not review the interim financial statements of three subsidiaries included in the consolidated unaudited financial statements, whose interim financial statements reflect total assets of Rs. 956.58 millions as at 30th September, 2014, total revenues and total profit after tax of Rs. 305.32 millions and Rs. 28.32 millions for the Six Months ended 30th September, 2014 respectively, as considered in the consolidated unaudited financial statements. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the consolidated unaudited financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on the reports of the other auditors.

5. The consolidated unaudited financial statements includes the interim financial statements of a jointly controlled entity which have not been reviewed/audited by their auditors, whose interim financial statements reflect total assets of Rs. 124.15 millions as at 30th June, 2014, total revenue and loss after tax of Rs. 36.21 millions and Rs. 7.44 millions for the Six Months ended 30th June, 2014 respectively, as considered in the consolidated unaudited financial statements.

DELOITTE HASKINS & SELLS ★ AHMEDABAD ★ CHARTERED ACCOUNTANTS

Deloitte
Haskins & Sells

Deloitte Haskins & Sells
Chartered Accountants
'Heritage', 3rd Floor,
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6. Attention is invited to Note No. 25 of the consolidated unaudited financial statements which states that in view of the prevailing volatility in the foreign exchange market, in respect of foreign currency borrowings and corresponding forward exchange contracts, loss/gain arising on foreign exchange rate fluctuation on outstanding balances, as at the end of the six months has not been given effect in the above consolidated unaudited financial statements as the Company will account for the same at the end of the financial year. Such loss for the six months ended on 30th September, 2014 is Rs. 54.82 millions. This has resulted in the profit for the six months and Reserves and Surplus being overstated by Rs. 54.82 millions and Borrowings understated by Rs. 54.82 millions.

7. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above and except for the possible effects of the matter described in paragraphs 5 and 6 above, nothing has come to our attention that causes us to believe that the accompanying consolidated unaudited financial statements, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India or that it contains any material misstatement.

8. This report is intended solely for your information and for inclusion in the documents prepared in connection with the Offering and is not to be used, referred to or distributed for any other purpose, without prior written consent.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

Gaurav J Shah

Gaurav J Shah
Partner
(Membership No. 35701)

AHMEDABAD, November 29, 2014

ASTRAL POLY TECHNIK LIMITED

CONSOLIDATED UNAUDITED BALANCE SHEET AS AT 30TH SEPTEMBER, 2014

(Rs. In Million)

Particulars	Note	As at 30th September, 2014	As at 31st March, 2014
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	112.38	112.38
Reserves and Surplus	2	3,426.25	3,040.79
		3,538.63	**3,153.17**
Minority Interest		**51.24**	**7.24**
Non Current Liabilities			
Long Term Borrowings	3	1,500.01	806.06
Deferred Tax Liabilities (Net)	4	123.57	118.27
Long Term Provisions (Employee Benefits)		1.58	1.01
		1,625.16	**925.34**
Current Liabilities			
Short Term Borrowings	5	252.19	177.32
Trade Payables	6	2,086.40	1,848.83
Other Current Liabilities	7	800.15	765.31
Short Term Provisions	8	94.70	66.46
		3,233.44	**2,857.92**
Total		**8,448.47**	**6,943.67**
II. ASSETS			
Non Current Assets			
Fixed Assets	9		
Tangible Assets		3,112.71	2,887.73
Capital Work In Progress		177.97	82.01
Goodwill on Consolidation		301.25	5.27
Long Term Loans and Advances	10	162.20	103.05
Other Non Current Assets			
		3,754.13	**3,078.06**
Current Assets			
Inventories	11	2,334.35	1,949.73
Trade Receivables	12	1,677.08	1,450.77
Cash and Cash Equivalents	13	171.72	9.65
Short Term Loans and Advances	14	503.86	450.71
Other Current Assets	15	7.33	4.75
		4,694.34	**3,865.61**
Total		**8,448.47**	**6,943.67**
See accompanying notes forming part of the consolidated interim financial statements.			

As per our report of even date

For, Deloitte Haskins & Sells
Chartered Accountants

Gaurav Shah

(Gaurav J. Shah)
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS AHMEDABAD

ASTRAL POLYTECHNIK LTD. ASTRAL AHMEDABAD

For and on behalf of the Board

(Sandeep P. Engineer)
Managing Director

Jagruti S. Engineer

(Jagruti S. Engineer)
Executive Director

(Hiranand Savlani)
Chief Financial Officer

(Amish Shah)
Company Secretary

Place : Ahmedabad
Date : November 29, 2014

Place : Ahmedabad
Date : November 29, 2014

ASTRAL POLY TECHNIK LIMITED
CONSOLIDATED UNAUDITED STATEMENT OF PROFIT AND LOSS
FROM 1ST APRIL, 2014 TO 30TH SEPTEMBER, 2014.

(Rs. In Million)

Particulars	Note	For the period ended 30th September, 2014
INCOME		
Revenue from Operations (Gross)		6,468.23
Less : Excise Duty		532.86
Revenue from Operations (Net)	16	5,935.37
Other Income	17	7.38
Total		**5,942.75**
EXPENSES		
Cost of Materials Consumed	18	4,218.10
Purchase of Stock In Trade		329.03
Changes in Inventories of Finished Goods and Stock In Trade	19	(215.86)
Employee Benefits Expenses	20	163.05
Finance Costs	21	64.05
Depreciation and Amortization Expenses	9	174.07
Other Expenses	22	658.13
Total		**5,390.57**
Profit Before Tax		**552.18**
Tax Expenses:		
Current Tax		131.56
Deferred Tax		(0.12)
Total		**131.44**
Profit for the Year (Before Adjustment for Minority Interest)		**420.74**
Share of Gain Transferred to Minority Interest		4.50
Profit for the Year		**416.24**
Earnings Per Equity Share: (In Rs.) (Face Value of Re.1/- each)		
Basic & Diluted	24	3.70
See accompanying notes forming part of the consolidated interim financial statements.		

As per our report of even date

For, Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : November 29, 2014

ASTRAL POLYTECHNIK LTD. AHMEDABAD

For and on behalf of the Board

(Sandeep P. Engineer)
Managing Director

(Jagruti S. Engineer)
Executive Director

(Hiranand Savlani)
Chief Financial Officer

(Amish Shah)
Company Secretary

Place : Ahmedabad
Date : November 29, 2014

ASTRAL POLY TECHNIK LIMITED

CONSOLIDATED UNAUDITED CASH FLOW STATEMENT FROM 1ST APRIL 2014 TO 30TH SEPTEMBER, 2014

(Rs. In Million)

No.	Particulars	For the period ended 30th September, 2014
A	**Cash flow from Operating Activities**	
	Profit before tax	552.18
	Adjustments for :	
	Depreciation & Amortization	174.07
	Finance Costs	64.05
	Unrealised Foreign Exchange Fluctuation (Net)	(4.46)
	Loss/(Profit) on Sale of Fixed Assets	0.14
	Gain on Sale of Current Investment	(0.49)
	Interest Income	(0.46)
	Operating profit before Working Capital Changes	**785.03**
	Adjustments for :	
	(Increase)/Decrease in Inventories	(384.61)
	Increase in Trade & Other Receivables	(328.80)
	Increase/(Decrease) in Trade Payables	301.23
	Cash generated from Operations	**372.85**
	Direct Taxes Paid	(132.23)
	Net Cash from Operating Activities	**240.62**
B	**Cash flow from Investing Activities**	
	Purchase of Fixed Assets	(479.49)
	Proceeds from Sales of Fixed Assets	(0.14)
	Interest Received	0.46
	Gain on Sale of Current Investment	0.49
	Excess of consideration paid over the book value of assets acquired from Subsidairy, Seal It Services Limited , United Kingdom	(295.98)
	Net Cash used in Investing Activities	**(774.66)**
C	**Cash flow from Financing Activities**	
	Proceeds from Bank Borrowing (Net)	780.40
	Finance Cost	(64.05)
	Dividend paid (including dividend distribution tax)	(20.23)
	Net Cash flow from / (used in) Financing Activities	**696.12**
	NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**162.07**
	Cash and Cash Equivalents At the Beginning of the Year	9.65
	Effect of Foreign Exchange rate change	-
	Cash and Cash Equivalents At the end of the Year	171.72

As per our report of even date

For, Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : November 29 , 2014

ASTRAL POLY TECHNIK LTD. ASTRAL AHMEDABAD

For and on behalf of the Board

(Sandeep P. Engineer)
Managing Director

(Jagruti Engineer)
Executive Director

(Hiranand Savlani)
Chief Financial Officer

(Amish Shah)
Company Secretary

Place : Ahmedabad
Date : November 29 , 2014

Notes to the Consolidated Financial Statements

1 SHARE CAPITAL (Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Authorised Share Capital		
Equity Share Capital		
1,50,000,000 Equity Shares of Re.1/- each	150.00	150.00
(75,000,000 Equity Shares of Rs.2/- each)		
Issued, Subscribed & Fully Paid Share Capital		
Equity Share Capital		
1,12,380,560 Equity Shares of Re. 1/- each fully paid up	112.38	112.38
(56,190,280 Equity Shares of Rs. 2/- each fully paid up)		
Total	**112.38**	**112.38**

During the period, the Company has subdivided Equity Shares having Face Value of Rs. 2/- each into Face Value of Re. 1/- each.

2 RESERVES AND SURPLUS (Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Capital Reserves		
As per Last Balance Sheet	4.00	4.00
Capital Reserve on Consolidation	-	1.63
Less : Capital Reserve adjusted against Goodwill on acquistion of shares	-	1.63
	-	-
Securities Premium Account		
As per Last Balance Sheet	389.07	389.07
General Reserves		
As per Last Balance Sheet	259.50	157.00
Add : Transferred from Surplus in Statement of Profit & Loss	-	102.50
	259.50	**259.50**
Revaluation Reserves		
As per Last Balance Sheet	12.11	12.11
Foreign Currency Translation Reserve		
As per Last Balance Sheet	(7.51)	(2.15)
Add : For the Year	(4.46)	(5.36)
	(11.97)	**(7.51)**
Surplus in Statement of Profit & Loss		
As per Last Balance Sheet	2,383.62	1,739.71
Less : Adjustment of Depreciation in accordance with Schedule II of Companies Act, 2013 (Net of Deferred Tax - Rs. 3.14 Million)	(6.09)	-
Add : Profit For the Year	416.24	789.15
Amount Available for Appropriation	2,793.77	2,528.86
Less : **Appropriations:**		
Interim Dividend	16.86	14.05
Proposed Final Dividend	-	22.48
Dividend Distribution Tax	3.37	6.21
Transferred to General Reserve	-	102.50
	20.23	145.24
	2,773.54	**2,383.62**
Total	**3,426.25**	**3,040.79**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS AHMEDABAD

ASTRAL POLYTECHNIK LTD. AHMEDABAD

3 **LONG TERM BORROWINGS** (Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Secured		
Term Loans from Banks		
In Rupee	490.92	230.12
In Foreign Currency	1,319.89	845.24
	1,810.81	1,075.36
Less : Current Maturity of Long Term Loans	370.64	329.87
	1,440.17	**745.49**
Buyers Credit	155.28	155.72
Less : Current Maturity of Long Term Buyers Credits	113.05	101.54
	42.23	**54.18**
Vehicle Loans	30.78	11.14
Less : Current Maturity of Vehicle Loans	13.17	4.75
	17.61	**6.39**
Total	**1,500.01**	**806.06**

Note: Amount stated in Current Maturity is disclosed under the head of "Other Current Liabilities" (Refer Note No. 7)

a) Term Loans aggregating to the values as indicated below are secured by way of first charge, in respect of Fixed assets, both present and future, and second charge on entire current assets of the Company both present and futher and also further secured by personal guarantees of Director.

As At	(Rs. In Million)
September 30,2014	1,810.81
March 31,2014	1,075.36

b) Buyers Credit aggregating to the values as indicated below are secured by way of either first or second charge, in respect of Fixed Assets & entire current Assets of the company,both present & future and also further secured by personal guarantees of Director.

As At	(Rs. In Million)
September 30,2014	155.28
March 31,2014	155.72

c) Vehicle Loans aggregating to the values as indicated below are Secured by way of hypothecation of respective motor vehicles purchased.

As At	(Rs. In Million)
September 30,2014	30.78
March 31,2014	11.14

4 **DEFERRED TAX LIABILITIES (NET)** (Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Deferred Tax Liabilities		
Related to Fixed Assets	196.13	189.74
Deferred Tax Assets		
Carried Forward Losses	22.00	21.01
Provision For Doubtful Trade Receivable	15.45	15.45
Disallowances under Section 43B of the Income Tax Act, 1961	35.11	35.01
Total	**123.57**	**118.27**

DELOITTE HASKINS & SELLS ★ AHMEDABAD ★ CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. ★ ASTRAL ★ AHMEDABAD

5 SHORT TERM BORROWINGS

(Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Secured		
Working Capital / Short Term Loan From Banks	190.21	117.32
Unsecured		
From Banks	-	60.00
From Others	61.98	-
Total	252.19	177.32

a) Bank Overdraft aggregating to the values as indicated below are secured by way fixed charge over all assets of Astral Pipes Limited and personal guarantee of all the directors of Astral Pipes Limited.

As At	(Rs. In Million)
September 30,2014	10.90
March 31,2014	22.32

b) Bank Overdraft aggregating to the values as indicated below are Secured by a fixed charge on book debts and a floating charge on the assets of Seal It Services Limited.

As At	(Rs. In Million)
September 30,2014	179.31
March 31,2014	-

c) Working Capital Loans aggregating to the values as indicated below are secured by way of first charge on entire current assets of the Company both present and future and second charge in respect of Fixed assets both present and future and also further Secured by personal guarantees of Director.

As At	(Rs. In Million)
September 30,2014	-
March 31,2014	95.00

6 TRADE PAYABLES

(Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Acceptances	1,244.00	1,095.33
Other than Acceptances	842.40	753.50
Total	2,086.40	1,848.83

7 OTHER CURRENT LIABILITIES

(Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Current Maturities of Long Term Borrowings (Refer Note No. 3)	496.86	436.16
Interest Accrued and due on Borrowings	-	1.87
Interest Accrued But Not Due on Borrowings	5.02	3.88
Unclaimed Dividends	0.24	0.21
Other Liabilities		
For Statutory Dues	223.43	248.56
Advance Received From Customers	26.49	15.83
Other Payables *	48.11	58.80
Total	800.15	765.31

* Other Payables includes Payable for Capital Goods.

8 SHORT TERM PROVISIONS

(Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Provision For Employee Benefits		
Unpaid Leave	-	0.08
Provision For Dividend		
Proposed Dividend	16.86	22.48
Tax on Dividend	3.37	3.82
Provision For Taxation		
Income Tax (Net of Advance Payment of Tax)	74.47	39.94
Wealth Tax	-	0.14
Total	94.70	66.46

10 LONG TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Unsecured considered good		
Capital Advances	53.35	28.67
Security Deposits	1.56	1.57
Prepaid Expenses	39.96	5.48
MAT Credit Entitlement	67.33	67.33
Total	162.20	103.05

11 INVENTORIES

(Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Raw Materials	870.15	691.22
Stock In Trade	280.58	289.84
Finished Goods	1,161.34	948.66
Packing Materials	21.64	16.90
Work in Process	0.64	-
Goods In Transit	-	3.11
Total	2,334.35	1,949.73

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. AHMEDABAD

9 FIXED ASSETS

(Rs. In Million)

	Assets	Gross Block					Depreciation						Net Block	
		As At 01.04.2014	Acquisition During the Period	Additions	Deductions	As At 30.09.2014	As At 01.04.2014	Acquisition During the Period	Effect Of Dep. On Op. as per useful life	For the year	Deductions	As At 30.09.2014	As At 30.09.2014	As At 31.03.2014
1	Freehold Land	609.98		0.01	-	609.99	-			-	-	-	609.99	609.98
2	Buildings	912.14	1.58	170.00	0.30	1,083.42	73.96	0.34	0.20	15.25	0.09	89.66	993.76	838.18
3	Plant & Machinery	2,086.86	150.89	157.28	2.38	2,392.65	766.79	92.66	8.55	149.25	0.69	1,016.56	1,376.09	1,320.07
4	Furniture & Fixtures	112.28	16.85	5.25	0.25	134.13	22.81	4.85	0.42	6.56	0.16	34.48	99.65	89.47
5	Vehicles	44.41	8.04	3.35	1.98	53.82	14.38	4.63	0.06	3.01	1.48	20.60	33.22	30.03
	Total	3,765.67	177.36	335.89	4.91	4,274.01	877.94	102.48	9.23	174.07	2.42	1,161.30	3,112.71	2,887.73
	Capital work in Progress												177.97	82.01
	Previous Year	2,807.78		952.63	(5.27)	3,765.68	658.16			219.11	(0.68)	877.95	2,887.73	

DELOITTE HASKINS & SELLS ★ CHARTERED ACCOUNTANTS ★ AHMEDABAD

ASTRAL POLYTECHNIK LTD. ★ AHMEDABAD ★ ASTRAL

12 TRADE RECEIVABLES

(Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Unsecured		
Trade Receivable Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	18.77	11.83
Considered Doubtful	47.88	45.45
Less : Provision	47.88	45.45
	18.77	11.83
Other Debts		
Considered Good	1,658.31	1,438.94
Considered Doubtful	2.58	-
Less : Provision	2.58	-
	1,658.31	1,438.94
Total	1,677.08	1,450.77

13 CASH AND CASH EQUIVALENTS

(Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Cash on Hand	2.27	1.15
Balance With Banks	-	-
In Current Account	146.16	8.19
In Deposit Account	23.05	0.10
In Unclaimed Dividend Account	0.24	0.21
Total	171.72	9.65

14 SHORT TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
(Unsecured, Considered Good)		
Prepaid Expenses	24.65	18.02
Security Deposits	20.24	18.28
Loans and Advances to Employees	1.78	0.91
Balance with Custom, Central Excise Authorities	359.35	340.32
MAT Credit Entitlements	45.00	45.00
Advances to Suppliers	49.83	25.17
Taxes Receivable	3.01	3.01
Total	503.86	450.71

15 OTHER CURRENT ASSETS

(Rs. In Million)

Particulars	As at 30th September, 2014	As at 31st March, 2014
Interest Receivable	0.18	0.00
Advance to Gratuity Fund	7.15	4.65
Others	-	0.10
Total	7.33	4.75

16 REVENUE FROM OPERATIONS

(Rs. In Million)

Particulars	For the period ended 30th September, 2014
Domestic Sales	6,374.62
Less : Excise Duty	532.86
Domestic Sales (Net)	5,841.76
Export Sales	93.61
Revenue from Operations (Net)	5,935.37

17 OTHER INCOME

(Rs. In Million)

Particulars	For the period ended 30th September, 2014
Interest Income	0.46
Gain on Sale of Current Investment	0.49
Net Gain on Foreign Currency transactions and translations	3.35
Miscellaneous Income	3.08
Total	7.38

18 COST OF MATERIALS CONSUMED

(Rs. In Million)

Particulars	For the period ended 30th September, 2014
Opening Stock	712.82
Add : Purchases	4,382.38
	5,095.20
Less : Closing Stock	877.10
Cost of Materials Consumed	4,218.10

19 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE

(Rs. In Million)

Particulars	For the period ended 30th September, 2014
Inventories At the End of the Year	
Finished Goods	1,161.34
Stock In Trade	280.58
	1,441.92
Inventories At the Beginning of the Year	
Finished Goods	956.90
Stock In Trade	269.16
	1,226.06
Net (Increase) / Decrease	(215.86)

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. ASTRAL AHMEDABAD

20 EMPLOYEE BENEFITS EXPENSES

(Rs. In Million)

Particulars	For the period ended 30th September, 2014
Salaries and Wages	151.74
Contribution to Provident and Other Funds	5.51
Staff Welfare Expenses	5.80
Total	163.05

21 FINANCE COSTS

(Rs. In Million)

Particulars	For the period ended 30th September, 2014
Interest Expenses	
Borrowings	44.43
Others	2.89
Other Borrowing Costs	5.07
Expense on Foreign Currency Transaction including Hedging Costs	11.66
Total	64.05

22 OTHER EXPENSES

(Rs. In Million)

Particulars	For the period ended 30th September, 2014
Stores and Spares	30.37
Power and Fuel	121.38
Rent Expenses	17.12
Repairs and Maintenance	
Repairs to Buildings	7.54
Repairs to Machinery	9.32
Repairs Others	2.62
Insurance Expenses	10.64
Royalty Expenses	10.03
Rates and Taxes	2.69
Communication Expenses	5.40
Travelling Expenses	25.29
Factory and Other Expenses	7.32
Printing and Stationary	2.02
Freight and Fowarding	99.61
Packing Material Consumed	57.42
Changes in Excise Duty on Inventories	1.73
Commission	6.99
Discount on Sales	82.06
Sales Promotions	110.13
Donations and Contributions	0.14
Security Service Charges	8.42
Legal and Professional	23.49
Payments to Auditors	0.68
Bad Debts Written Off	0.58
Net Loss on Foreign Currency transactions and translations	0.27
Loss on Sale of Fixed Assets	0.14
Other Expenses	14.73
Total	658.13

DELOITTE HASKINS & SELLS ★ AHMEDABAD ★ CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. ★ AHMEDABAD ★ ASTRAL

23. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

a) Principles of Consolidation:

The Consolidated Financial Statements relate to Astral Poly Technik Limited ("the Company") and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.
- In case of foreign joint venture, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains/ (losses) arising on conversion are recognised under Foreign Currency Translation Reserve.
- Interests in Joint Venture have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures issued by The Institute of Chartered Accountants of India.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 30th September, 2014 and in case of joint venture the financial statements used in the consolidation are drawn up to 30th June, 2014.
- The excess of cost to the Company, of its investment in the subsidiary company and joint venture over the Company's portion of equity is recognised in the financial statement as Goodwill.
- The excess of the Company's portion of equity of the subsidiary and joint venture on the acquisition date over its cost of investment is treated as Capital Reserve.
- Intra-group balances and intra-group transactions and resulting unrealised profits have been eliminated.

b) The list of subsidiaries company and joint venture which are included in the consolidation and the Company's holdings therein are as under:

Name of the Company	% of Holding		Country of Incorporation
	As At 30th September, 2014	As At 31st March, 2014	
Subsidiaries			
Astral Biochem Private Limited	100%	100%	India
Advanced Adhesives Limited	85%	85%	India
Seal It Services Limited	80%	---	United Kingdom
Joint Venture			
Astral Pipes Limited	37.50%	37.50%	Kenya

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS AHMEDABAD

ASTRAL POLYTECHNIK LTD. AHMEDABAD ASTRAL

The unaudited financial statements of Astral Pipes Limited (Kenya) are for the period 1st January, 2014 to 30th June 2014 and there are no material transactions from 1st July, 2014 to 30th September, 2014 in respect of the joint venture.

c) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

d) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of freight, duties, non-refundable taxes and levies and other incidental expenses related to acquisition/installation, adjusted by revaluation of Land in 2004-05.

e) Lease

Operating lease rentals are expensed with reference to lease terms. There are no finance leases.

f) Impairment of Assets

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. Impairment is charged to the Statement of Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

g) Depreciation

Depreciation is charged under Straight Line Method in accordance with the rates and manner as specified in Schedule II of the Companies Act, 2013. Assets costing Rs. 5,000/- is fully depreciated in the year of acquisition.

h) Investments

Current investments are stated at lower of cost and fair value.

Long Term investments are stated at cost. Provision is made to recognize any diminution in value, other than that of a temporary nature.

i) Inventories

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on first-in first-out (FIFO) basis. The cost of finished goods comprises of raw materials, direct labour, other direct costs and related production overhead, but excludes interest expenses. Net realizable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

j) Revenue Recognition

Sales are recognized on transfer of significant risks and rewards of ownership to the buyer. Sales are net of trade discounts, Sales Tax and VAT. Excise duties collected on Sales are shown by way of deduction from Sales.

Dividend income is recognized when the right to receive dividend is established.

Interest income is recognized using the time-proportion method based on rates implicit in the transaction.

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ASTRAL POLYTECHNIK LTD. ★ ASTRAL ★ AHMEDABAD

Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

k) CENVAT

CENVAT (Central Value Added Tax) credit in respect of Excise, Custom and Service tax is accounted on accrual basis on purchase of eligible inputs, capital goods and services. The balance of CENVAT credit is reviewed at the end of each year and amount estimated to be un-utilizable is charged to the Statement of Profit and Loss Account for the year.

l) Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

The Company has not exercised the option for capitalization or amortization of exchange differences on long term foreign currency monetary items as provided by notification issued by the Ministry of Corporate Affairs.

Any income or expenses on account of exchange difference either on settlement or on translation are recognized in the Statement of Profit and Loss Account.

m) Borrowing costs

Borrowing costs include interest; amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are is added to the cost of the assets.

n) Taxes on Income

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods by applying tax rates that have been substantively enacted by the balance sheet date. Deferred tax assets are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

o) Research & Development Expenditure

Research and Development expenses of revenue nature are charged to the Statement of Profit and Loss Account and the expenditure on capital assets is added to the fixed assets.

p) Employee Benefits

Defined Contribution Plan:

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. ASTRAL AHMEDABAD

The Company's contribution to Provident Fund and employees state insurance scheme made to a government administered Provident Fund are considered as defined contribution plans, and is charged to the Statement of Profit and Loss as incurred.

Defined benefit plans:
Provision for gratuity, under a LIC administered fund, which is in the nature of defined benefit plan, is provided based on valuations, as at the balance sheet date, made by an independent actuary as per the requirements of Accounting Standard-15 on "Employee Benefits". The current service cost, interest cost, expected return on plan assets and actuarial gain/loss are debited/credited,as the case may be, to the Statement of Profit and Loss of the year as employee benefits.

Short-term employee benefits:
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

q) Amortization of Miscellaneous Expenditure

Preliminaries Expenses are being written off equally over a period of ten years.
Share issue expenses and redemption premium are adjusted against the Securities Premium account as permissible under Section 52(2) of the Companies Act, 2013, to the extent balance available for utilization in the Securities Premium Account.

r) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

➤ **CONTINGENT LIABILITIES NOT PROVIDED FOR :**

(Rs. In Million)

Sr. No.	Particulars	As at 30.09.2014	As at 31.03.2014
1	Bank Guarantees	31.67	29.61
2	Letters of Credit for Purchases	7.78	14.98
3	VAT,CST and Entry Tax under appeal	5.90	-

24. EARNINGS PER SHARE :

Particulars	As at 30.09.2014
Profit After Tax (Rs. In Million)	416.24
Weighted Average No. of Equity Shares Outstanding	112,380,560
Nominal Value per share (Rs.)	1
Basic & Diluted Earnings Per Share (In Rs.)	3.70

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. ASTRAL AHMEDABAD

25. In view of prevailing volatility in the foreign exchange market, in respect of foreign currency borrowings and corresponding forward contracts, loss/gain arising on foreign exchange rate fluctuation on outstanding balances, as at the end of the period has not been given effect in the above results as the Company will account for the same at the end of the financial year. Such Loss for the period is Rs.54.82 Million.

26. Since close of the period ended on September 30, 2014, the Company has acquired controlling stake (76%) in domestic company, Resinova Chemie Limited ("Resinova"). Resinova is engaged in manufacturing and marketing of a highly diversified range of adhesives and sealants in chemistires based on Epoxy Adhesive, Acrylics, UV Cure, Cyanoacrylates, Sillicones, Anaerobic, PVA etc.

27. This being the first interim financial statements prepared by the Company, there is no comparative Statement of Profit & Loss for the comparable interim period of the immediately preceding financial year.

28. Previous year figures have been accordingly regrouped /reclassified to confirm to the current period classification.

As per our report of even date
For, Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner

Place: Ahmedabad
Date: November 29, 2014

For and on behalf of the Board

(Sandeep P. Engineer)
Managing Director

(Jagruti S. Engineer)
Executive Director

(Hiranand Savlani)
Chief Financial Officer

(Amish Shah)
Company Secretary

Place: Ahmedabad
Date: November 29, 2014

Deloitte
Haskins & Sells

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REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

To the Board of Directors of ASTRAL POLY TECHNIK LIMITED

1. The accompanying consolidated summary financial statements of **ASTRAL POLY TECHNIK LIMITED** (the "Company") which comprise the Consolidated Summary Balance Sheet as at March 31, 2014, March 31, 2013 and March 31, 2012 , the Consolidated Summary Statement of Profit and Loss and the Consolidated Summary Cash Flow Statement for the years ended on those dates, together with the related Schedules and explanatory notes referred to herein as the "Consolidated Summary Financial Statements" are derived from the audited consolidated financial statements (the "Audited Consolidated Summary Financial Statements") of the Company for the respective years audited by us as detailed in paragraph 2(a) and 2(b) below.

2. (a) We expressed our opinions on the consolidated financial statements of the Company for the years ended March 31, 2014, March 31, 2013 and March 31,2012 vide our reports dated May 3, 2014, May 20, 2013 and May 22, 2012 respectively.

   (b) Our reports on the consolidated financial statements of the Company for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 state that we did not audit the financial statements of two subsidiaries and a jointly controlled entity, whose financial statements reflect the financial information as considered in the consolidated financial statements for the respective years then ended to the extent set out in Annexure 1. These financial statements and other financial information were audited by other auditors whose reports were furnished to us, and our audit opinions on the consolidated financial statements of the Company for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 to the extent they relate to the figures for the respective years included in Annexure 1, is solely based on the reports of the other auditors.

   Our opinion was not qualified in respect of this matter.

3. The figures included in the Consolidated Summary Financial Statements, do not reflect the effect of events that occurred subsequent to the date of our reports on the respective years referred to in paragraph 2(a) above.

4. **Management's Responsibility for the Consolidated Summary Financial Statements**

   Management is responsible for the preparation of the Consolidated Summary Financial Statements from the Audited Consolidated Financial Statements of the respective years ended March 31, 2014, March 31, 2013 and March 31, 2012 on the basis described in Note 23(a) to the Consolidated Summary Financial Statements.

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

Page 1 of 3

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5. **Auditors' Responsibility**

Our responsibility is to express an opinion on the Consolidated Summary Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

6. **Opinion**

In our opinion, the consolidated summary financial statements derived from the audited consolidated financial statements for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 are consistent, in all material respects, with each of those financial statements.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

Gaurav J Shah
(Partner)
(Membership No. 35701)

AHMEDABAD, November 25, 2014

Deloitte Haskins & Sells

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Annexure 1 to the report on the Consolidated Summary Financial Statements (referred to in paragraph 2(b) of the report)

Financial information of certain subsidiaries and associates audited by other auditors, as considered in the consolidated financial statements of the Company:

Particulars	As at and for the year ended		
	March 31, 2014 (Rs. in Million)	**March 31, 2013 (Rs. in Million)**	**March 31, 2012 (Rs. in Million)**
Relating to Subsidiaries			
Number of Subsidiaries	2	2	2
Total Assets (net)	164.27	9.33	76.83
Total Revenues	229.93	19.44	25.99
Net Cash flows	0.60	2.41	(0.26)
Relating to Jointly Controlled Entity	**December 31, 2013 (Rs. in Million)**	**December 31, 2012 (Rs. in Million)**	**December 31, 2011 (Rs. in Million)**
Number of Jointly Controlled Entity	1	1	1
Total Assets (net)	127.87	45.80	57.35
Total Revenues	43.51	21.97	26.42
Net Cash flows	21.15	1.44	1.80

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

ASTRAL POLY TECHNIK LIMITED

CONSOLIDATED SUMMARY BALANCE SHEET

(Rs. In Million)

Particulars	Note	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	1	112.38	112.38	112.38
Reserves and Surplus	2	3,040.79	2,301.37	1,728.25
		3,153.17	2,413.75	1,840.63
Minority Interest		7.24	3.41	(0.25)
Non Current Liabilities				
Long Term Borrowings	3	806.06	643.59	647.76
Deferred Tax Liabilities (Net)	4	118.27	81.70	14.60
Long Term Provisions (Employee Benefits)		1.01	-	-
		925.34	725.29	662.36
Current Liabilities				
Short Term Borrowings	5	177.32	12.24	35.97
Trade Payables	6	1,848.83	1,704.97	1,709.92
Other Current Liabilities	7	765.31	506.15	507.17
Short Term Provisions	8	66.46	76.36	47.93
		2,857.92	2,299.72	2,300.99
Total		6,943.67	5,442.17	4,803.73
II. ASSETS				
Non Current Assets				
Fixed Assets	9			
Tangible Assets		2,887.73	2,149.62	1,640.37
Capital Work In Progress		82.01	119.88	129.61
Goodwill on Consolidation		5.27	-	-
Long Term Loans and Advances	10	103.05	78.08	41.62
		3,078.06	2,347.58	1,811.60
Current Assets				
Inventories	11	1,949.73	1,504.65	1,270.57
Trade Receivables	12	1,450.77	1,062.87	1,031.61
Cash and Cash Equivalents	13	9.65	115.23	355.11
Short Term Loans and Advances	14	450.71	408.25	327.40
Other Current Assets	15	4.75	3.59	7.44
		3,865.61	3,094.59	2,992.13
Total		6,943.67	5,442.17	4,803.73
See accompanying notes forming part of the consolidated summary financial statements.				

As per our report of even date

For, Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. AHMEDABAD

For and on behalf of the Board

(Sandeep P. Engineer)
Managing Director

(Jagruti S. Engineer)
Executive Director

(Amish Shah)
Company Secretary

Place : Ahmedabad
Date : November 25, 2014

Place : Ahmedabad
Date : November 25, 2014

ASTRAL POLY TECHNIK LIMITED

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. In Million)

Particulars	Note	2013-14	2012-13	2011-12
INCOME				
Revenue from Operations (Gross)		11,786.07	9,035.49	6,256.67
Less : Excise Duty		989.68	783.51	429.74
Revenue from Operations (Net)	16	10,796.39	8,251.98	5,826.93
Other Income	17	24.36	18.75	38.14
Total		10,820.75	8,270.73	5,865.07
EXPENSES				
Cost of Materials Consumed	18	7,427.45	5,670.76	4,166.46
Purchase of Stock In Trade		625.04	358.42	176.94
Changes In Inventories of Finished Goods and Stock In Trade	19	(326.30)	(224.70)	(228.02)
Employee Benefits Expenses	20	244.54	206.60	151.53
Finance Costs	21	311.24	191.79	227.59
Depreciation and Amortization Expenses	9	219.11	181.22	137.89
Other Expenses	22	1,274.32	1,088.34	732.95
Total		9,775.40	7,472.43	5,365.34
Profit Before Tax		1,045.35	798.30	499.73
Tax Expenses:				
Current Tax		251.39	198.50	99.26
Short Provision of Tax in Earlier Years		3.24	10.34	6.85
MAT Credit Entitlement		(41.91)	(87.59)	-
Deferred Tax		39.65	67.28	(1.01)
Total		252.37	188.53	105.10
Profit for the Year (Before Adjustment for Minority Interest)		792.98	609.77	394.63
Share of Gain / (Loss) Transferred to Minority Interest		3.83	3.66	(0.33)
Profit for the Year		789.15	606.11	394.96
Earnings Per Equity Share: (In Rs.) (Face Value of Rs. 2/- each)				
Basic & Diluted	24	14.04	10.79	7.03
See accompanying notes forming part of the consolidated summary financial statements.				

As per our report of even date

For, Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner

For and on behalf of the Board

(Sandeep P. Engineer)
Managing Director

(Jagruti S. Engineer)
Excecutive Director

(Amish Shah)
Company Secretary

Place : Ahmedabad
Date : November 25, 2014

Place : Ahmedabad
Date : November 25, 2014

ASTRAL POLY TECHNIK LIMITED

CONSOLIDATED SUMMARY CASH FLOW STATEMENT

(Rs. In Million)

No.	Particulars	2013-14	2012-13	2011-12
A	**Cash flow from Operating Activities**			
	Profit before tax	1,045.35	798.30	499.73
	Adjustments for :			
	Depreciation & Amortization	219.11	181.22	137.89
	Finance Costs	308.76	145.28	166.93
	Allowance for doubtful debts	6.95	23.50	17.46
	Unrealised Foreign Exchange Fluctuation (Net)	2.46	46.51	60.67
	Loss/(Profit) on Sale of Fixed Assets	0.94	(0.02)	0.47
	Dividend From Current Investment	-	-	(0.16)
	Gain on Sale of Current Investment	(9.27)	(12.72)	(9.05)
	Interest Income	(9.04)	(3.09)	(8.51)
	Operating profit before Working Capital Changes	1,565.26	1,178.98	865.43
	Adjustments for :			
	(Increase)/Decrease in Inventories	(445.07)	(234.09)	(401.31)
	Increase in Trade & Other Receivables	(464.61)	(168.40)	(309.10)
	Increase/(Decrease) in Trade Payables	245.09	(37.22)	787.53
	Cash generated from Operations	900.67	739.26	942.55
	Direct Taxes Paid	(228.82)	(91.30)	(91.48)
	Net Cash Flow from Operating Activities (A)	671.85	647.96	851.07
B	**Cash flow from Investing Activities**			
	Purchase of Fixed Assets	(959.65)	(695.70)	(693.97)
	Proceeds from Sales of Fixed Assets	1.49	5.26	0.61
	Capital Work In Progress	37.87	9.73	(2.28)
	Interest Received	9.04	3.09	8.51
	Increase/(Decrease) In Investment	-	-	0.01
	Gain on Sale of Current Investment	9.27	12.72	9.05
	Dividend From Current Investment	-	-	0.16
	Excess of consideration paid over the book value of assets acquired from Joint Venture, Astral Pipes Limited, Kenya	(6.90)	-	(1.95)
	Net Cash used in Investing Activities (B)	(908.88)	(664.90)	(679.86)
C	**Cash flow from Financing Activities**			
	Proceeds from Bank Borrowing (Net)	476.39	(48.08)	277.92
	Finance Cost	(308.78)	(145.28)	(166.93)
	Dividend paid (Including dividend distribution tax)	(36.15)	(29.39)	(29.39)
	Net Cash flow from / (used in) Financing Activities (C)	131.45	(222.75)	81.60
	NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(105.58)	(239.68)	252.81
	Cash and Cash Equivalents At the Beginning of the Year	115.23	355.11	102.29
	Effect of Foreign Exchange rate change	(0.00)	(0.20)	0.01
	Cash and Cash Equivalents At the end of the Year	9.65	115.23	355.11

Note: 1 Cash and Cash Equivalents represents Cash and Bank Balances. (refer note no. 13)

2 Fixed Deposits are pledged with a bank towards Letters of Credit / Bank Guarantees.

As At	(Rs. In Million)
March 31,2014	0.10
March 31,2013	0.59
March 31,2012	0.06

3 Cash and Cash Equivalents include of unclaimed dividend not available for use by the Company.

As At	(Rs. In Million)
March 31,2014	0.21
March 31,2013	0.19
March 31,2012	0.17

4 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date

For, Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner

For and on behalf of Board

(Sandeep P. Engineer)
Managing Director

Jagruti S. Engineer
(Jagruti S. Engineer)
Excutive Director

(Amish Shah)
Company Secretary

Place : Ahmedabad
Date : November 25, 2014

Place : Ahmedabad
Date : November 25, 2014

NOTES FORMING PART OF CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

1 SHARE CAPITAL

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Authorised Share Capital			
Equity Share Capital	150.00	150.00	150.00
Number of Equity Shares (In Millions)	75.00	30.00	30.00
Face Value per Equity Share (In Rs.) *	2.00	5.00	5.00
Issued, Subscribed & Fully Paid Share Capital			
Equity Share Capital	112.38	112.38	112.38
Number of Equity Shares (In Millions)	56.19	22.48	22.48
Face Value per Equity Share (In Rs.) *	2.00	5.00	5.00
Total	112.38	112.38	112.38

* During the financial year 2013-14, the Company has subdivided Equity Shares having face value of Rs. 5/- each into face value of Rs. 2/- each.

2 RESERVES AND SURPLUS

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Capital Reserves			
As per Last Balance Sheet	4.00	4.00	4.00
Capital Reserve on Consolidation	1.63	1.63	1.63
Less : Capital Reserve adjusted against Goodwill on acquistion of shares (Refer Note No. 30)	1.63	-	-
	-	1.63	1.63
Securities Premium Account			
As per Last Balance Sheet	389.07	389.07	389.07
General Reserves			
As per Last Balance Sheet	157.00	97.00	57.00
Add : Transferred from Surplus in Statement of Profit & Loss	102.50	60.00	40.00
	259.50	157.00	97.00
Revaluation Reserves			
As per Last Balance Sheet	12.11	12.11	12.11
Foreign Currency Translation Reserve			
As per Last Balance Sheet	(2.15)	(1.95)	1.01
Add : For the Year	(5.36)	(0.20)	(2.96)
	(7.51)	(2.15)	(1.95)
Miscelleneous Expenditure			
(To the extent not written off or adjusted)			
As per Last Balance Sheet	-	-	(0.06)
Less : Amount written off during the year	-	-	(0.06)
	-	-	-
Surplus in Statement of Profit & Loss			
As per Last Balance Sheet	1,739.71	1,226.39	900.82
Add : Profit For the Year	789.15	606.11	394.96
Amount Available for Appropriation	2,528.86	1,832.50	1,295.78
Less : **Appropriations:**			
Interim Dividend (2013-14 Rs.0.25 per share, 2012-13 Rs. 0.50 per share, 2011-12 Rs. 0.50 per share)	14.05	11.24	11.24
Proposed Final Dividend (2013-14 Rs.0.40 per share, 2012-13 Rs. 0.75 per share, 2011-12 Rs. 0.625 per share)	22.48	16.86	14.05
Dividend Distribution Tax	6.21	4.69	4.10
Transferred to General Reserve	102.50	60.00	40.00
	145.24	92.79	69.39
	2,383.62	1,739.71	1,226.39
Total	3,040.79	2,301.37	1,728.25

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. ASTRAL AHMEDABAD

3 LONG TERM BORROWINGS

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Secured			
Term Loans from Banks			
In Rupee	230.12	181.59	50.82
In Foreign Currency	845.24	579.21	759.24
	1,075.36	760.80	810.06
Less : Current Maturity of Long Term Loans	329.87	239.99	227.99
	745.49	**520.81**	**582.07**
Buyers Credit	155.72	137.66	67.10
Less : Current Maturity of Long Term Buyers Credits	101.54	21.49	23.00
	54.18	**116.17**	**44.10**
Vehicle Loans	11.14	12.23	10.10
Less : Current Maturity of Vehicle Loans	4.75	5.62	3.77
	6.39	**6.61**	**6.33**
Unsecured			
Buyers Credit	-	-	15.26
Less : Current Maturity of Long Term Buyers Credits	-	-	-
	-	-	**15.26**
Total	**806.06**	**643.59**	**647.76**

Note: Amount stated in Current Maturity is disclosed under the head of "Other Current Liabilities" (Refer Note No. 7)

a) Term Loans aggregating to the values as indicated below are secured by way of first charge, in respect of Fixed assets, both present and future, and second charge on entire current assets of the Company both present and future and also further secured by personal guarantees of Director.

As At	(Rs. In Million)
March 31,2014	1,075.36
March 31,2013	760.80
March 31,2012	810.06

b) Buyers Credit aggregating to the values as indicated below are secured by way of either first or second charge, in respect of Fixed Assets & entire current Assets of the company,both present & future and also further secured by personal guarantees of Director.

As At	(Rs. In Million)
March 31,2014	155.72
March 31,2013	137.66
March 31,2012	67.10

c) Vehicle Loans aggregating to the values as indicated below are secured by way of hypothecation of respective motor vehicles purchased.

As At	(Rs. In Million)
March 31,2014	11.14
March 31,2013	12.23
March 31,2012	10.10

4 DEFERRED TAX LIABILITIES (NET)

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Deferred Tax Liabilities			
Related to Fixed Assets	184.17	132.43	19.08
Deferred Tax Assets			
Provision For Doubtful Trade Receivable	15.45	13.79	-
Disallowances under Section 43B of the Income Tax Act, 1961	50.45	36.94	4.48
Total	118.27	81.70	14.60

5 SHORT TERM BORROWINGS

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Secured			
From Banks	117.32	12.24	33.60
Unsecured			
From Banks	60.00	-	0.39
From Others	-	-	1.98
Total	177.32	12.24	35.97

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. ASTRAL AHMEDABAD

i) Bank Overdraft aggregating to the values as indicated below are secured by way fixed charge over all assets of Astral Pipes Limited and personal guarantee of all the directors of Astral Pipes Limited.

As At	(Rs. In Million)
March 31,2014	22.32
March 31,2013	12.24
March 31,2012	33.60

ii) Working Capital Loans aggregating to the values as indicated below are secured by way of first charge on entire current assets of the Company both present and future and second charge in respect of Fixed assets both present and future and also further Secured by personal guarantees of Director.

As At	(Rs. In Million)
March 31,2014	95.00
March 31,2013	Nil
March 31,2012	Nil

6 TRADE PAYABLES

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Acceptances	1,095.33	941.30	982.82
Other than Acceptances	753.50	763.67	727.10
Total	1,848.83	1,704.97	1,709.92

7 OTHER CURRENT LIABILITIES

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Current Maturities of Long Term Borrowings (Refer Note No. 3)	436.16	267.09	254.76
Interest Accrued and due on Borrowings	1.87	1.49	-
Interest Accrued But Not Due on Borrowings	3.88	4.15	6.77
Unclaimed Dividends	0.21	0.18	0.17
Other Liabilities			
For Statutory Dues	248.56	186.32	151.49
Advance Received From Customers	15.83	8.28	7.59
Other Payables *	58.80	38.64	86.39
Total	765.31	506.15	507.17

* Other Payables includes Payable for Capital Goods.

8 SHORT TERM PROVISIONS

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Provision For Employee Benefits			
Unpaid Leave (Refer Note No. 26)	0.08	0.46	5.38
Provision For Dividend			
Proposed Final Dividend	22.48	16.86	14.05
Tax on Dividend	3.82	2.86	2.28
Provision For Taxation			
Taxation (Net of Advance Payment of Tax)	39.94	56.07	26.17
Provision For Wealth Tax	0.14	0.11	0.05
Total	66.46	76.36	47.93

10 LONG TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Unsecured considered good			
Capital Advances			
To Related Parties (Refer Note No. 27)	-	-	18.70
To Others	28.67	26.27	21.41
Security Deposits	1.57	1.51	1.31
Prepaid Expenses	5.48	0.14	0.20
MAT Credit Entitlement	67.33	50.16	-
Total	103.05	78.08	41.62

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS AHMEDABAD

ASTRAL POLYTECHNIK LTD. AHMEDABAD ASTRAL

Note 9 -Fixed Assets (Rs. In Million)

	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	CWIP	Total
Gross Block							
As at 1st April 2013	367.19	653.50	1,653.83	96.79	36.47	-	2,807.78
Addition	242.79	257.07	428.62	15.26	8.89	-	952.63
Deductions / Adjustments	-	(1.57)	(4.41)	(0.23)	0.95	-	(5.26)
As at 31st March 2014	609.98	912.14	2,086.86	112.28	44.41	82.01	3,847.68
As at 1st April 2012	135.60	513.56	1,371.43	74.24	23.92	-	2,118.75
Addition	231.59	139.81	288.07	22.60	13.64	-	695.71
Deductions / Adjustments	-	(0.13)	5.67	0.05	1.09	-	6.68
As at 31st March 2013	367.19	653.50	1,653.83	96.79	36.47	119.88	2,927.66
As at 1st April 2011	130.62	252.88	988.53	32.13	21.47	-	1,425.63
Addition	4.98	260.68	383.46	42.02	2.82	-	693.96
Deductions / Adjustments	-	-	0.56	(0.09)	0.37	-	0.84
As at 31st March 2012	135.60	513.56	1,371.43	74.24	23.92	129.61	2,248.36
Depreciation							
Upto 31st March,2013	-	51.34	579.92	15.90	11.00	-	658.16
Depreciation for the Year	-	22.22	186.15	6.83	3.90	-	219.10
Deductions / Adjustments	-	(0.40)	(0.72)	(0.08)	0.52	-	(0.68)
As at 31st March 2014	-	73.96	766.79	22.81	14.38	-	877.94
Upto 31st March,2012	-	35.15	424.31	10.60	8.32	-	478.38
Depreciation for the Year	-	16.17	156.35	5.33	3.37	-	181.22
Deductions / Adjustments	-	(0.02)	0.74	0.03	0.69	-	1.44
As at 31st March 2013	-	51.34	579.92	15.90	11.00	-	658.16
Upto 31st March,2011	-	24.69	303.35	6.02	6.19	-	340.25
Depreciation for the Year	-	10.36	120.73	4.55	2.25	-	137.89
Deductions / Adjustments	-	(0.10)	(0.23)	(0.03)	0.12	-	(0.24)
As at 31st March 2012	-	35.15	424.31	10.60	8.32	-	478.38
	-	-	-	-	-	-	-
Net Block	-	-	-	-	-	-	-
As at 31st March 2014	609.98	838.18	1,320.07	89.47	30.03	82.01	2,969.74
As at 31st March 2013	367.19	602.16	1,073.91	80.89	25.47	119.88	2,269.50
As at 31st March 2012	135.60	478.41	947.12	63.64	15.60	129.61	1,769.98

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. AHMEDABAD

11 INVENTORIES

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Raw Materials	691.22	592.48	594.38
Stock In Trade	289.84	227.25	129.95
Finished Goods	948.66	672.51	545.11
Packing Materials	16.90	10.54	-
Goods In Transit	3.11	1.87	1.13
Total	1,949.73	1,504.65	1,270.57

12 TRADE RECEIVABLES

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Unsecured			
Trade Receivable Outstanding for a period exceeding six months from the date they are due for payment			
Considered Good	11.83	11.06	24.67
Considered Doubtful	45.45	40.56	26.95
Less : Provision	45.45	40.56	26.95
	11.83	11.06	24.67
Other Debts			
Considered Good	1,438.94	1,051.81	1,006.94
Total	1,450.77	1,062.87	1,031.61

13 CASH AND CASH EQUIVALENTS

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Cash on Hand	1.15	0.95	0.75
Balance With Banks			
In Current Account	8.19	113.50	109.13
In Deposit Account	0.10	0.59	245.06
In Unclaimed Dividend Account	0.21	0.19	0.17
Total	9.65	115.23	355.11

14 SHORT TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, Considered Good)			
Loans to Related Parties	-	47.25	3.61
Prepaid Expenses	18.02	8.35	6.41
Security Deposits	18.28	7.05	12.91
Advance For Purchase of Non Current Investment	-	19.32	-
Loans and Advances to Employees	0.91	0.45	0.60
Balance with Custom, Central Excise Authorities	340.32	261.91	281.24
MAT Credit Entitlements	45.00	37.43	-
Advances to Suppliers	25.17	23.46	19.56
Taxes Receivable	3.01	3.03	3.07
Total	450.71	408.25	327.40

15 OTHER CURRENT ASSETS

(Rs. In Million)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Interest Receivable	0.00	0.80	1.71
Advance to Gratuity Fund (Refer Note No. 26)	4.65	2.79	2.63
Others	0.10	-	3.10
Total	4.75	3.59	7.44

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. ASTRAL AHMEDABAD

16 REVENUE FROM OPERATIONS

(Rs. In Million)

Particulars	2013-14	2012-13	2011-12
Domestic Sales	11,594.56	8,960.08	6,186.69
Export Sales	191.51	75.41	69.98
Gross	11,786.07	9,035.49	6,256.67
Less : Excise Duty	989.68	783.51	429.74
Revenue from Operations (Net)	10,796.39	8,251.98	5,826.93

17 OTHER INCOME

(Rs. In Million)

Particulars	2013-14	2012-13	2011-12
Interest Income	9.04	3.09	8.51
Dividend From Current Investment	-	-	0.16
Gain on Sale of Current Investment	9.27	12.72	9.05
Profit on Sale of Fixed Assets	-	0.02	-
Miscellaneous Income	6.05	2.92	20.42
Total	24.36	18.75	38.14

18 COST OF MATERIALS CONSUMED

(Rs. In Million)

Particulars	2013-14	2012-13	2011-12
Opening Stock	592.48	594.38	419.72
Add : Purchases	7,544.99	5,668.86	4,341.12
	8,137.47	6,263.24	4,760.84
Less : Closing Stock	710.02	592.48	594.38
Cost of Materials Consumed	7,427.45	5,670.76	4,166.46

19 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE

(Rs. In Million)

Particulars	2013-14	2012-13	2011-12
Inventories At the End of the Year			
Finished Goods	956.90	672.51	545.11
Stock In Trade	269.16	227.25	129.95
	1,226.06	899.76	675.06
Inventories At the Beginning of the Year			
Finished Goods	672.51	545.11	340.29
Stock In Trade	227.25	129.95	106.75
	899.76	675.06	447.04
Net (Increase) / Decrease	(326.30)	(224.70)	(228.02)

20 EMPLOYEE BENEFITS EXPENSES

(Rs. In Million)

Particulars	2013-14	2012-13	2011-12
Salaries and Wages	226.53	189.05	137.01
Contribution to Providend and Other Funds (Refer Note No.26)	8.90	8.56	8.47
Staff Welfare Expenses	9.11	8.99	6.05
Total	244.54	206.60	151.53

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. ASTRAL AHMEDABAD

21 FINANCE COSTS

(Rs. In Million)

Particulars	2013-14	2012-13	2011-12
Interest Expenses			
Borrowings	77.21	68.90	56.89
Others	2.25	2.11	1.54
Other Borrowing Costs	9.09	9.40	14.05
Expense on Foreign Currency Transaction including Hedging Costs	222.69	111.38	155.11
Total	311.24	191.79	227.59

22 OTHER EXPENSES

(Rs. In Million)

Particulars	2013-14	2012-13	2011-12
Stores & Spares	65.55	41.93	24.51
Power and Fuel	204.51	194.91	145.62
Rent Expenses *	17.90	14.16	11.05
Repairs to Buildings	11.36	9.97	9.80
Repairs to Machinery	13.93	11.55	17.62
Repairs Others	5.24	2.83	2.28
Insurance Expenses	14.20	10.60	6.50
Royalty Expenses	13.79	7.51	1.69
Rates & Taxes	2.90	4.97	3.85
Communication Expenses	8.27	6.59	5.47
Travelling Expenses	51.28	38.76	30.44
Factory & Other Expenses	15.31	14.15	10.44
Printing & Stationary	3.63	3.77	3.66
Freight & Fowarding	171.33	132.33	88.88
Packing Expenses	111.65	82.17	60.69
Changes in Excise Duty on Inventories	20.93	19.83	8.12
Commission	15.08	12.17	9.78
Discount on Sales	227.36	227.08	179.83
Sales Promotions	178.07	164.48	61.17
Donations & Contributions	1.35	0.97	0.24
Security Service Charges	14.03	10.62	7.57
Legal & Professional	30.19	13.04	11.91
Payments to Auditors **	1.26	1.44	0.87
Bad Debts Written Off	2.05	-	-
Provision for Doubtful Trade and Other Receivable	4.89	23.50	17.46
Net Loss on Foreign Currency transactions and translations	45.99	18.18	-
Loss on Sale of Fixed Assets	0.94	-	0.47
Other Expenses	21.33	20.83	13.02
Total	1,274.32	1,088.34	732.94

* The Company is lessee under various operation leases under which rental expenses for the year 2013-14 was Rs. 17.90 Mn, for the year 2012-13 was Rs. 14.16 Mn, for the year 2011-12 was Rs.11.05 Mn. The Company has not executed any non cancelable lease agreement.

** Payment to Auditors As:

(Rs. In Million)

Particulars	2013-14	2012-13	2011-12
For Statutory Audit	0.89	0.87	0.60
For Other Services	0.37	0.57	0.22
For Service Tax	0.14	0.17	0.10
Total	1.40	1.61	0.92

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS AHMEDABAD

ASTRAL POLYTECHNIK LTD. AHMEDABAD ASTRAL

23. NOTES FORMING PART OF CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

a) Basis of consolidation

These consolidated summary financial statements of the Company comprise the consolidated summary Balance Sheet as on March 31, 2014, 2013 and 2012. The Consolidated Summary Statement of Profit and Losses and the Consolidated Summary Statement of Cash Flows for the years then ended, the related schedules and explanatory notes; together referred to therein as the "Consolidated Summary Financial Statements".

These Consolidated Summary Financial statements have been derived from the audited consolidated financial statements of the company for the respective years which were approved by the Board of Directors of the Company. The figures included in the Consolidated Summary Financial Statements for the years ended March 31, 2014, 2013 and 2012 do not consider facts or circumstances which arose subsequent to date of approval of the Consolidated financial statements of the company for each of those years as detailed below and have been rounded off to present them in rupees million.

Consolidated financial statements for the:	Date adopted by the Board of Directors
Year ended March 31, 2014	May 03, 2014
Year ended March 31, 2013	May 20, 2013
Year ended March 31, 2012	May 22, 2012

b) Principles of Consolidation:

The Consolidated Financial Statements relate to Astral Poly Technik Limited ("the Company") and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.
- In case of foreign joint venture, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains/ (losses) arising on conversion are recognised under Foreign Currency Translation Reserve.
- Interests in Joint Venture have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures issued by The Institute of Chartered Accountants of India.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2014 and in case of joint venture the financial statements used in the consolidation are drawn up to 31st December, 2013.
- The excess of cost to the Company, of its investment in the subsidiary company and joint venture over the Company's portion of equity is recognised in the financial statement as Goodwill.
- The excess of the Company's portion of equity of the subsidiary and joint venture on the acquisition date over its cost of investment is treated as Capital Reserve.
- Intra-group balances and intra-group transactions and resulting unrealised profits have been eliminated.

c) The list of subsidiaries company and joint venture which are included in the consolidation and the Company's holdings therein are as under:

Name of the Company	% of Holding			Country of Incorporation
	2013-14	2012-13	2011-12	
Subsidiaries				
Astral Biochem Private Limited	100%	100%	100%	India
Advanced Adhesives Limited	85%	85%	85%	India
Joint Venture				
Astral Pipes Limited (Formerly known as Astral Technologies Limited)	37.50%	31.90%	31.90%	Kenya

The audited financial statements of Astral Pipes Limited (Kenya) up to 31st December, 2013, 2012, 2011 have been prepared in accordance with International Financial Reporting Standards. Differences in accounting policies of the Company and the joint venture are not material and there are no material transactions from 1st January, 2014 to 31st March, 2D14, 1st January, 2013 to 31st March, 2013, 1st January, 2012 to 31st March, 2012 in respect of the joint venture having financial year ended on 31st December, 2013, 2012, 2011.

d) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

e) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of freight, duties, non-refundable taxes and levies and other incidental expenses related to acquisition/installation, adjusted by revaluation of Land in 2004-05.

f) Lease

Operating lease rentals are expensed with reference to lease terms. There are no finance leases.

g) Impairment of Assets

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. Impairment is charged to the Statement of Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

h) Depreciation

Depreciation is charged under Straight Line Method in accordance with the rates and manner as specified in Schedule XIV of the Companies Act, 1956. Assets costing Rs. 5,000/- is fully depreciated in the year of acquisition.

i) Investments

Current investments are stated at lower of cost and fair value.

Long Term investments are stated at cost. Provision is made to recognize any diminution in value, other than that of a temporary nature.

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

ASTRAL POLYTECHNIK LTD. AHMEDABAD

j) Inventories

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on first-in first-out (FIFO) basis. The cost of finished goods comprises of raw materials, direct labour, other direct costs and related production overhead, but excludes interest expenses. Net realizable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

k) Revenue Recognition

Sales are recognized on transfer of significant risks and rewards of ownership to the buyer. Sales are net of trade discounts, Sales Tax and VAT. Excise duties collected on Sales are shown by way of deduction from Sales.

Dividend income is recognized when the right to receive dividend is established.

Interest income is recognized using the time-proportion method based on rates implicit in the transaction.

Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

l) CENVAT

CENVAT (Central Value Added Tax) credit in respect of Excise, Custom and Service tax is accounted on accrual basis on purchase of eligible inputs, capital goods and services. The balance of CENVAT credit is reviewed at the end of each year and amount estimated to be un-utilizable is charged to the Statement of Profit and Loss Account for the year.

m) Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

The Company has not exercised the option for capitalization or amortization of exchange differences on long term foreign currency monetary items as provided by notification issued by the Ministry of Corporate Affairs.

Any income or expenses on account of exchange difference either on settlement or on translation are recognized in the Statement of Profit and Loss Account.

n) Borrowing costs

Borrowing costs include interest; amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are is added to the cost of the assets.

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o) Taxes on Income

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods by applying tax rates that have been substantively enacted by the balance sheet date. Deferred tax assets are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

p) Research & Development Expenditure

Research and Development expenses of revenue nature are charged to the Statement of Profit and Loss Account and the expenditure on capital assets is added to the fixed assets.

q) Employee Benefits

Defined Contribution Plan:
The Company's contribution to Provident Fund and employees state insurance scheme made to a government administered Provident Fund are considered as defined contribution plans, and is charged to the Statement of Profit and Loss as incurred.

Defined benefit plans:
Provision for gratuity, under a LIC administered fund, which is in the nature of defined benefit plan, is provided based on valuations, as at the balance sheet date, made by an independent actuary as per the requirements of Accounting Standard-15 on "Employee Benefits". The current service cost, interest cost, expected return on plan assets and actuarial gain/loss are debited/credited,as the case may be, to the Statement of Profit and Loss of the year as employee benefits.

Short-term employee benefits:
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

r) Amortization of Miscellaneous Expenditure

Preliminary Expenses are being written off equally over a period of ten years.
Share issue expenses and redemption premium are adjusted against the Securities premium account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account.

s) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

24. EARNINGS PER SHARE :

Particulars	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Profit After Tax (Rs. In Million)	789.15	606.11	394.96
Weighted Average No. of Equity Shares Outstanding	56,190,280	22,476,112	22,476,112
Nominal Value of shares (Rs.)	2	5	5
Basic & Diluted Earnings Per Share (In Rs.)	14.04	10.79	7.03

During the year 2013-14 Pursuant to the approval of the shareholders at the Annual General Meeting held on August 5, 2013, the Board of Directors of the Company at its meeting held on the date had approved sub-division of its equity share of the face value of Rs. 5 each into 2.5 (Two and Half) equity shares of Rs. 2 each.

Consequently, the Earnings per Share (EPS) has been adjusted as required under AS-20 Earnings Per Share.

25. CONTINGENT LIABILITIES NOT PROVIDED FOR :

(Rs. In Million)

Sr. No.	Particulars	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
1	Bank Guarantees	29.61	29.82	15.52
2	Letters of Credit for Purchases	14.98	2.45	3.80
3	Income tax matters under appeal	Nil	0.58	77.25
Commitments				
4	Capital Contracts remaining to be executed	146.40	118.23	86.94

26. EMPLOYEE BENEFITS:

The disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006 are given below:

Defined Contribution Plan:

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note No. 20 for FY 2013-14 Rs. 7.91 Million, For FY 2012-13 Rs. 6.66 Million, For FY 2011-12 Rs. 5.37 Million.

Defined Benefit Plan:

The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines. The details of these defined benefit plans recognized in the financial statements are as under:

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ASTRAL POLYTECHNIK LTD. ★ AHMEDABAD ★ ASTRAL

General Description of the Plan:

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

Status of Defined Benefit Plans/Long term Compensated Absences – As per Actuarial Valuations as on 31st March, 2014:

a) Reconciliation of opening and closing balances of the present value of the Defined benefit Obligation:

(Rs. In Million)

Particulars	**Gratuity**		
	2013-14	**2012-13**	**2011-12**
Obligations at the beginning of the year	10.51	7.91	5.35
Current service cost	1.74	1.64	1.52
Interest cost	0.87	0.69	0.45
Actuarial (gain) / loss	(0.38)	0.55	0.85
Benefits paid	(0.68)	(0.27)	(0.26)
Obligations at the end of the year	**12.06**	**10.52**	**7.91**

Particulars	**Leave Encashment**		
	2013-14	**2012-13**	**2011-12**
Obligations at the beginning of the year	0.46	-	-
Current service cost	0.83	0.46	-
Interest cost	0.04	-	-
Actuarial (gain) / loss	(0.17)	-	-
Benefits paid	-	-	-
Obligations at the end of the year	**1.16**	**0.46**	-

b) Reconciliation of opening and closing balances of the fair value of plan assets :

(Rs. In Million)

Particulars	**Gratuity**		
	2013-14	**2012-13**	**2011-12**
Plan assets at the beginning of the year, at fair value	13.30	10.53	7.57
Expected return on plan assets	1.16	0.92	0.69
Actuarial gain / (loss)	0.10	0.13	0.10
Contributions	2.80	1.99	2.43
Benefits paid	(0.68)	(0.27)	(0.26)
Plan assets at the end of the year, at fair value	**16.68**	**13.30**	**10.53**

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Particulars	Leave Encashment		
	2013-14	2012-13	2011-12
Plan assets at the beginning of the year, at fair value	-	-	-
Expected return on plan assets	-	-	-
Actuarial gain / (loss)	-	-	-
Contributions	-	-	-
Benefits paid	-	-	-
Plan assets at the end of the year, at fair value	-	-	-

c) Reconciliation of the present value of the defined benefit obligation & fair value of plan assets:

(Rs. In Million)

Particulars	Gratuity		
	2013-14	2012-13	2011-12
Obligations at the end of the year	12.07	10.51	7.91
Plan assets at the end of the year, at fair value	16.69	13.30	10.53
Liability/(Assets) recognized in Balance sheet as on 31-Mar-14	**(4.62)**	**(2.79)**	**(2.62)**

(Rs. In Million)

Particulars	Leave Encashment		
	2013-14	2012-13	2011-12
Obligations at the end of the year	1.15	0.46	-
Plan assets at the end of the year, at fair value	-	-	-
Liability/(Assets) recognized in Balance sheet as on 31-Mar-14	**1.15**	**0.46**	-

d) Cost for the year: **(Rs. In Million)**

Particulars	Gratuity		
	2013-14	2012-13	2011-12
Current service cost	1.74	1.64	1.52
Interest cost	0.87	0.69	0.45
Expected return on plan assets	(1.16)	(0.92)	(0.69)
Actuarial (Gains)/Loss	(0.48)	0.41	0.75
Expense recognized in the Statement of Profit and Loss	**0.97**	**1.82**	**2.03**

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ASTRAL POLYTECHNIK LTD. AHMEDABAD ASTRAL

Cost for the year: (Rs. In Million)

Particulars	Leave Encashment		
	2013-14	2012-13	2011-12
Current service cost	0.83	0.46	-
Interest cost	0.04	-	-
Expected return on plan assets	-	-	-
Actuarial (Gains)/Loss	(0.17)	-	-
Expense recognized in the Statement of Profit and Loss	**0.70**	**0.46**	-

e) Investment details of plan assets :

To fund the obligations under the gratuity plan, Contributions are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines.

f) Assumptions :

Particulars	Gratuity		
	2013-14	2012-13	2011-12
Discount Rate	9.31%	8.25%	8.34%
Expected return on plan assets	8.70%	8.70%	9.15%
Annual Increase in Salary Costs	5.00%	5.00%	5.00%

Particulars	Leave Encashment		
	2013-14	2012-13	2011-12
Discount Rate	9.31%	8.25%	-
Expected return on plan assets	-	-	-
Annual Increase in Salary Costs	5.00%	5.00%	-

Future Salary increases are based on long term average salary rise expected taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employee market. Future Separation & mortality rates are obtained from relevant data of Life Insurance Corporation of India.

g) Experience History of Gratuity:

(Rs. In Million)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Defined Benefit Obligation at the end of the period	12.07	10.51	7.91	5.35	4.59	32.15
Plan Assets at the end of the period	16.69	13.30	10.53	7.57	5.65	26.18
Funded Status	(4.62)	(2.79)	(2.62)	(2.21)	(1.06)	5.97
Experience Adjustments on Plan Liabilities	--	--	--	--	--	--
Experience Adjustments on Plan Assets	--	--	--	--	--	--

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h) Contributions expected to be paid to the plan during the next financial year Rs. Nil (Previous Year : Nil)

27. RELATED PARTY DISCLOSURES:

1. Name of Party and relationship

Sr. No.	Description of Relationship	Name of Related Parties
a.	Enterprises over which Key Managerial Personal are able to exercise significant influence	Kairav Chemicals Limited Saumya Polymers LLP (Formerly Saumya Polymers Private Limited) Plumbware Limited Allied Plumbers Limited Architectural Supplies Limited Allied Plumbers U Limited Ole Sereni Hotel Asl Limited Trevelshoppe Company Ltd Polythene Industries Ltd Juma Hardware Store Ltd Kentainers Ltd Lino Stationers (A) Ltd
b.	Key Management Personnel	Mr. Sandeep P. Engineer Mrs. Jagruti S. Engineer Mr. K. R. Shenoy Mr. Kairav S. Engineer Mr. Yogesh Patel Mr. Manminder S. Jandu Mr. Hiranand Savlani Mr. Kartik S. Patel Mr. Gautam C. Patel
c.	Relatives of Key Management Personnel	Sandeep P. Engineer HUF Mr. Bipin R. Mehta Mrs. Rekha B. Mehta Mrs. Hansa P. Engineer Mr. Saumya S. Engineer

2. Details of Related Party Transactions during the year ended 31[st] March 2014:-

(Rs. In Million)

Sr No.	Particulars	2013-14	2012-13	2011-12
1	**Receipt towards Loan given**			
	Kairav Chemicals Limited	-	2.5	1.25
2	**Purchase of Goods / Assets**			
	Kairav Chemicals Limited	23.22	1.14	0.15
	Mr. Sandeep P. Engineer	-	94.10	-
	Mrs. Jagruti S. Engineer	-	94.10	-
	Plumbware Limited	0.03	0.07	-
	Allied Plumbers Limited	0.74	4.74	1.69

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	Architectural Supplies Limited	-	0.00	0.01
	ASL Limited	0.59	-	-
	Trevelshoppe Company Ltd	0.49	-	-
	Polythene Industries Ltd	20.76	-	-
	Juma Hardware Store Ltd	0.09	-	-
	Kentainers Ltd	0.04	-	-
	Lino Stationers (A) Ltd	0.03	-	-
	Ole Sereni Hotel	-	-	0.03
3	**Sale of Goods/Assets**			
	Kairav Chemicals Limited	0.04	-	0.03
	Plumbware Limited	1.12	0.85	0.80
	Allied Plumbers Limited	6.31	10.93	7.45
	Allied Plumbers U Limited	1.24	1.64	0.40
	ASL Limited	3.81	-	-
	Juma Hardware Store Ltd	1.35	-	-
4	**Rent Received**			
	Kairav Chemicals Limited	0.41	0.32	0.30
5	**Dividend Paid**			
	Saumya Polymers LLP	5.85	3.55	3.55
	Mr. Sandeep P. Engineer	6.51	5.33	3.91
	Mrs. Jagruti S. Engineer	2.51	2.06	2.06
	Mr. Bipin R. Mehta	0.18	0.15	0.15
	Mrs. Hansa P. Engineer	1.83	1.50	0.67
6	**Interest Income**			
	Kairav Chemicals Limited	-	0.06	1.12
7	**Remuneration**			
	Mr. Sandeep P. Engineer	22.13	17.79	6.35
	Mrs. Jagruti S. Engineer	2.95	2.35	1.73
	Mr. K. R. Shenoy	0.20	0.20	0.20
	Mr. Yogesh Patel	-	0.14	0.47
	Mr. Bipin R. Mehta	1.80	2.06	1.90
	Mr. Kairav S. Engineer	1.67	1.59	0.77
8	**Rent Paid**			
	Kairav Chemicals Limited	2.77	0.85	0.55
	Allied Plumbers Limited	1.59	2.36	1.34
	Sandeep P. Engineer (H.U.F.)	0.89	0.78	0.65
	Mrs. Hansa P. Engineer	0.20	0.12	0.06
9	**Deposit Given**			
	Kairav Chemicals Limited	8.80	-	-

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ASTRAL POLYTECHNIK LTD. ★ ASTRAL ★ AHMEDABAD

Details of Related Party Transactions outstanding balances as at 31st March 2014:

(Rs. In Million)

Sr No.	Particulars	2013-14	2012-13	2011-12
1	**Deposit Given**			
	Kairav Chemicals Limited	8.80	-	-
2	**Payables towards Purchase of Goods / Assets**			
	Allied Plumbers Limited	0.98	0.13	-
	Trevelshoppe Company Ltd	0.02	-	-
	Polythene Industries Ltd	6.16	-	-
	Juma Hardware Store Ltd	0.00	-	-
	Kentainers Ltd	0.05	-	-
	Lino Stationers (A) Ltd	0.01	-	-
	Mr. Sandeep P. Engineer	-	-	9.95
	Mrs. Jagruti S. Engineer	-	-	8.75
3	**Receivables**			
	Allied Plumbers Limited	9.88	5.59	4.15
	Plumbware Limited	0.75	0.22	0.42
	Allied Plumbers (U) Limited	0.85	0.64	-
	Juma Hardware Store Ltd	0.91	-	-
4	**Payable towards Expenses**			
	Mr. Sandeep P. Engineer	6.76	6.07	0.56
	Mrs. Jagruti S. Engineer	-	0.12	0.03
	Mr. K. R. Shenoy	0.04	0.04	0.05
	Mr. Bipin R. Mehta	0.10	0.01	0.12
	Mr. Kairav S. Engineer	0.07	0.07	0.09
5	**Interest on Loans**			
	Kairav Chemicals Ltd	-	-	1.07
6	**Unsecured Loan Given**			
	Kairav Chemicals Ltd	-	-	2.50

28. SEGMENT INFORMATION :

The Company is engaged mainly in production of plastic products and as such is the only reportable segment as per Accounting Standard on Segment Reporting (AS – 17) issued by the Institute of Chartered Accountants of India. The geographical segmentation is not relevant as export turnover is not significant in respect of total turnover.

29. DERIVATIVE INSTRUMENTS :

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts and Currency Options for speculative purposes.

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Outstanding Forward Exchange Contracts entered into by the Company:

As at	No. of Contracts	Buy / Sell	US $ Equivalent (Million)	INR Equivalent (Million)
March 31, 2014	3	Buy	4.20	251.45
March 31, 2013	9	Buy	6.36	345.39
March 31,2012	3	Buy	4.50	228.96

Expenditure on account of premium on forward exchange contracts to be recognized in the Statement of Profit and Loss of subsequent accounting period of 2013-14 Rs. 9.94 Million, 2012-13 Rs. 1.62 Million, 2011-12 Rs. 5.16 Million.

Outstanding Option Contracts entered into by the Company:

As at	No. of Contracts	Buy / Sell	US $ Equivalent (Million)	INR Equivalent (Million)
March 31, 2014	2	Buy	0.30	179.67
March 31, 2013	Nil	Nil	Nil	Nil
March 31, 2012	Nil	Nil	Nil	Nil

Foreign Currency Exposures not hedged by derivative instruments: (in Million)

Currency - Payable	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
USD	31.08	31.82	39.95
EURO	1.15	0.95	0.96
GBP	0.001	Nil	Nil
INR EQUIVALENT	1,955.77	1,792.76	2,097.23

Currency - Receivable	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
USD	0.67	0.16	0.36
INR EQUIVALENT	39.85	8.73	18.35

Foreign Exchange Loss (Net) for the year 2013-14 Rs. 264.44 Million, 2012-13 Rs. 127.70 Million, 2011-12 Rs. 223.69 Million has been included in respective heads of Statement of Profit and Loss.

30. GOODWILL ON CONSOLIDATION :

(Rs. In Million)

Particulars	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Opening Balance	Nil	Nil	Nil
Add : On acquisition of shares in Joint Venture during the year	6.90	Nil	Nil
	6.90	**Nil**	**Nil**
Less : Capital Reserves on consolidation (Refer Note No. 2)	1.63	Nil	Nil
Total	**5.27**	**Nil**	**Nil**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS AHMEDABAD

ASTRAL POLYTECHNIK LTD. AHMEDABAD ASTRAL

31. INTEREST IN JOINT VENTURE:

The Company has 37.50% ownership interest in joint venture company Astral Pipes Limited ('APL') Formerly known as Astral Technologies Limited, incorporated in Kenya. Its proportionate share in the assets, liabilities, income and expenses etc. in the said joint venture company is given below:

(Rs. In Million)

Particulars	As at 31.12.2013	As at 31.12.2012	As at 31.12.2011
Assets	143.29	59.26	57.35
Liabilities	73.44	59.76	47.70
Income	43.87	26.92	26.42
Expenses (including Depreciation and taxation)	47.53	36.86	32.14
Contingent Liabilities	-	-	-
Capital Commitments remaining to be executed	-	-	-

As per our report of even date
For, Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner

Date : November 25, 2014
Place: Ahmedabad

For and on behalf of the Board

(Sandeep P. Engineer)
Managing Director

Jagruti S. Engineer
(Jagruti S. Engineer)
Executive Director

(Amish Shah)
Company Secretary

Date : November 25, 2014
Place: Ahmedabad

BDO

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Chartered Accountants
Lindsay House
10 Callender Street
Belfast BT1 5BN

INDEPENDENT REVIEW REPORT TO SEAL IT SERVICES LIMITED

Introduction

We have been engaged by the company to review the interim financial statement for the period from 1 April 2014 to 30 September 2014.

Managements' responsibilities

The interim financial statement is the responsibility of and has been approved by management. Management are responsible for preparing the interim financial statement.

The interim financial statement has been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility

Our responsibility is to express to the company a conclusion on the interim financial statement based on our review.

This report has been prepared in accordance with the terms of our engagement to assist the company and for no other purpose. BDO Northern Ireland neither owe nor accept any duty of care to any other party who may receive our report, and we specifically disclaim any liability for any loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial statement consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the interim financial statement for the period from 1 April 2014 to 30 September 2014 is not prepared, in all material respects, in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

BDO Northern Ireland
Chartered Accountants and Registered Auditors
Lindsay House
10 Callender Street
Belfast

1 December 2014

SEAL IT SERVICES LIMITED

Profit and loss account

Period from 1st April 2014 to 30th September 2014

	Note	Period from 1 Apr 14 to 30 Sep 14 £	Year to 31 Mar 14 £
Turnover		6,936,071	12,555,687
Cost of sales		5,499,643	9,756,208
Gross profit		1,436,428	2,799,479
Distribution costs		489,001	1,501,850
Administrative expenses		449,420	678,783
Other operating income		–	(1,701)
Operating profit		498,007	620,547
Interest payable and similar charges		33,474	40,942
Profit on ordinary activities before taxation		464,533	579,605
Tax on profit on ordinary activities	1	101,588	130,583
Profit for the financial period		362,945	449,022

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

SEAL IT SERVICES LIMITED

Balance sheet

30th September 2014

	Note	30 Sep 14 £	£	31 Mar 14 £	£
Fixed assets					
Tangible assets	2		2,069,305		698,873
Investments	3		100		100
			2,069,405		698,973
Current assets					
Stocks	4	2,004,418		1,301,953	
Debtors	5	3,230,314		2,798,184	
Cash at bank and in hand		442,762		17,041	
		5,677,494		4,117,178	
Creditors: Amounts falling due within one year	6	3,015,887		2,503,088	
Net current assets			2,661,607		1,614,090
Total assets less current liabilities			4,731,012		2,313,063
Creditors: Amounts falling due after more than one year	7		2,665,727		532,255
Provisions for liabilities					
Deferred taxation	8		81,367		59,835
			1,983,918		1,720,973
Capital and reserves					
Called-up equity share capital			100		100
Profit and loss account			1,983,818		1,720,873
Shareholders' funds			1,983,918		1,720,973

Company Registration Number: 04487206

SEAL IT SERVICES LIMITED

Notes to the financial statements

Period from 1st April 2014 to 30th September 2014

1. Taxation on ordinary activities

(a) Analysis of charge in the period

	Period from 1 Apr 14 to 30 Sep 14	Year to 31 Mar 14
	£	£
Current tax:		
In respect of the period:		
UK Corporation tax based on the results for the period at 21% (To 31 Mar 14 - 23%)	**80,056**	104,363
Total current tax	**80,056**	104,363
Deferred tax:		
Origination and reversal of timing differences (note 9) Capital allowances	**21,532**	26,220
Tax on profit on ordinary activities	**101,588**	130,583

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 21% (To 31 Mar 14 - 23%).

	Period from 1 Apr 14 to 30 Sep 14	Year to 31 Mar 14
	£	£
Profit on ordinary activities before taxation	**464,533**	579,605
Profit on ordinary activities by rate of tax	**97,547**	133,309
Expenses disallowed	**4,036**	606
Excess of capital allowances over depreciation	**(21,527)**	(37,602)
Other provision	**-**	8,050
Total current tax (note 2(a))	**80,056**	104,363

SEAL IT SERVICES LIMITED

Notes to the financial statements

Period from 1st April 2014 to 30th September 2014

2. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2014	15,798	1,317,864	114,017	97,285	87,702	1,632,666
Additions	1,300,000	91,909	68,399	–	23,096	1,483,404
At 30 Sep 2014	1,315,798	1,409,773	182,416	97,285	110,798	3,116,070
Depreciation						
At 1 Apr 2014	2,726	769,519	44,646	42,284	74,618	933,793
Charge for the period	5,021	96,067	4,854	4,864	2,166	112,972
At 30 Sep 2014	7,747	865,586	49,500	47,148	76,784	1,046,765
Net book value						
At 30 Sep 2014	1,308,051	544,187	132,916	50,137	34,014	2,069,305
At 31 Mar 2014	13,072	548,345	69,371	55,001	13,084	698,873

3. Investments

Investment in Calder Distribution Limited

	£
Cost	
At 1st April 2014 and 30th September 2014	100
Net book value	
At 30th September 2014 and 31st March 2014	100

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company:				
Calder Distribution Limited	UK	Ordinary	100%	Distributor

The registered office of Calder Distribution Limited is: Unit G16 River Bank Way, Lowfields Business Park, Elland, West Yorkshire, UK, HX5 9DN

SEAL IT SERVICES LIMITED

Notes to the financial statements

Period from 1st April 2014 to 30th September 2014

4. Stocks

	30 Sep 14	31 Mar 14
	£	£
Finished goods	2,004,418	1,301,953

The estimated replacement costs do not materially exceed the values shown in the financial statements.

5. Debtors

	30 Sep 14	31 Mar 14
	£	£
Trade debtors	2,819,714	2,626,105
Amounts owed by group undertakings	151,593	163,520
Other debtors	247,611	1,470
Prepayments and accrued income	11,396	7,089
	3,230,314	2,798,184

All debts are due within one year.

6. Creditors: Amounts falling due within one year

	30 Sep 14		31 Mar 14	
	£	£	£	£
Overdrafts		–		672,202
Trade creditors		1,018,860		678,511
Amounts owed to group undertakings		532,255		–
Other creditors including taxation and social security:				
Corporation tax	80,056		57,863	
PAYE and social security	43,420		46,884	
VAT	142,179		396,873	
Hire purchase agreements	225,067		185,337	
Other creditors	551,612		–	
Directors current accounts	–		9,900	
		1,042,334		696,857
Accruals and deferred income		422,438		455,518
		3,015,887		2,503,088

Hire purchase agreement split not completed in Unaudited Interim Financial Statements.

SEAL IT SERVICES LIMITED

Notes to the financial statements

Period from 1st April 2014 to 30th September 2014

7. Creditors: Amounts falling due after more than one year

		30 Sep 14		31 Mar 14
		£		£
Bank loans		2,665,727		–
Other creditors:				
Amounts owed to related company	–		532,255	
		–		532,255
		2,665,727		532,255

8. Deferred taxation

The movement in the deferred taxation provision during the period was:

	Period from 1 Apr 14 to 30 Sep 14	Year to 31 Mar 14
	£	£
Provision brought forward	59,835	33,615
Profit and loss account movement arising during the period	21,532	26,220
Provision carried forward	81,367	59,835

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	30 Sep 14	31 Mar 14
	£	£
Excess of taxation allowances over depreciation on fixed assets	81,367	59,835
	81,367	59,835

BDO

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Chartered Accountants
Lindsay House
10 Callender Street
Belfast BT1 5BN

SEAL IT SERVICES LIMITED

Independent auditor's report to the shareholders of Seal It Services Limited

Year ended 31st March 2014

We have audited the group and parent company financial statements ("the financial statements") of Seal It Services Limited for the year ended 31st March 2014 which comprise the Group Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31st March 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SEAL IT SERVICES LIMITED

Independent auditor's report to the shareholders of Seal It Services Limited
(continued)

Year ended 31st March 2014

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Laura Jackson

Laura S V Jackson, senior statutory auditor
For and on behalf of BDO Northern Ireland, statutory auditor
Lindsay House
10 Callender Street
Belfast
BT1 5BN

30 July 2014

SEAL IT SERVICES LIMITED

Group profit and loss account

Year ended 31st March 2014

	Note	2014 £	2013 £
Group turnover	2	13,286,021	11,704,523
Cost of sales		10,279,375	8,982,033
Gross profit		3,006,646	2,722,490
Distribution costs		1,634,802	1,353,738
Administrative expenses		738,294	716,357
Operating profit	3	633,550	652,395
Interest payable and similar charges	6	40,942	25,335
Profit on ordinary activities before taxation		592,608	627,060
Tax on profit on ordinary activities	7	134,364	151,089
Profit for the financial year	8	458,244	475,971

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 13 to 24 form part of these financial statements.

SEAL IT SERVICES LIMITED

Group balance sheet

31st March 2014

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	10		698,873		473,258
Current assets					
Stocks	12	1,416,890		1,188,277	
Debtors	13	2,809,915		2,481,089	
Cash at bank and in hand		17,041		143,414	
		4,243,846		3,812,780	
Creditors: Amounts falling due within one year	14	2,491,527		2,262,111	
Net current assets			1,752,319		1,550,669
Total assets less current liabilities			2,451,192		2,023,927
Creditors: Amounts falling due after more than one year	15		661,162		618,361
Provisions for liabilities					
Deferred taxation	17		59,835		33,615
			1,730,195		1,371,951
Capital and reserves					
Called-up equity share capital	20		100		100
Profit and loss account	21		1,730,095		1,371,851
Shareholders' funds	22		1,730,195		1,371,951

These accounts were approved by the directors and authorised for issue on 30/07/14 and are signed on their behalf by:

Mr I Woods

Mr M Horner

The notes on pages 13 to 24 form part of these financial statements.

SEAL IT SERVICES LIMITED

Balance sheet

31st March 2014

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	10		698,873		473,258
Investments	11		100		100
			698,973		473,358
Current assets					
Stocks	12	1,301,953		1,188,277	
Debtors	13	2,798,184		2,480,989	
Cash at bank and in hand		17,041		143,414	
		4,117,178		3,812,680	
Creditors: Amounts falling due within one year	14	2,374,181		2,262,111	
Net current assets			1,742,997		1,550,569
Total assets less current liabilities			2,441,970		2,023,927
Creditors: Amounts falling due after more than one year	15		661,162		618,361
Provisions for liabilities					
Deferred taxation	17		59,835		33,615
			1,720,973		1,371,951
Capital and reserves					
Called-up equity share capital	20		100		100
Profit and loss account	21		1,720,873		1,371,851
Shareholders' funds			1,720,973		1,371,951

These accounts were approved by the directors and authorised for issue on 30|07|14 and are signed on their behalf by:

Mr I Woods

Mr M Horner

Company Registration Number: 04487206

The notes on pages 13 to 24 form part of these financial statements.

SEAL IT SERVICES LIMITED

Group cash flow

Year ended 31st March 2014

	2014		2013	
	£	£	£	£
Net cash inflow from operating activities		528,168		155,026
Returns on investments and Servicing of finance				
Interest paid	(36,661)		(24,267)	
Interest element of hire purchase	(4,281)		(1,068)	
Net cash outflow from returns on investments and servicing of finance		(40,942)		(25,335)
Taxation		(193,285)		(31,237)
Capital expenditure				
Payments to acquire tangible fixed assets	(378,975)		(343,640)	
Receipts from sale of fixed assets	–		3	
Net cash outflow from capital expenditure		(378,975)		(343,637)
Equity dividends paid		(100,000)		(100,000)
Cash outflow before financing		(185,034)		(345,183)
Financing				
Capital element of hire purchase	73,935		86,144	
Net outflow from other long-term creditors	–		(159,033)	
Net cash inflow/(outflow) from financing		73,935		(72,889)
Decrease in cash		(111,099)		(418,072)

Reconciliation of operating profit to net cash inflow from operating activities

	2014	2013
	£	£
Operating profit	633,550	652,395
Depreciation	153,360	117,260
Increase in stocks	(228,613)	(56,474)
Increase in debtors	(328,826)	(414,730)
Increase/(decrease) in creditors	298,697	(143,425)
Net cash inflow from operating activities	528,168	155,026

The notes on pages 13 to 24 form part of these financial statements.

SEAL IT SERVICES LIMITED

Group cash flow

Year ended 31st March 2014

Reconciliation of net cash flow to movement in net debt

	2014		2013	
	£	£	£	£
Decrease in cash in the period	(111,099)		(418,072)	
Cash outflow in respect of hire purchase	(73,935)		(86,144)	
Net cash outflow from other long-term creditors	–		159,033	
		(185,034)		(345,183)
Change in net debt		(185,034)		(345,183)
Net debt at 1 April 2013		(1,248,880)		(903,697)
Net debt at 31 March 2014		(1,433,914)		(1,248,880)

Analysis of changes in net debt

	At 1 Apr 2013	Cash flows	At 31 Mar 2014
	£	£	£
Net cash:			
Cash in hand and at bank	143,414	(126,373)	17,041
Overdrafts	(748,637)	15,274	(733,363)
	(605,223)	(111,099)	(716,322)
Debt:			
Debt due after 1 year	(532,255)	–	(532,255)
Hire purchase agreements	(111,402)	(73,935)	(185,337)
	(643,657)	(73,935)	(717,592)
Net debt	(1,248,880)	(185,034)	(1,433,914)

The notes on pages 13 to 24 form part of these financial statements.

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. To avoid delay in the presentation of the accounts the accounting period of one subsidiary ends on 31 December 2013. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of Section 408 of the Companies Act 2006.

Turnover

Turnover represents sales to external customers at invoiced amounts, exclusive of value added tax. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	20% Straight Line
Plant & Machinery	-	10 - 33% Straight Line
Fixtures & Fittings	-	10 - 33% Straight Line
Motor Vehicles	-	20% - 25% Straight Line
Equipment	-	20 - 33% Straight Line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1. **Accounting policies** *(continued)*

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the group profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the group profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balances sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. **Turnover**

No analysis of turnover and attributable pre-tax profit by class of business or geographical segment has been disclosed in the financial statements as, in the opinion of the directors, such disclosure would be prejudicial to the interests of the company.

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2014

3. Operating profit

Operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Depreciation of owned fixed assets	122,491	107,348
Depreciation of assets held under hire purchase agreements	30,869	9,912
Auditor's remuneration		
- as auditor	8,500	8,500
Operating lease costs:		
- Plant and equipment	16,472	14,844
- Other	22,937	21,133
Net profit on foreign currency translation	(73,383)	(30,527)

4. Particulars of employees

The average number of staff employed by the group during the financial year amounted to:

	2014	2013
	No	No
Number of production staff	19	16
Number of distribution staff	15	14
Number of administrative staff	30	25
Number of management staff	2	2
	66	57

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	1,469,919	1,293,520
Social security costs	158,044	133,397
Other pension costs	18,004	15,801
	1,645,967	1,442,718

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Remuneration receivable	205,261	192,584
Value of company pension contributions to money purchase schemes	18,004	15,981
	223,265	208,565

The number of directors who accrued benefits under company pension schemes was as follows:

	2014	2013
	No	No
Money purchase schemes	1	1

6. Interest payable and similar charges

	2014	2013
	£	£
Interest payable on bank borrowing	36,661	24,267
Finance charges	4,281	1,068
	40,942	25,335

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 23% (2013 - 24%)	108,144	146,785
Total current tax	108,144	146,785
Deferred tax:		
Origination and reversal of timing differences	26,220	4,304
Tax on profit on ordinary activities	134,364	151,089

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2014

7. Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23% (2013 - 24%).

	2014	2013
	£	£
Profit on ordinary activities before taxation	592,608	627,060
Profit on ordinary activities by rate of tax	136,250	150,494
Expenses not deductible for tax purposes	1,446	2,580
Capital allowances for period in excess of depreciation	(37,602)	(6,289)
Other provision	8,050	-
Total current tax (note 7(a))	108,144	146,785

8. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £449,022 (2013 - £475,971).

9. Dividends

Equity dividends

	2014	2013
	£	£
Paid during the year		
Equity dividends on ordinary shares	100,000	100,000

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2014

10. Tangible fixed assets

Group	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2013	2,038	1,039,663	78,941	49,735	83,314	1,253,691
Additions	13,760	278,201	35,076	47,550	4,388	378,975
At 31 Mar 2014	15,798	1,317,864	114,017	97,285	87,702	1,632,666
Depreciation						
At 1 Apr 2013	2,038	657,566	32,911	27,354	60,564	780,433
Charge for the year	688	111,953	11,735	14,930	14,054	153,360
At 31 Mar 2014	2,726	769,519	44,646	42,284	74,618	933,793
Net book value						
At 31 Mar 2014	13,072	548,345	69,371	55,001	13,084	698,873
At 31 Mar 2013	–	382,097	46,030	22,381	22,750	473,258

Hire purchase agreements

Included within the net book value of £698,873 is £216,927 (2013 - £145,530) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £30,869 (2013 - £9,912).

Capital commitments

	2014 £	2013 £
Contracted but not provided for in the financial statements	397,432	-

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2014

10. Tangible fixed assets *(continued)*

Company	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2013	2,038	1,039,663	78,941	49,735	83,314	1,253,691
Additions	13,760	278,201	35,076	47,550	4,388	378,975
At 31 Mar 2014	15,798	1,317,864	114,017	97,285	87,702	1,632,666
Depreciation						
At 1 Apr 2013	2,038	657,566	32,911	27,354	60,564	780,433
Charge for the year	688	111,953	11,735	14,930	14,054	153,360
At 31 Mar 2014	2,726	769,519	44,646	42,284	74,618	933,793
Net book value						
At 31 Mar 2014	13,072	548,345	69,371	55,001	13,084	698,873
At 31 Mar 2013	–	382,097	46,030	22,381	22,750	473,258

Hire purchase agreements

Included within the net book value of £698,873 is £216,927 (2013 - £145,530) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £30,869 (2013 - £9,912).

Capital commitments

	2014 £	2013 £
Contracted but not provided for in the financial statements	397,432	-

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2014

11. Investments

Company

	Group companies £
Cost	
At 1st April 2013 and 31st March 2014	100
Net book value	
At 31st March 2014 and 31st March 2013	**100**

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company:				
Calder Distribution Limited	United Kingdom	Ordinary shares	100%	Distribution

The registered office of Calder Distribution Limited is: Unit G16 River Bank Way, Lowfields Business Park, Elland, West Yorkshire, UK, HX5 9DN.

Calder Distribution Ltd was incorporated on 7th September 2012.

12. Stocks

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Finished goods	**1,416,890**	1,188,277	**1,301,953**	1,188,277

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2014

13. Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	2,749,583	2,161,047	2,626,105	2,161,047
Amounts owed by group undertakings	–	–	163,520	–
Other debtors	53,243	302,851	1,470	302,751
Prepayments and accrued income	7,089	17,191	7,089	17,191
	2,809,915	2,481,089	2,798,184	2,480,989

14. Creditors: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Overdrafts	733,363	748,637	672,202	748,637
Trade creditors	684,432	667,603	678,511	667,603
Hire purchase agreements	56,430	25,296	56,430	25,296
Directors' loan accounts	9,900	9,900	9,900	9,900
Other creditors including taxation and social security:				
Corporation tax	61,644	146,785	57,863	146,785
Other taxation and social security	466,330	216,250	443,757	216,250
Other creditors	–	462	–	462
Accruals and deferred income	479,428	447,178	455,518	447,178
	2,491,527	2,262,111	2,374,181	2,262,111

The bank overdrafts are secured by a fixed charge on book debts and a floating charge on the assets of the company.

15. Creditors: Amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Hire purchase agreements	128,907	86,106	128,907	86,106
Other creditors	532,255	532,255	532,255	532,255
	661,162	618,361	661,162	618,361

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2014

16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2014	2013
	£	£
Group and Company		
Amounts payable within 1 year	**64,053**	29,545
Amounts payable between 1 and 2 years	**60,057**	30,612
Amounts payable between 2 and 5 years	**85,130**	68,456
	209,240	128,613
Less interest and finance charges relating to future periods	**(23,903)**	(17,211)
	185,337	111,402

17. Deferred taxation

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Provision brought forward	**33,615**	29,311	**33,615**	29,311
Increase in provision	**26,220**	4,304	**26,220**	4,304
Provision carried forward	**59,835**	33,615	**59,835**	33,615

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2014		2013	
	Provided	**Unprovided**	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	**59,835**	-	33,615	-

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Company	2014		2013	
	Provided	**Unprovided**	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	**59,835**	-	33,615	-

18. Commitments under operating leases

At 31st March 2014 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2014		2013	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	61,244	-	62,497
Within 2 to 5 years	-	40,157	-	46,621
After more than 5 years	189,252	-	189,252	-
	189,252	101,401	189,252	109,118

At 31st March 2014 the company had annual commitments under non-cancellable operating leases as set out below.

Company	2014		2013	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	61,244	-	62,497
Within 2 to 5 years	-	40,157	-	46,621
After more than 5 years	189,252	-	189,252	-
	189,252	101,401	189,252	109,118

19. Related party transactions

The company was under the control of the directors throughout the current and previous year.

Both Mr M Horner and Mr I Woods are majority shareholders of Laydex Limited, a company registered in the Republic of Ireland. During the year, Seal It Services Limited made purchases of £Nil (2013: £10,277) from Laydex Limited, and sales of £293,075 (2013: £254,356) to Laydex Limited. All transactions were conducted on an arm's length basis, on normal trading terms. At 31 March 2014, the total balance owed by Laydex Limited to Seal It Services Limited was £62,152 (2013: £47,315).

Both Mr M Horner and Mr I Woods are majority shareholders of Laydex (NI) Limited, a company registered in Northern Ireland. Laydex (NI) Limited made sales to Seal It Services Limited of £62,453 (2013: £67,333) during the year, and purchases of £316,650 (2013: £407,798). All transactions were conducted on an arm's length basis, on normal trading terms. At 31 March 2014, the total balance owed by Laydex (NI) Limited to Seal It Services Limited was £13,514 (2013: £51,816). Seal It Services Limited also has a loan from Laydex (NI) Limited. At 31 March 2014 the balance due to Laydex (NI) Limited in relation to this loan was £532,255 (2013: £532,255).

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2014

19. Related party transactions *(continued)*

Falcon Properties is a partnership including Mr M Horner and Mr I Woods which rents a property to the company on an arm's length basis. Rent paid by Seal It Services Limited to Falcon Properties during the year was £130,000 (2013: £130,000). At 31 March 2014, the balance owed to Seal It Services Limited from Falcon Properties was £57,500 (2013: £57,500) in respect of a credit note relating to rent.

No further transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

20. Share capital

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	100	100	100	100

21. Reserves

Group

	Profit and loss account £
Balance brought forward	1,371,851
Profit for the year	458,244
Equity dividends	(100,000)
Balance carried forward	1,730,095

Company

	Profit and loss account £
Balance brought forward	1,371,851
Profit for the year	449,022
Equity dividends	(100,000)
Balance carried forward	1,720,873

22. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	458,244	475,971
Equity dividends	(100,000)	(100,000)
Net addition to shareholders' funds	358,244	375,971
Opening shareholders' funds	1,371,951	995,980
Closing shareholders' funds	1,730,195	1,371,951

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Belfast BT1 5BN

SEAL IT SERVICES LIMITED

Independent auditor's report to the shareholders of Seal It Services Limited

Year ended 31st March 2013

We have audited the financial statements of Seal It Services Limited for the year ended 31st March 2013 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SEAL IT SERVICES LIMITED

Independent auditor's report to the shareholders of Seal It Services Limited
(continued)

Year ended 31st March 2013

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Laura Jackson

Laura S V Jackson, senior statutory auditor
For and on behalf of BDO Northern Ireland, statutory auditor
Lindsay House
10 Callender Street
Belfast
BT1 5BN

16 August 2013

SEAL IT SERVICES LIMITED

Profit and loss account

Year ended 31st March 2013

	Note	2013 £	2012 £
Turnover	2	11,704,523	11,429,470
Cost of sales		8,982,033	9,008,478
Gross profit		2,722,490	2,420,992
Distribution costs		1,353,738	1,129,314
Administrative expenses		716,357	686,355
Operating profit	3	652,395	605,323
Interest payable and similar charges	6	25,335	46,002
Profit on ordinary activities before taxation		627,060	559,321
Tax on profit on ordinary activities	7	151,089	60,548
Profit for the financial year		475,971	498,773

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 18 form part of these financial statements.

SEAL IT SERVICES LIMITED

Balance sheet

31st March 2013

	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	9		473,258		246,881
Investments	10		100		–
			473,358		246,881
Current assets					
Stocks	11	1,188,277		1,131,803	
Debtors	12	2,480,989		2,066,359	
Cash at bank and in hand		143,414		59,090	
		3,812,680		3,257,252	
Creditors: Amounts falling due within one year	13	2,262,111		1,771,489	
Net current assets			1,550,569		1,485,763
Total assets less current liabilities			2,023,927		1,732,644
Creditors: Amounts falling due after more than one year	14		618,361		707,353
Provisions for liabilities					
Deferred taxation	16		33,615		29,311
			1,371,951		995,980
Capital and reserves					
Called-up equity share capital	19		100		100
Profit and loss account	20		1,371,851		995,880
Shareholders' funds	21		1,371,951		995,980

These financial statements were approved by the directors and authorised for issue on 16/08/13 and are signed on their behalf by:

Mr M Horner

Mr J Woods

Company Registration Number: 4487206

The notes on pages 8 to 18 form part of these financial statements.

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents sales to external customers at invoiced amounts, exclusive of value added tax. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	20% Straight Line
Plant & Machinery	-	10 - 33% Straight Line
Fixtures & Fittings	-	10 - 33% Straight Line
Motor Vehicles	-	20% - 25% Straight Line
Equipment	-	20 - 33% Straight Line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2013

1. **Accounting policies** *(continued)*

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balances sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. **Turnover**

No analysis of turnover by activity or geographical area has been provided as in the opinion of the Directors such disclosures would be seriously prejudicial to the interests of the company.

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2013

3. Operating profit

Operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Depreciation of owned fixed assets	107,348	85,628
Depreciation of assets held under hire purchase agreements	9,912	14,270
Auditor's remuneration		
- as auditor	8,500	8,500
Operating lease costs:		
- Plant and equipment	14,844	13,397
- Other	21,133	27,261
Net profit on foreign currency translation	(30,527)	(38,077)

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2013	2012
	No	No
Number of production staff	16	16
Number of distribution staff	14	9
Number of administrative staff	25	28
Number of management staff	2	2
	57	55

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	1,293,520	1,169,166
Social security costs	133,397	109,574
Other pension costs	15,801	42,516
	1,442,718	1,321,256

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Remuneration receivable	192,584	174,630
Value of company pension contributions to money purchase schemes	15,981	42,336
	208,565	216,966

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2013

5. Directors' remuneration *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows:

	2013	2012
	No	No
Money purchase schemes	1	1

6. Interest payable and similar charges

	2013	2012
	£	£
Interest payable on bank borrowing	24,267	41,126
Finance charges	1,068	4,876
	25,335	46,002

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2013	2012
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 24% (2012 - 26%)	146,785	31,237
Total current tax	146,785	31,237
Deferred tax:		
Origination and reversal of timing differences (note 16) Capital allowances	4,304	29,311
Tax on profit on ordinary activities	151,089	60,548

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2013

7. Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2012 - 26%).

	2013	2012
	£	£
Profit on ordinary activities before taxation	627,060	559,321
Profit on ordinary activities by rate of tax	150,494	145,423
Expenses disallowed	2,580	2,967
Excess of capital allowances over depreciation	(6,289)	(1,646)
Loss relief	-	(111,893)
Marginal relief	-	(3,614)
Total current tax (note 7(a))	146,785	31,237

8. Dividends

Equity dividends

	2013	2012
	£	£
Paid during the year:		
Equity dividends on ordinary shares	100,000	–

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2013

9. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2012	2,038	758,747	42,157	49,735	116,369	969,046
Additions	–	285,548	43,206	–	14,886	343,640
Disposals	–	(4,632)	(6,422)	–	(47,941)	(58,995)
At 31 Mar 2013	2,038	1,039,663	78,941	49,735	83,314	1,253,691
Depreciation						
At 1 Apr 2012	2,038	579,423	34,417	17,407	88,880	722,165
Charge for the year	–	82,773	4,916	9,947	19,624	117,260
On disposals	–	(4,630)	(6,422)	–	(47,940)	(58,992)
At 31 Mar 2013	2,038	657,566	32,911	27,354	60,564	780,433
Net book value						
At 31 Mar 2013	–	382,097	46,030	22,381	22,750	473,258
At 31 Mar 2012	–	179,324	7,740	32,328	27,489	246,881

Hire purchase agreements

Included within the net book value of £473,258 is £145,530 (2012 - £71,974) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £9,912 (2012 - £14,270).

10. Investments

Investment in Calder Distribution Limited

	£
Cost	
Additions	100
At 31st March 2013	100
Net book value	
At 31st March 2013	100
At 31st March 2012	-

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2013

10. Investments *(continued)*

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company:				
Calder Distribution Limited	England	Ordinary	100%	Distributor

The registered office of Calder Distribution Limited is: Unit G16 River Bank Way, Lowfields Business Park, Elland, West Yorkshire, UK, HX5 9DN

11. Stocks

	2013 £	2012 £
Finished goods	**1,188,277**	1,131,803

12. Debtors

	2013 £	2012 £
Trade debtors	**2,161,047**	2,036,514
Amounts owed by group undertakings	**302,751**	–
Other debtors	–	23
Prepayments and accrued income	**17,191**	29,822
	2,480,989	2,066,359

All debts are due within one year.

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2013

13. Creditors: Amounts falling due within one year

	2013		2012	
	£	£	£	£
Overdrafts		748,637		246,241
Trade creditors		667,603		770,817
Other creditors including taxation and social security:				
Corporation tax	146,785		31,237	
PAYE and social security	47,006		40,258	
VAT	169,244		339,447	
Hire purchase agreements	25,296		9,193	
Other creditors	462		–	
Directors current accounts	9,900		9,900	
		398,693		430,035
Accruals and deferred income		447,178		324,396
		2,262,111		1,771,489

The bank overdrafts are secured by a fixed charge on book debts and a floating charge on the assets of the company.

14. Creditors: Amounts falling due after more than one year

		2013		2012
		£		£
Other creditors:				
Hire purchase agreements	86,106		16,065	
Amounts owed to related company	532,255		691,288	
		618,361		707,353

15. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2013	2012
	£	£
Amounts payable within 1 year	29,545	10,861
Amounts payable between 1 and 2 years	30,612	8,520
Amounts payable between 3 and 5 years	68,456	10,650
	128,613	30,031
Less interest and finance charges relating to future periods	(17,211)	(4,773)
	111,402	25,258
Hire purchase agreements are analysed as follows:		
Current obligations	25,296	9,193
Non-current obligations	86,106	16,065
	111,402	25,258

16. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2013	2012
	£	£
Provision brought forward	29,311	-
Profit and loss account movement arising during the year	4,304	29,311
Provision carried forward	33,615	29,311

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2013	2012
	£	£
Excess of taxation allowances over depreciation on fixed assets	33,615	29,311
	33,615	29,311

17. Commitments under operating leases

At 31st March 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	2013		2012	
	Land and buildings	Other Items	Land and buildings	Other Items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	62,497	-	2,329
Within 2 to 5 years	-	46,621	-	118,505
After more than 5 years	130,000	-	130,000	-
	130,000	109,118	130,000	120,834

18. Related party transactions

The company was under the control of the directors in the current year.

Both Mr M Homer and Mr I Woods are directors and majority shareholders of Laydex Limited, a company registered in the Republic of Ireland. During the year, Seal It Services Limited made purchases of £10,277 (2012: £16,020) from Laydex Limited, and sales of £254,356 (2012: £315,956) to Laydex Limited. All transactions were conducted on an arm's length basis, on normal trading terms. At 31 March 2012, the total balance owed by Laydex Limited to Seal It Services Limited was £47,315 (2012: £27,673). Seal It Services Limited also has a loan from Laydex Limited. At 31 March 2012 the balance due to Laydex Limited in relation to this loan was £Nil (2012: £159,032).

Both Mr M Homer and Mr I Woods are directors and majority shareholders of Laydex (NI) Limited, a company registered in Northern Ireland. Laydex (NI) Limited made sales to Seal It Services Limited of £5,706 (2012: £2,303) during the year, and purchases of £407,798 (2012: £574,862). All transactions were conducted on an arm's length basis, on normal trading terms. At 31 March 2012, the total balance owed by Laydex (NI) Limited to Seal It Services Limited was £51,816 (2012: £64,362). Seal It Services Limited also has a loan from Laydex (NI) Limited. At 31 March 2013 the balance due to Laydex (NI) Limited in relation to this loan was £532,255 (2012: £532,255).

Falcon Properties is a partnership including Mr M Homer and Mr I Woods which rents a property to the company on an arm's length basis. Rent paid by Seal It Services Limited to Falcon Properties during the year was £130,000 (2012: £130,000). At 31 March 2013, the balance owed to Seal It Services Limited from Falcon Properties was £57,500 (2012: £57,500) in respect of a credit note relating to rent.

Calder Distribution Limited was incorporated during the current year and is a 100% subsidiary of Seal It Services Limited. During the year Seal It Services Ltd made a loan to Calder Distribution of £302,751 which remains outstanding in full at the year end.

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2013

19. Share capital

Authorised share capital:

	2013	2012
	£	£
100 Ordinary shares of £1 each	100	100

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
100 Ordinary shares of £1 each	100	100	100	100

20. Profit and loss account

	2013	2012
	£	£
Balance brought forward	995,880	497,107
Profit for the financial year	475,971	498,773
Equity dividends	(100,000)	–
Balance carried forward	1,371,851	995,880

21. Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit for the financial year	475,971	498,773
Equity dividends	(100,000)	–
Net addition to shareholders' funds	375,971	498,773
Opening shareholders' funds	995,980	497,207
Closing shareholders' funds	1,371,951	995,980

BDO

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Chartered Accountants
Lindsay House
10 Callender Street
Belfast BT1 5BN

SEAL IT SERVICES LIMITED

Independent auditor's report to the shareholders of Seal It Services Limited

Year ended 31st March 2012

We have audited the financial statements of Seal It Services Limited for the year ended 31st March 2012 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SEAL IT SERVICES LIMITED

Independent auditor's report to the shareholders of Seal It Services Limited

(continued)

Year ended 31st March 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Nigel V W Harra, senior statutory auditor
For and on behalf of BDO Northern Ireland, statutory auditor
Lindsay House
10 Callender Street
Belfast
BT1 5BN

17 September 2012

SEAL IT SERVICES LIMITED

Profit and loss account

Year ended 31st March 2012

	Note	2012 £	2011 £
Turnover	2	11,429,470	10,483,967
Cost of sales		9,008,478	8,498,557
Gross profit		2,420,992	1,985,410
Distribution costs		1,129,314	1,105,626
Administrative expenses		686,355	559,291
Other operating income		–	(3,500)
Operating profit	3	605,323	323,993
Interest payable and similar charges	6	46,002	47,099
Profit on ordinary activities before taxation		559,321	276,894
Tax on profit on ordinary activities	7	60,548	–
Profit for the financial year		498,773	276,894
Balance brought forward		497,107	220,213
Balance carried forward		995,880	497,107

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 18 form part of these financial statements.

SEAL IT SERVICES LIMITED

Balance sheet

31st March 2012

	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	8		246,881		272,960
Current assets					
Stocks	9	1,131,803		1,201,236	
Debtors	10	2,066,359		2,072,439	
Cash at bank and in hand		59,090		11,507	
		3,257,252		3,285,182	
Creditors: Amounts falling due within one year	11	1,771,489		2,344,251	
Net current assets			1,485,763		940,931
Total assets less current liabilities			1,732,644		1,213,891
Creditors: Amounts falling due after more than one year	12		707,353		716,684
Provisions for liabilities					
Deferred taxation	14		29,311		–
			995,980		497,207
Capital and reserves					
Called-up equity share capital	17		100		100
Profit and loss account			995,880		497,107
Shareholders' funds	18		995,980		497,207

These financial statements were approved by the directors and authorised for issue on 17/09/12 and are signed on their behalf by:

Mr M Horner

Mr I Woods

Company Registration Number: 4487206

The notes on pages 10 to 18 form part of these financial statements.

SEAL IT SERVICES LIMITED

Cash flow statement

Year ended 31st March 2012

	Note	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities			806,755		240,377
Returns on investments and Servicing of finance					
Interest paid		(41,126)		(40,439)	
Interest element of hire purchase		(4,876)		(6,660)	
Net cash outflow from returns on investments and servicing of finance			(46,002)		(47,099)
Capital expenditure					
Payments to acquire tangible fixed assets		(73,819)		(100,211)	
Receipts from sale of fixed assets		–		3,500	
Net cash outflow from capital expenditure			(73,819)		(96,711)
Cash inflow before financing			686,934		96,567
Financing					
Repayment of long-term amounts owed to group undertakings		–		(359,033)	
Capital element of hire purchase		(23,993)		3,497	
Net inflow from other long-term creditors		–		359,033	
Net cash (outflow)/inflow from financing			(23,993)		3,497
Increase in cash			662,941		100,064

Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	605,323	323,993
Depreciation	99,898	97,788
Profit on disposal of fixed assets	–	(3,500)
Decrease in stocks	69,433	18,807
Decrease in debtors	6,080	104,357
Increase/(decrease) in creditors	26,021	(301,068)
Net cash inflow from operating activities	806,755	240,377

SEAL IT SERVICES LIMITED

Cash flow statement

Year ended 31st March 2012

Reconciliation of net cash flow to movement in net debt

	2012		2011	
	£	£	£	£
Increase in cash in the period	662,941		100,064	
Net cash outflow from long-term amounts owed to group undertakings	–		359,033	
Cash outflow in respect of hire purchase	23,993		(3,497)	
Net cash (inflow) from other long-term creditors	–		(359,033)	
		686,934		96,567
Change in net debt		686,934		96,567
Net debt at 1 April 2011		(1,590,631)		(1,687,198)
Net debt at 31 March 2012		(903,697)		(1,590,631)

Analysis of changes in net debt

	At 1 Apr 2011	Cash flows	At 31 Mar 2012
	£	£	£
Net cash:			
Cash in hand and at bank	11,507	47,583	59,090
Overdrafts	(861,599)	615,358	(246,241)
	(850,092)	662,941	(187,151)
Debt:			
Debt due after 1 year	(691,288)	–	(691,288)
Hire purchase agreements	(49,251)	23,993	(25,258)
	(740,539)	23,993	(716,546)
Net debt	(1,590,631)	686,934	(903,697)

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Turnover

Turnover represents sales to external customers at invoiced amounts, exclusive of value added tax. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	20% Straight Line
Plant & Machinery	-	10 - 33% Straight Line
Fixtures & Fittings	-	10 - 33% Straight Line
Motor Vehicles	-	20% - 25% Straight Line
Equipment	-	20 - 33% Straight Line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2012

1. Accounting policies *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balances sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. Turnover

No analysis of turnover by activity or geographical area has been provided as in the opinion of the Directors such disclosures would be seriously prejudicial to the interests of the company.

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2012

3. Operating profit

Operating profit is stated after charging/(crediting):

	2012	2011
	£	£
Depreciation of owned fixed assets	85,628	69,725
Depreciation of assets held under hire purchase agreements	14,270	28,063
Profit on disposal of fixed assets	–	(3,500)
Auditor's remuneration		
- as auditor	8,500	8,500
Operating lease costs:		
- Plant and equipment	13,397	14,975
- Other	27,261	15,590
Net profit on foreign currency translation	(38,077)	(74,563)

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2012	2011
	No	No
Number of production staff	16	16
Number of distribution staff	9	8
Number of administrative staff	28	27
Number of management staff	2	2
	55	53

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	1,169,166	1,093,746
Social security costs	109,574	114,873
Other pension costs	42,516	30,305
	1,321,256	1,238,924

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2012

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2012	2011
	£	£
Remuneration receivable	216,966	161,570
Value of company pension contributions to money purchase schemes	42,336	–
	259,302	161,570

The number of directors who accrued benefits under company pension schemes was as follows:

	2012	2011
	No	No
Money purchase schemes	1	1

6. Interest payable and similar charges

	2012	2011
	£	£
Interest payable on bank borrowing	41,126	40,439
Finance charges	4,876	6,660
	46,002	47,099

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012	2011
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 26% (2011 - 21%)	31,237	-
Total current tax	31,237	-
Deferred tax:		
Origination and reversal of timing differences (note 14) Capital allowances	29,311	-
Tax on profit on ordinary activities	60,548	-

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2012

7. Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2011 - 21%).

	2012	2011
	£	£
Profit on ordinary activities before taxation	559,321	276,894
Profit on ordinary activities by rate of tax	145,423	58,148
Expenses disallowed	2,967	3,012
Provisions disallowed	-	(1,000)
Excess of capital allowances over depreciation	(1,646)	(9,707)
Loss relief	(111,893)	(50,453)
Marginal relief	(3,614)	-
Total current tax (note 7(a))	31,237	-

8. Tangible fixed assets

	Leasehold Property	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 Apr 2011	2,038	702,881	39,856	49,735	100,716	895,226
Additions	–	55,866	2,300	–	15,653	73,819
At 31 Mar 2012	2,038	758,747	42,156	49,735	116,369	969,045
Depreciation						
At 1 Apr 2011	1,643	511,072	29,645	7,460	72,446	622,266
Charge for the year	395	68,351	4,771	9,947	16,434	99,898
At 31 Mar 2012	2,038	579,423	34,416	17,407	88,880	722,164
Net book value						
At 31 Mar 2012	–	179,324	7,740	32,328	27,489	246,881
At 31 Mar 2011	395	191,809	10,211	42,275	28,270	272,960

Hire purchase agreements

Included within the net book value of £246,881 is £71,974 (2011 - £103,584) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £14,270 (2011 - £28,063).

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2012

9. Stocks

	2012 £	2011 £
Finished goods	1,131,803	1,201,236

10. Debtors

	2012 £	2011 £
Trade debtors	2,036,514	2,069,646
Other debtors	23	–
Prepayments and accrued income	29,822	2,793
	2,066,359	2,072,439

11. Creditors: Amounts falling due within one year

	2012 £	2012 £	2011 £	2011 £
Overdrafts		246,241		861,599
Trade creditors		770,817		902,561
Other creditors including taxation and social security:				
Corporation tax	31,237		–	
PAYE and social security	40,258		33,431	
VAT	339,447		311,736	
Hire purchase agreements	9,193		23,855	
Other creditors	–		692	
Directors current accounts	9,900		9,900	
		430,035		379,614
Accruals and deferred income		324,396		200,477
		1,771,489		2,344,251

The bank overdrafts are secured by a fixed charge on book debts and a floating charge on the assets of the company.

12. Creditors: Amounts falling due after more than one year

	2012 £	2012 £	2011 £	2011 £
Other creditors:				
Hire purchase agreements	16,065		25,396	
Amounts owed to related company	691,288		691,288	
		707,353		716,684

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2012

13. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2012	2011
	£	£
Amounts payable within 1 year	10,861	27,358
Amounts payable between 1 and 2 years	8,520	10,883
Amounts payable between 3 and 5 years	10,650	19,285
	30,031	57,526
Less interest and finance charges relating to future periods	(4,773)	(8,275)
	25,258	49,251
Hire purchase agreements are analysed as follows:		
Current obligations	9,193	23,855
Non-current obligations	16,065	25,396
	25,258	49,251

14. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2012	2011
	£	£
Profit and loss account movement arising during the year	29,311	-
Provision carried forward	29,311	-

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	29,311	-
	29,311	-

15. Commitments under operating leases

At 31st March 2012 the company had annual commitments under non-cancellable operating leases as set out below.

	2012		2011	
	Land and buildings	**Other Items**	Land and buildings	Other Items
	£	**£**	£	£
Operating leases which expire:				
Within 1 year	-	**2,329**	-	34,554
Within 2 to 5 years	-	**118,505**	-	13,421
After more than 5 years	**130,000**	-	130,000	-
	130,000	**120,834**	130,000	47,975

16. Related party transactions

The company was under the control of the directors in the current year.

Both Mr M Horner and Mr I Woods are directors and majority shareholders of Laydex Limited, a company registered in the Republic of Ireland. During the year, Seal It Services Limited made purchases of £16,020 (2011: £20,032) from Laydex Limited, and sales of £315,956 (2011: £326,469) to Laydex Limited. All transactions were conducted on an arm's length basis, on normal trading terms. At 31 March 2012, the total balance owed by Laydex Limited to Seal It Services Limited was £27,673 (2011: £60,078). Seal It Services Limited also has a loan from Laydex Limited. At 31 March 2012 the balance due to Laydex Limited in relation to this loan was £159,032 (2011: £159,032).

Both Mr M Horner and Mr I Woods are directors and majority shareholders of Laydex (NI) Limited, a company registered in Northern Ireland. Laydex (NI) Limited made sales to Seal It Services Limited of £2,303 (2011: £36,676) during the year, and purchases of £574,862 (2011: £528,025). All transactions were conducted on an arm's length basis, on normal trading terms. At 31 March 2012, the total balance owed by Laydex (NI) Limited to Seal It Services Limited was £64,362 (2011: £49,367). Seal It Services Limited also has a loan from Laydex (NI) Limited. At 31 March 2012 the balance due to Laydex (NI) Limited in relation to this loan was £532,255 (2011: £532,255).

Falcon Properties is a partnership including Mr M Horner and Mr I Woods which rents a property to the company on an arm's length basis. Rent paid by Seal It Services Limited to Falcon Properties during the year was £130,000 (2011: £130,000). At 31 March 2012, the balance owed to Seal It Services Limited from Falcon Properties was £57,500 (2011: £57,500) in respect of a credit note relating to rent.

SEAL IT SERVICES LIMITED

Notes to the financial statements

Year ended 31st March 2012

17. Share capital

Authorised share capital:

	2012	2011
	£	£
100 Ordinary shares of £1 each	100	100

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
100 Ordinary shares of £1 each	100	100	100	100

18. Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	498,773	276,894
Opening shareholders' funds	497,207	220,313
Closing shareholders' funds	995,980	497,207

SHAILESH VISHESH & CO.
CHARTERED ACCOUNTANTS

Office :
24/35, Birhana Road, Kanpur-208 001
Phone : 0512-2372978, 6554565
E-mail : shah.svco@gmail.com

The Board of Directors
Resinova Chemie Ltd.
Kanpur

Report on Limited Review of Interim Financial Statements
For the six months ended September 30th 2014

1. We have reviewed the accompanying statement of Unaudited Financial Statements comprising Balance Sheet of Resinova Chemie Ltd. ("The Company") as at 30th September 2014 and the related statement of Profit & Loss and Cash Flow for the half year ended on 30th September 2014 ("The Statement"). This statement is the responsibility of the Company's Management and has been approved by the Managing Director. The management of the Company is responsible for preparing the statement in accordance with the Accounting Standards specified under the Companies Act 1956 (which are deemed to be applicable in respect of Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and polices has not disclosed the information required to be disclosed including the manner in which it is to be disclosed, or that it contains any material misstatement.

Fo Shailesh Vishesh & Co.,
Chartered Accountants,
FRN: 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Manish Kumar Gupta)
Partner
M.No. 403642

Dated: 28th November 2014
Place: Kanpur

M/S RESINOVA CHEMIE LIMITED
UNAUDITED BALANCE SHEET AS AT 30TH SEP. 2014

Particulars	Note No.	As at 30th Sep. 2014 (`)	As at 30th Sep. 2013 (`)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	400,48,500.00	400,48,500.00
(b) Reserves and surplus	2	3568,95,328.06	2743,52,176.64
		3969,43,828.06	**3144,00,676.64**
2 Non-current liabilities			
(a) Long-term borrowings	3	-	4,00,000.00
(b) Deferred tax liabilities (net)	4	37,97,437.00	38,39,404.00
(c) Other long-term liabilities	5	46,88,708.55	36,77,695.31
(d) Long-term provisions	6	77,06,714.00	41,92,426.00
		161,92,859.55	**121,09,525.31**
3 Current liabilities			
(a) Short-term borrowings	7	1076,81,905.35	705,47,760.74
(b) Trade payables	8	1855,30,622.20	1702,60,062.20
(c) Other current liabilities	9	1099,32,623.74	938,35,043.68
(d) Short-term provisions	10	73,09,000.00	45,68,970.00
		4104,54,151.29	**3392,11,836.62**
TOTAL		**8235,90,838.90**	**6657,22,038.57**
B ASSE'S			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		1789,79,450.38	1390,24,598.51
(ii) Intangible assets		4,98,703.89	1,06,253.60
(iii) Capital work-in-progress		178,72,963.87	53,93,372.55
(iv) Intangible assets under development		63,000.00	6,00,000.00
		1974,14,118.14	1451,24,224.66
(b) Long-term loans and advances	12	30,78,528.00	25,09,539.00
(c) Other non-current assets	13	31,60,260.83	63,27,587.67
		2036,52,906.97	1539,61,351.33
2 Curre t assets			
(a) Inventories	14	4139,27,083.29	3365,79,708.39
(b) Trade receivables	15	1312,10,246.31	953,44,121.83
(c) Cash and Bank Balances	16	303,14,909.35	263,13,464.89
(d) Short-term loans and advances	17	443,57,236.79	529,27,396.38
(e) Other current assets	18	1,28,456.19	5,95,395.75
		6199,37,931.93	5117,60,687.24
TOTAL		**8235,90,838.90**	**6657,22,038.57**
Significant Accounting Policies and Notes to financial statements - 1 to 32			

As per our report of even date on Limited Financial Review.

For Shai'esh Vishesh & Co.
Chartered Accountants
Firm Regd.No.- 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

Manish

(Manish Kumar Gupta)
'artner
M.No. 403642
Place : Kanpur
Date : 28|11|14

For and on behalf of the Board of Directors

Vijay S. Parikh
(Vijay S Parikh)
Managing Director

R M Pandey
(R.M.Pandey)
A.G.M. Accounts
Kanpur

M/S RESINOVA CHEMIE LIMITED

UNAUDITED STATEMENT OF PROFIT AND LOSS FOR PERIOD ENDED ON 30TH SEP. 2014

Particulars	Note No.	As on 30th Sep. 2014 (`)	As on 30th Sep. 2013 (`)
Income			
Revenue from operations (gross)	19	11667,08,672.62	9632,69,977.52
Less: Excise duty		1459,72,257.58	1200,73,422.98
Revenue from operations (net)		10207,36,415.04	8431,96,554.54
Other income	20	14,04,874.18	13,95,013.16
Total revenue		**10221,41,289.22**	**8445,91,567.70**
Expenses			
(a) Cost of materials consumed	21	7415,58,455.83	6282,60,596.27
(b) Purchases of stock-in-trade	22	-	11,750.40
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(182,88,226.00)	(309,09,971.58)
(d) Employee benefits expense	24	763,99,773.88	626,07,821.96
(e) Finance costs	25	43,68,122.00	29,33,549.15
(f) Depreciation and amortisation expense	11	48,81,900.47	43,66,250.08
(g) Other expenses	26	1398,46,549.78	1166,98,310.49
Total expenses		**9487,66,575.96**	**7839,68,306.77**
Profit / (Loss) before tax		**733,74,713.26**	**606,23,260.93**
Tax expense:			
(a) Current tax		200,09,000.00	155,99,000.00
(b) Current tax expense relating to prior years		35,290.00	3,45,876.00
(c) Deferred tax liability/(Asset)		7,26,799.00	24,19,684.00
Profit / (Loss) for the year		**526,03,624.26**	**422,58,700.93**
Earnings per equity share of Rs.10/- each:			
Basic/Diluted		13.13	10.55
Significant Accounting Policies and Notes to financial statements - 1 to 32			

As per our report of even date on Limited Financial Review.

For Shailesh Vishesh & Co.
Chartered Accountants
Firm Regd.No.- 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Manish Kumar Gupta)
Partner
M.No. 403642
Place: Kanpur
Date : 28|11|14

For and on behalf of the Board of Directors

(Vijay S.Parikh)
Managing Director

(R.M.Pandey)
A.G.M. Accounts
Kanpur

RESINOVA CHEMIE LIMITED

Unaudited Cash Flow Statement

For the for the Half year ended on 30th September, 2014

Particulars	30TH Sep. 14 Current period (Rs.)
A. ***Cash Flows from Operating Activities*** :	
Profit before Tax	733,74,713.26
Adjustment for:	
Depreciation	48,81,900.47
(Profit)/ Loss on sale of Fixed Assets	14,460.28
Bad Debts w/o	7,60,000.00
Liability no longer required	7,876.00
Loss in transit	-
Sundry Balances w/o	-1,019.55
Interest Expense	43,68,122.00
Interest Income	-1,21,932.00
Effect of Exchange Rates on Translation of Operating Cash Flows	-12,27,547.00
Round Off	-3,457.63
Operating Profit before Working Capital changes	**820,53,115.83**
Adjustment for:	
Inventories	-434,47,322.40
Debtors	-310,45,323.34
Long/Short term loans, advances and Current Assets	-156,48,773.20
Long/ Short term liabilities	426,86,010.18
Trade Payables	1,91,666.67
Cash generated from Operations	**347,89,373.74**
Income Tax paid/Divident Tax (net of Refund)	-185,22,957.00
Net Cash generated from Operating Activities	**162,66,416.74**
B. ***Cash Flows from Investing Activities*** :	
Purchase of Fixed Assets	-377,76,595.58
Sale of Fixed Assets	55,250.00
Interest received	1,21,932.00
Net Cash used in Investing Activities	**-375,99,413.58**
C. ***Cash Flows from Financing Activities*** :	
Loans Taken	270,61,079.35
Loans Repaid	-
Interest Paid	-43,68,122.00
Dividend Paid	-20,02,425.00
Net Cash generated from Financing Activities	**206,90,532.35**
D. ***Net Increase in Cash and Cash Equivalents (A + B + C)***	-6,42,464.49
Cash and Cash Equivalents as at beginning of the year	309,12,546.84
Cash and Cash Equivalents as at end of the year	**302,70,082.35**

Note: (1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by ICAI.

(2) Previous period figures have been prepared hence comparative flrures are not presented.

As per our report of even date on Limited Financial Review.

For Shailesh Vishesh & Co.
Chartered Accountants
Firm Regd.No.- 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Manish Kumar Gupta)
Partner
M.No. 403642
Place : Kanpur
Date : 28/11/14

For and on behalf of the Board

(Vijay S. Parikh)
Managing Director

RMPandey
R.M.Pandey
Sr. Manager (Accounts)

RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
AS ON 30 SEPTEMBER 2014

Note - 1 SHARE CAPITAL	As at 30th Sep. 2014 (`)	As at 30th Sep. 2013 (`)
Authorised :		
5250000 Equity Shares of Rs. 10/- each	525,00,000.00	525,00,000.00
Issues, Subscribed and Paid Up:		
4004850 Equity Shares of Rs. 10/- each fully paid	400,48,500.00	400,48,500.00
TOTAL	400,48,500.00	400,48,500.00

The company has only one class of equity shares having a par value of Rs. 10/- each . Each Share holder is eligible for one vote per share.

Reconciliation of number of Equity Shares:	Year end 31st March 2014		Year end 31st March 2013	
	No. of Share	Amount (Rs.)	No. of Share	Amount (Rs.)
At the beginning of the year	40,04,850	400,48,500.00	40,04,850	400,48,500.00
Add: Fresh Issue	-	-	-	-
At the end of the year	40,04,850	400,48,500.00	40,04,850	400,48,500.00

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 30th Sep, 2014		As at 30th Sep, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Vijay S. Parikh	23,08,175	57.63	23,08,175	57.63
Smt. Nita V. Parikh	8,84,675	22.09	8,84,675	22.09
Vijay S. Parikh (HUF)	3,15,000	7.87	3,15,000	7.87

NOTE - 2 RESERVES AND SURPLUS		As at 30th Sep. 2014 (`)	As at 30th Sep. 2013 (`)
Capital Reserve:			
Opening balance		2,25,000.00	2,25,000.00
Add/Less: Changes during the year			
Closing Balance		2,25,000.00	2,25,000.00
General Reserve:			
Opening balance		403,76,255.00	329,22,158.00
Add: Transferred from surplus in statement of Profit & Loss			
Closing Balance		403,76,255.00	329,22,158.00
Surplus in Statement of Profit & Loss:			
Opening balance		2636,90,448.80	1989,46,317.71
Add: Profit after tax for the year		526,03,624.26	422,58,700.93
Appropriations:			
Less:	Transferred to General Reserve	-	-
	Proposed Dividend on Share capital	-	-
	Dividend Distribution Tax on dividend	-	-
ADD :	Excess provision of tax in earlier years	-	-
		3162,94,073.06	2412,05,018.64
TOTAL		3568,95,328.06	2743,52,176.64

Note - 3 LONG TERM BORROWINGS	As at 30th Sep. 2014 (`)	As at 30th Sep. 2013 (`)
Secured:		
Unsecured:		
From a company	-	-
From Relatives & Others	-	4,00,000.00
TOTAL	-	4,00,000.00

SHAILESH VISHESH & CO. CHARTERED ACCOUNTANTS RAMPUR

Vijay S. Parikh

RMPandey

RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
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Note - 4 DEFERRED TAX LIABILITY/(ASSET)	As at 30th Sep. 2014 (')	As at 30th Sep. 2013 (')
Tax efffect of items constituting deferred tax liability		
Difference between depreciation as per books and tax rates	(43,70,846.00)	(40,16,657.00)
Allowances u/s 43 B		
Profit on sale of Assets		(2,48,809.00)
Gratuity payment out of provisions	(6,860.00)	(5,557.00)
	(43,77,706.00)	(42,71,023.00)
Tax efffect of items constituting deferred tax asset		
Loss on Sale of assets	2,748.00	-
Provision for gratuity	5,77,521.00	4,31,619.00
Disallowance u/s 43 B	-	-
	5,80,269.00	4,31,619.00
TOTAL DEFFERED LIABILITY	(37,97,437.00)	(38,39,404.00)

Note - 5 OTHER NON-CURRENT LIABILITIES	As at 30th Sep. 2014 (')	As at 30th Sep. 2013 (')
Security Deposit from Customers / Agents	34,20,618.03	21,47,020.00
Creditors for Capital Assets	93,644.00	93,644.00
Other Liabilities	11,74,446.52	14,37,031.31
TOTAL	46,88,708.55	36,77,695.31

Note - 6 LONG TERM PROVISIONS	As at 30th Sep. 2014 (')	As at 30th Sep. 2013 (')
Provision for payment of Gratuity	77,06,714.00	41,92,426.00
TOTAL	77,06,714.00	41,92,426.00

Note - 7 SHORT TERM BORROWINGS	As at 30th Sep. 2014 (')	As at 30th Sep. 2013 (')
Working Capital loans from Bank:		
Cash credit account with Bank	1076,81,905.35	705,47,760.74
TOTAL	1076,81,905.35	705,47,760.74

(Repayable on demand to State Bank of India, secured against hypothecation of entire Stock, book debts, other chargeable current assets and movable fixed assets with equitable mortagage on factory land & building and personal guarantees of directors)

Note - 8 TRADE PAYABLES	As at 30th Sep. 2014 (')	As at 30th Sep. 2013 (')
Trade Payables:		
Micro, Small and Medium Enterprises	-	-
Creditors for Capital assets	17,95,328.00	10,99,794.00
Other Trade payables	1837,35,294.20	1691,60,268.20
TOTAL	1855,30,622.20	1702,60,062.20

Note: Other trade payables include Rs 2,99,42,042/- (Rs 5,24,08,693/- previous period) against cheques issued to creditors over the sanctioned limit under Cash Credit A/c with State Bank of India.

Note - 9 OTHER CURRENT LIABILITIES	As at 30th Sep. 2014 (')	As at 30th Sep. 2013 (')
Advance from Customers	88,91,778.46	111,30,117.76
Other payables:		
Statutory dues (VAT/CST/ESI/ Excise duty)	616,45,034.67	482,79,613.04
TDS payable	2,54,499.00	2,41,284.00
Employee related Liabilities	28,77,809.63	15,03,879.93
Income tax payable (A.Y. 2014-15)	6,44,646.00	-
Other payables	356,18,855.98	326,80,148.95
TOTAL	1099,32,623.74	938,35,043.68

SHAILESH VISHESH & CO. CHARTERED ACCOUNTANTS KANPUR

Note: Other payables represents provisions for outstanding liabilities of expenses

Note - 10 SHORT TERM PROVISIONS	As at 30th Sep. 2014 (')	As at 30th Sep. 2013 (')
Proposed Dividend on equity shares	-	
Tax payable on proposed dividend	-	
Provision for tax (net of advance tax and TDS)	73,09,000.00	45,68,970.00
TOTAL	73,09,000.00	45,68,970.00

RESINOVA CHEMIE LTD

NOTE NO. 11 OF FIXED ASSETS FORMING PART OF UNAUDITED FINANCIAL STATEMENT

FOR THE PERIOD FROM 01/04/2014 TO 30/09/2014

		GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
A	TA GIBLE ASSETS	Balance at 01/04/14	Addition in Period	Disposal in Period	Balance at 30/09/14	Balance at 01/04/14	For the Period	For Disposal in Period	Upto 30/09/14	Book Value 31/03/14	Book Value 30/09/14
	(a) Land										
	Freehold	12264820.00	0.00	0.00	12264820.00	0.00	0.00	0.00	0.00	12264820.00	12264820.00
	(b) Buildings										
	Factory	44047473.40	0.00	0.00	44047473.40	-3368001.20	-737608.13	0.00	-4105609.33	40679472.20	39941864.07
	Office	2075710.08	0.00	0.00	2075710.08	-169263.06	-16963.37	0.00	-186226.43	1906447.02	1889483.65
	(c) Plant & Equipment										
	Plant & Machinery	91938015.92	15593657.67	0.00	107531673.59	-21941999.28	-2441615.58	0.00	-24383614.86	69996016.64	83149466.80
	Boiler	3839261.90	0.00	0.00	3839261.90	-1455815.49	-101634.20	0.00	-1557449.69	2383446.41	2281812.21
	Lab Equipments	1085876.48	6142.50	0.00	1092018.98	-212144.26	-28764.36	0.00	-240908.62	873732.22	851110.36
	Mould & Dyes	3486821.58	2938900.84	0.00	6425722.42	-491063.45	-119460.87	0.00	-610524.32	2995758.13	5815198.10
	Weighing Machine	1119616.30	115596.06	0.00	1235212.36	-296013.29	-27216.58	0.00	-323229.87	823603.01	911982.49
	Power Equipment	4022013.94	14500.00	0.00	4036513.94	-855143.22	-95786.63	0.00	-950929.85	3166870.72	3085584.09
	Fire Fighting & Hydrant Equipment	773168.78	496722.56	0.00	1269891.34	-84083.82	-23214.08	0.00	-107297.90	689084.96	1162593.44
	(d) Furniture & Fixture										
	Furniture & Fixture	13259653.61	2876849.39	0.00	16136503.00	-2424190.82	-419953.13	0.00	-2844143.95	10835462.79	13292359.05
	Electric Fitting	4079548.55	298865.92	0.00	4378414.47	-1292810.39	-132745.26	0.00	-1425555.65	2786738.16	2952858.82
	(e) Vehicle										
	Owned	3627715.00	0.00	0.00	3627715.00	-1068884.18	-172788.56	0.00	-1241672.74	2558830.82	2386042.26
	Cycle	15215.90	0.00	0.00	15215.90	-8449.01	-459.31	0.00	-8908.32	6766.89	6307.58
	(f) Office Equipment										
	Office Equipment	3059225.66	283964.44	0.00	3343190.10	-616847.76	-75494.96	0.00	-692342.72	2442377.90	2650847.38
	Air Conditioner	652537.83	213417.04	55250.00	810287.87	-144062.18	-17753.31	36372.69	-125025.80	508475.65	685262.07
	Utility Tools & Impliments	3767779.75	0.00	0.00	3767779.75	-200825.41	-89729.93	0.00	-290555.34	3566954.34	3477224.41
	(g) Computer										
	Computer	5570074.94	522709.67	0.00	6092784.61	-3626660.29	-291490.72	0.00	-3918151.01	1943414.65	2174633.60
	Total	198684529.62	23361326.09	55250.00	221990188.71	-38256257.11	-4792678.98	36372.69	-43012146.40	160428272.51	178979450.38
B	**INTANGIBLE ASSETS**										
	(a) Software										
	ERP Software at HO	5176060.66	0.00	0.00	5176060.66	-4588135.28	-89221.49	0.00	-4677356.77	587925.38	498703.89
	Total	203860590.28	23361326.09	55250.00	227166249.37	-42844392.39	-4881900.47	36372.69	-47689503.17	161016197.89	179478154.27
C	Capital work in progress										
	(a) Plant & Machinery	1235177.70	2284609.86	0.00	3519787.56	0.00	0.00	0.00	0.00	1235177.70	3519787.56
	(b) Building	1543407.19	11743971.03	0.00	13287378.22	0.00	0.00	0.00	0.00	1543407.19	13287378.22
	(c) Mould & Dyes	279605.50	0.00	0.00	279605.50	0.00	0.00	0.00	0.00	279605.50	279605.50
	(d) Furniture & Fixture	0.00	319331.60	0.00	319331.60	0.00	0.00	0.00	0.00	0.00	319331.60
	(e) Electric Fitting	362004.00	28838.00	0.00	390842.00	0.00	0.00	0.00	0.00	362004.00	390842.00
	(f) Computer	37499.99	0.00	0.00	37499.99	0.00	0.00	0.00	0.00	37499.99	37499.99
	(g) Lab Equipments	0.00	38519.00	0.00	38519.00	0.00	0.00	0.00	0.00	0.00	38519.00
	(h) Office Equipments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	3457694.38	14415269.49	0.00	17872963.87	0.00	0.00	0.00	0.00	3457694.38	17872963.87
D	Intangible assets under development										
	(a) Software under development	63000.00	0.00	0.00	63000.00	0.00	0.00	0.00	0.00	63000.00	63000.00
	Total	63000.00	0.00	0.00	63000.00	0.00	0.00	0.00	0.00	63000.00	63000.00
	Grand Total	207381284.66	37776595.58	55250.00	245102213.24	-42844392.39	-4881900.47	36372.69	-47689503.17	164536892.27	197414118.14

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RM Pandey

RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
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Note - 12 LONG TERM LOANS & ADVANCES	As at 30th Sep. 2014 (`)	As at 30th Sep. 2013 (`)
Unsecured and Considered Good (Unless otherwise Stated)		
Security Deposits	30,78,528.00	25,09,539.00
TOTAL	30,78,528.00	25,09,539.00

Note - 13 OTHER NON CURRENT ASSETS	As at 30th Sep. 2014 (`)	As at 30th Sep. 2013 (`)
Unsecured and Considered Good (Unless otherwise Stated)		
VAT/Sales Tax refundable	20,11,328.83	51,78,655.67
Income Tax Refundable	10,23,932.00	10,23,932.00
Other Loans & Advances (Recoverable in cash or in kind)		
Unsecured, considered good	1,25,000.00	1,25,000.00
Unsecured, considered doubtful		
TOTAL	31,60,260.83	63,27,587.67

Note - 14 Inventories (Valued at lower of cost and net realisable value unless stated otherwise)	As at 30th Sep. 2014 (`)	As at 30th Sep. 2013 (`)
(a) Raw materials	1367,24,570.22	1286,34,481.82
(b) Work-in-progress	340,77,233.40	297,05,878.62
(c) Finished goods (other than those acquired for trading)	1847,95,513.86	1397,00,725.28
(d) Stock-in-trade (acquired for trading)	30,069.60	43,819.20
(e) Stores and spares		
Consumable	18,03,050.49	17,40,559.34
POP Items	39,75,207.43	24,05,456.05
Power & Fuels	9,29,998.54	8,07,497.79
(f) Packing Material	515,91,439.75	335,41,290.29
Total	4139,27,083.29	3365,79,708.39

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

Vijay S. Pai W

RM Pandey

RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
AS ON 30 SEPTEMBER 2014

Note - 15 TRADE RECEIVABLES	As at 30th Sep. 2014 (`)	As at 30th Sep. 2013 (`)
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment:		
Unsecured, considered good	80,76,082.54	53,66,137.49
Unsecured considered doubtful		
Other trade receivables:		
Unsecured, considered good (Net Value)	1231,34,163.77	899,77,984.34
Unsecure considered doubtful		
TOTAL	1312,10,246.31	953,44,121.83

Note - 16 CASH AND BANK BALANCES	As at 30th Sep. 2014 (`)	As at 30th Sep. 2013 (`)
Cash and Bank Balances		
Balance with banks		
1 In current accounts	276,63,520.48	212,56,439.36
2 In deposit accounts	15,21,956.67	44,64,573.33
3 In deposit accounts under Security deposit with Govt. Deptt.	44,827.00	44,827.00
Cash in hand	10,84,605.20	5,47,625.20
TOTAL	303,14,909.35	263,13,464.89

Note : Deposit a/c with banks include fixed deposit of Rs 4,49,260/- With SBI under lien as margine under L/C limit with bank.

Note - 17 SHORT-TERM LOANS AND ADVANCES	As at 30th Sep. 2014 (`)	As at 30th Sep. 2013 (`)
Loans and advances to employees		
Unsecured, considered good	72,89,098.76	75,04,248.13
Unsecured, considered doubtful		
Prepaid expenses	5,87,512.07	3,76,729.00
(Unsecured, considered good)		
Advance income tax (Net of provisions)		
(Unsecured, considered good)	-	-
Balances with government authorities		
(Unsecured, considered good)		
CENVAT credit receivable	195,02,592.45	206,66,897.45
VAT credit receivable	13,59,096.94	
Service tax credit receivable	1,99,631.87	43,347.97
Income Tax Refundable (A.Y.12-13)	34,280.00	34,280.00
Security Deposit	2,50,000.00	2,50,000.00
Advances to vendor (Unsecured, considered good)		
Capital Advances	48,66,810.00	39,28,978.00
Other Advances	102,68,214.70	201,22,915.83
TOTAL	443,57,236.79	529,27,396.38

Note - 18 OTHER CURRENT ASSETS	As at 30th Sep. 2014 (`)	As at 30th Sep. 2013 (`)
Interest accrued on deposits	1,28,456.19	5,95,995.75
TOTAL	1,28,456.19	5,95,995.75

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

Vijay C. Paul RMPandey

RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
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Note - 19 REVENUE FROM OPERATIONS	As on 30th Sep. 2014 (`)	As on 30th Sep. 201 (`)
Sale of products		
Manufactured	11744,75,051.50	9722,86,598.0
Stock in Trade	15,024.71	-
	11744,90,076.21	9722,86,598.0
Less:		
Sale return	77,81,403.59	90,16,620.5
Discount on sale	-	
Total	11667,08,672.62	9632,69,977.5

Note - 20 OTHER INCOME	As on 30th Sep. 2014 (`)	As on 30th Sep. 201 (`)
Interest income	1,21,932.00	1,85,000.0
Other operating income	12,78,465.00	7,69,830.1
Office rent	-	36,000.0
Liabilities no longer required	1,019.55	4,00,000.0
Other Incomes	3,457.63	4,183.0
TOTAL	14,04,874.18	13,95,013.1

Note - 21 COST OF MATERIAL CONSUMED	As on 30th Sep. 2014 (`)	As on 30th Sep. 201 (`)
Raw Material		
Opening stock	1262,96,453.30	1230,87,124.7
Add: Purchases	6298,06,313.03	5361,07,695.6
Less: Closing stock	1367,24,570.22	1286,34,481.8
Cost of Raw material consumed [A]	6193,78,196.11	5305,60,338.5
Packing Material		
Opening stock	404,63,547.16	366,69,321.6
Add: Purchases	1333,08,152.31	945,72,226.3
Less: Closing stock	515,91,439.75	335,41,290.2
Cost of Packing Material consumed [B]	1221,80,259.72	977,00,257.6
Total Cost of Material consumed [A+B]	7415,58,455.83	6282,60,596.27

Note - 22 PURCHASE OF STOCK IN TRADE	As on 30th Sep. 2014 (`)	As on 30th Sep. 2013 (`)
Purchases	-	11,750.4
TOTAL	-	11,750.4

SHAILESH VISHESH & CO.
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RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
AS ON 30 SEPTEMBER 2014

Note - 23	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS, & STOCK IN TRADE	As on 30th Sep. 2014 (')	As on 30th Sep. 2013 (')
I ventories at the beginning of the year:			
Finished goods		1658,17,853.79	1077,03,169.74
Work-in-progress		317,99,692.16	264,37,956.64
Stock-in-trade		42,870.60	61,477.90
		1976,60,416.55	1342,02,604.28
Inventories at the end of the year:			
Finished goods		1847,95,513.86	1397,00,725.28
Work-in-progress		340,77,233.40	297,05,878.62
Stock-in-trade		30,069.60	43,819.20
		2189,02,816.86	1694,50,423.10
	Increase/decrease in stock	(212,42,400.31)	(352,47,818.82
Adjustment for variance in excise duty on opening and closing stock of finished goods		29,54,174.31	43,37,847.24
	TOTAL (Net increase / decrease)	(182,88,226.00)	(309,09,971.58

Note - 24	EMPLOYEE BENEFIT EXPENSE	As on 30th Sep. 2014 (')	As on 30th Sep. 2013 (')
Salaries and wages		729,43,524.00	597,63,531.00
Contributions to provident and other funds		25,48,094.00	23,75,542.00
Staff welfare expenses		9,08,155.88	4,68,748.96
	TOTAL	763,99,773.88	626,07,821.96

Note - 25	FINANCE COSTS	As on 30th Sep. 2014 (')	As on 30th Sep. 2013 (')
(a) Interest expense on:			
(i) Borrowings		41,92,192.00	28,16,372.15
(ii)- On Security Deposit		1,75,930.00	1,17,177.00
	TOTAL	43,68,122.00	29,33,549.15

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

Vijay S. Pandit RMPandey

RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
AS ON 30 SEPTEMBER 2014

Note - 26 OTHER EXPENSES	As on 30th Sep. 2014 (`)	As on 30th Sep. 2013 (`)
Manufacturing and Operating Expenses		
Consumption of stores and spare parts	31,71,598.74	34,53,946.59
Factory Exp.	4,25,844.67	5,22,056.9
Power and fuel	138,24,562.68	132,36,255.80
Excise duty paid	6,61,896.68	6,71,415.8
Repairs and maintenance - Buildings	17,08,278.48	3,44,278.1
Repairs and maintenance - Machinery	2,26,323.23	1,49,798.8
	200,18,504.48	**183,77,752.22**
Administrative Expenses		
Bank Charges	11,64,187.14	7,53,410.26
Loss on fixed assets sold / scrapped / written off	14,460.28	-
Prior period items	-	87,522.00
Rent including lease rentals	28,67,642.00	27,87,975.00
Repairs and maintenance - Others	20,04,397.23	19,95,193.59
Telephone	22,38,646.81	18,38,739.39
Recruitment Exp	14,28,798.50	11,01,060.00
Rates and taxes	39,940.00	51,825.00
Printing, stationery & Postage	34,48,692.56	22,52,407.49
Insurance	6,71,328.76	2,83,832.00
Legal and professional	9,96,306.00	8,12,914.00
Net loss on foreign currency transactions and translation	-	83,83,976.00
	148,74,399.28	**203,48,854.73**
Selling Expenses		
Sales Tax/Vat Paid	61,54,219.00	50,08,604.00
Freight and forwarding	231,64,465.71	189,79,788.01
Sales discount	254,64,971.39	193,22,887.53
Product training exp.	9,93,951.00	8,96,496.96
Advertisement & Sales promotion	259,56,036.79	160,62,773.04
Travelling and conveyance	177,59,074.00	138,99,848.80
Other Marketing & Selling exp.	9,69,535.00	7,77,029.00
	1004,62,252.89	**749,47,427.34**
Other Expenses		
Bad debts	7,60,000.00	1,244.00
Miscellaneous expenses	37,31,393.13	30,23,032.20
	44,91,393.13	**30,24,276.20**
TOTAL	**1398,46,549.78**	**1166,98,310.49**

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
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27	ADDITIONAL INFORMATION TO FINANCIAL STATEMENT	As on 30th Sep. 2014 (`)	As on 30th Sep. 2013 (`)
27.1	**Contingent liabilities (to the extent not provided for):**		
	Claims against the Company not acknowledged as debt in respect of dusputed demands for which appeals are pending with Appellate Authorities/Courts:		
	Income Tax	-	-
	Central Exise	7,16,719.00	67,794.00
	VAT/Sales Tax	10,31,277.00	8,48,777.00
	Providend Fund	-	3,94,622.00
	Other Matter	8,66,330.00	7,56,330.00
27.2	The board is of the opinion that current assets,loans & advances have the value at least equal to the amount at which they are stated in the balance sheet if realised in ordinary		
27.3	Balances of debtors and creditors are subject to confirmation		
27.4	The Company is engaged in manufacturing activity of only organic chemicals and there are no separate reportable segment as per Accounting Standard- 17		
27.5	The Company has entered into operating lease arrangements for factory and office premises. The leases arrangements are generally renewed on the expiry of the defined period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 to 10 % after a defined period, as per the agreements.		

Note	Related party transactions:	
27.6	Description of relationship:	Names of related parties
	Key Management Personnel (KMP)	Mr.Vijay S. Parikh (Managing Director) Mr.Nihir V. Parikh (Director) Mr. Ramesh Shah (Director) Mr.Kushal V. Parikh (Director)
	Relatives of Key Management Personal	Sri Suresh Chandra M. Parikh (Relative of Directors) Smt. Usha S. Parikh (Relative of Directors) Mrs.Nita V.Parikh (Relative of Directors)
	Enterprises in which KMP / Relatives of KMP can exercise significant	Parikh & Sons Maneklal Harilal Parikh Parikh Chemical Industries Parikh Resins Ltd. Parikh Agencies Shell Organics Pvt.Ltd.

Note: Related parties have been identified by the Management.

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

Vijay S. Parikh

RMPandey

RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
AS ON 30 SEPTEMBER 2014

29.2	Particulars	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
	Transactions:				
	Purchase of goods	-	-	36,73,068.00	36,73,068.0
		-	-	(36,05,102.00)	(36,05,102.00
	Sale of goods	-	-	76,64,042.00	76,64,042.0
		-	-	(64,38,090.00)	(64,38,090.00
	Rent Exp.	674160.00	-	70,500.00	7,44,660.0
		(11,36,520.00)	-	(85,500.00)	(12,22,020.00
	Salary	2156821.00	2,90,195.00	-	24,47,016.0
		(20,29,823.00)	-	-	(20,29,823.00
	Rent Received	-	-	-	
		-	-	(36,000.00)	(36,000.00
	Advance for Asset taken/repaid	-	-	-	
		-	(4,00,000.00)	-	(4,00,000.00
	Balances outstanding at the end of the year				
	Receivables:-				
	Trade receivables	-	-	7,06,603.00	7,06,603.00
		-	-	(1,73,970.00)	(1,73,970.00
	Salary	-	10,000.00	-	10,000.00
		-	-	-	
	Loans and advances (Advance Rent)	-	-	-	-
		-	-		
	Misc. Advance	-	-	1381.00	1,381.0
		-	-	(9,000.00)	(9,000.00
	Payables:-				
	Trade payables	-	-	6,65,432.00	6,65,432.0
		-	-	(8,45,364.00)	(8,45,364.00
	Borrowings	-	-	-	-
		-	-	-	-
	Rent	836376.00	-	49,500.00	8,85,876.0
		(1,59,725.00)	-	(61,000.00)	(2,20,725.00
	Salary	5,97,732.00	-	-	5,97,732.0
		(42,349)	-	-	(42,349.00
	Trade Advance Received	-	-		
		-	-	(31,35,920.08)	(31,35,920.08

Note: Figures in bracket relates to the previous year

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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RESINOVA CHEMIE LIMITED, KANPUR

Notes forming part of standalone Unaudited financial statements as of 30th Sept. 2014

NOTE 32 - SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PREPARATIOIN OF FINANCIAL STATEMENTS:

The financial statements are prepared on going concern concept and in accordance with the Generally Accepted Accounting Principles, as per the historical convention on accrual method of accounting basis, except the value of plant & machineries which were revalued, and in conformity with the mandatory accounting standards, as specified in sub section 3C of section 211 of the Companies Act, 1956. Pursuant to circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 04, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing accounting standards notified under the Companies Act, 1956 shall continue to apply.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI of the Companies Act, 1956.

B. USE OF ESTIMATES:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires the management to make estimates and assumptions considered in the reporting of accounts of assets and liabilities including the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent, reasonable and based upon management's best knowledge of current event and actions, and actual results could differ from these estimates.

C. REVENUE RECOGNITION:

(a) Sales are recognized on dispatch of material when all the significant risks and title of ownership in the goods are transferred to the customers/buyer as per terms of contract.

(b) Sales are inclusive of excise duty realized on sales and net of returns and discounts, if any. In order to comply with the accounting interpretation (ASI-14)issued by the Institute of Chartered Accountants of India, Sales (inclusive of excise duty) and net sales (excluding excise duty) is disclosed in Statement of Profit & Loss.

(c) Revenue/Income is accounted for on accrual basis as they are earned.

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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RM Pandey

D. FIXED ASSETS:

Tangible assets:

Tangible fixed assets are stated at their historical cost or revalued cost, wherever applicable. Cost comprises of cost of acquisition/improvements, freight, erection/installation charges, duties and taxes and other incidental expenses of bringing the asset to the condition for its intended use and is net of CENVAT/VAT availed/claimed, wherever applicable.

Intangible assets:

Intangible assets are stated at their cost of acquisition, which includes cost of improvements, license fee, charges, duties and taxes.

Capital Work-in-Progress:

Capital work-in-Progress comprises cost of assets that are not yet ready for their intended use at the period end.

E. DEPRECIATION:

Tangible assets:

Depreciation is provided on the straight line method, at the rates prescribed in Schedule- XIV of the Companies Act, 1956. Depreciation on additions/deductions to fixed assets is provided on prorate basis from the date of acquisition.

Intangible assets:

Computer software is being depreciated on straight line method at the rates specified in schedule XIV of the Companies act 1956.

F. 'MPAIRMENT OF ASSETS:

The Carrying amount of assets is reviewed at each balance-sheet date. If there is any indication of impairment based on internal and external factor, an impairment loss is recognized wherever the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. For the purpose of accounting of impairment due consideration is given to revaluation reserve, if any. There has been no impairment loss during the period.

G. BORROWING COST:

Interest and other cost in connection with the borrowing of the funds to the extent related/attributed to the acquisition/ construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use. Other borrowing costs are charged to profit & loss account.

SHAILESH PIESH & CO. CHARTERED ACCOUNTANTS KANPUR

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H. INVENTORIES:

(a) **Raw Material, Packing Material & Stores/spares** are valued at the lower of cost or net realizable value. Cost includes expenses of Procurement, excise duties, custom duties, Sales tax and VAT and is net of credits under CENVAT Scheme & VAT. Cost is determined on FIFO basis.

(b) **Work in progress** is valued at cost (comprising cost of purchase and conversion cost incurred to bring inventories to present location) or net realizable value whichever is less

(c) **Finished goods** are valued at cost (inclusive of excise duty) or net realizable value, whichever is lower. Cost is worked out as per reverse calculation method from selling price on gross profit factor basis.

(d) **Trading stock** has been valued at lower of cost or net realizable value.

Net realizable value is the estimate of the selling price in the ordinary course of business as applicable.

I. EMPLOYEES' BENEFITS:

(a) Contributions to recognized provident fund and employee state insurance are charged to profit & loss account every year.

(b) Company follows the system of providing for retirement gratuity on accrual basis as per the provisions of the Payment of Gratuity Act, 1972, years to years on consistent basis.

(c) The yearly-accumulated Leave encashment is being accounted for on the basis of payment for the period.

J. FOREIGN CURRENCY TRANSACTIONS:

(a) Foreign currency transactions are accounted at the exchange rate prevailing on the date of transactions. Gains or losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currency are recognized in the statement of profit & loss.

(b) The balances of creditors (vendors) at the yearend are translated as per conversion rates on the Balance sheet date.

(c) Foreign currency transactions related to acquisition of capital assets are accounted at the exchange rate prevailing on the date of transactions. Gains or losses resulting from the settlement of such transaction are adjusted against the cost of acquisition of the assets.

SHAILESH VISHESH & CO. CHARTERED ACCOUNTANTS KANPUR

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K. TAXES ON INCOME:

(a) **Current tax**: current tax is determined as the amount of tax payable on taxable income for the period as per the provisions of Income Tax Act, 1961.

(b) **Provision for deferred tax**: deferred tax is recognized on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and laws enacted on the balance sheet date.

(c) **Deferred tax assets** are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

L. OPERATING LEASES:

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the profit & loss account on an accrual basis over the lease term.

M. PROVISIONS AND CONTINGENCIES:

(a) A provision is made when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

(b) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. The disclosure of claims against the company not acknowledged as debts are made after a careful evaluation of facts and legal aspect of the matter involved.

N. EARING PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share are the net profit for the period after deducting dividend and any attributable tax thereto for the period.

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RM Pandey

SHAILESH VISHESH & CO.
CHARTERED ACCOUNTANTS

Office :
24/35, Birhana Road, Kanpur-208 001
Phone : 0512-2372978, 6554565
E-mail : shah.svco@gmail.com

INDEPENDENT AUDITOR'S REPORT

*To the Members of **Resinova Chemie Limited.***

Report on the financial statements:

1. We have audited the accompanying financial statements of Resinova Chemie Limited ("The Company") which comprises the Balance Sheet as at 31st March 2014, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the financial statement:

2. The company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("The Act") read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis of Qualified Opinion:

4. As per accounting policy consistently followed by the company, liability for retirement gratuity payable to employees is provided on accrual basis as per the provisions of the Payment of Gratuity Act, 1972, which is not in accordance with the Accounting Standards as referred to in sub-section (3C) of section 211 of the Companies Act, 1956. A liability of Rs. 20,83,307/- for retirement gratuity has been charged to Profit & Loss A/c of the year under report. However, in absence of valuation of such liability as per actuarial valuation, the effect of such deviation is indeterminable.

Opinion:

5. In our opinion and to the best of our information and according to the explanation given to us, except the effect of the matter described in the basis of Qualified Opinion paragraph, the 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:

   (a) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2014;

   (b) in the case of the statement of Profit and Loss, of the Profit for the year ended on that date; and

   (c) in case of the Cash Flow Statement, of the cash flows of the year ended on that date.

Report on Other Legal and Regulatory Requirements:

6. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub-section (4A) of Sec. 227 of The Companies Act, 1956 and on the basis of such checks of books and records as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

7. As required by section 227 (3) of the Act, we report that:

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

   b. In our opinion, proper books of accounts, as required by law have been kept by the company, so far as appears from our examination of those books.

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(b) No disputed statutory dues including Provident Fund, Employees' State Insurance, Service Tax, Income tax, Sales tax, Custom duty, Excise duty, Cess and other statutory dues with appropriate authority in India were in arrears as at 31st March 2014.

X The Company does not have accumulated losses as at 31st March 2014 and has not incurred cash losses during the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 4 (x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

XI In our opinion, according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or bank as at the balance sheet date.

XII In our opinion and according to the information and explanation given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

XIII The Company is not a chit fund or a Nidhi/Mutual benefit fund/Society. Accordingly, the provisions of the Clause (xiii) of paragraph 4 of this Order are not applicable to the company.

XIV The Company is not dealing in or trading in shares, securities, debentures and other Investments. Accordingly, the provisions of this Clause (xiv) of paragraph 4 of the Order are not applicable to the company.

XV According to the information and explanations given to us by the management, the company has not given any guarantees for loans taken by others from banks or financial institutions during the year. Accordingly, clause (xv) of paragraph 4 of the order is not applicable.

XVI To the best of our knowledge and belief and according to the information and explanations given to us, company has not availed any term loan during the year.

XVII According to the information and explanations given to us and on over all examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.

XVIII During the year, the company has ~~not~~ made any preferential allotment of shares to parties and companies covered in the register maintained under Sec. 301 of the Act.

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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ANNEXURE TO THE AUDITORS REPORT

REFERRED TO IN PARAGRAPH 6 OF THE AUDITORS REPORT OF EVEN DATE ADDRESSED TO MEMBERS OF RESINOVA CHEMIE LIMITED ON THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENEDED ON 31ST MARCH 2014:

I **In respect of fixed assets:**

(a) The Company has maintained proper records showing full particulars including quantitative detail and situation of fixed asset.

(b) As explained to us, all the fixed assets have not been physically verified by the management during the year but there is regular program of verification in phased manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information furnished to us, no material discrepancies have been noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, the company has not made any substantial disposal of fixed assets during the year and the going concern status of the company is not affected.

II **In respect of inventories:**

(a) Inventories have been physical verified during the year by the management. In our opinion, the frequency of such verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on such verification between the physical stocks and the book records were not material.

III The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under the provision of section 301 of The Companies Act, 1956. Therefore, the provisions of Clause 4 (iii) [(b), (c), (d), (f) & (g)] of the said Order are not applicable to the company.

IV In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and sales of goods and services. Further, on the basis of our examination of books and records of the company during the course of our audit, and according to the information and explanation given to us, no major weakness has been noticed or informed to us, in the aforesaid internal control system.

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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V In respect of contracts and arrangements referred to in Sec. 301 of the Companies Act, 1956:

(a) According to the information and explanation given to us, we are of the opinion that the transactions made in pursuant to the contracts and arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanation given to us, the transactions made if any, in pursuance of the contracts or arrangement entered in register maintained under section 301 of the companies Act, 1956 exceeding the value of Rs. five lacks with any party during the year, have been made at prices which appear reasonable having regard to prevailing market prices at the relevant time and information available with the company.

VI In our opinion and according to information and explanations given to us, the Company has not accepted any Deposits from the public within the meaning of the provisions of Sec. 58A and 58AA or any other relevant provisions of the Act and rules framed there under, therefore, the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company

VII In our opinion, the Company has an in-house internal audit system commensurate with its size and nature of its business.

VIII We have broadly reviewed the cost records maintained by the company, pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the company has maintained cost records. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

IX According to information and explanation given to us and our examination of the records of the company;

(a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Service Tax, Income tax, Sales tax, VAT, Custom duty, Excise duty, Cess and other statutory dues with appropriate authority in India. According to information and explanation given to us, no undisputed statutory dues in respect of above were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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c. The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

d. In our opinion, the Balance sheet and Statement of Profit & Loss and Cash Flow Statement dealt with by this report, subject to the matter described in the basis of Qualified Opinion paragraph, comply with the accounting standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

e. On the basis of written representation received from the Directors of the company as on 31st March 2014 and taken on record by Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Shailesh Vishesh & Co.,
Chartered Accountants,
Firm Regd. No. 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Shailesh Shah)
Partner
Membership No. 072521

Place : Kanpur
Dated : 10.07.2014

XIX. The company has not issued any debentures during the current financial year and does not have any debenture outstanding as at the beginning of the year and at the end of year end.

XX. The company has not raised any money by way of public issue during the year.

XXI. Based on our examination of books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to information and explanation given to us, we have neither come across any incident of material fraud on or by the company, noticed or reported during the year, nor have been informed of any such case by the company management.

FOR SHAILESH VISHESH & CO.
Chartered Accountants,
Firm Regd. No. 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Shailesh Shah)
Partner
M.No. 072521

PLACE:- KANPUR
DATE:- 10.07.2014

M/S RESINOVA CHEMIE LIMITED
BALANCE SHEET AS AT 31 MARCH, 2014

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	400,48,500.00	400,48,500.00
(b) Reserves and surplus	2	3042,91,703.80	2320,93,475.71
		3443,40,203.80	**2721,41,975.71**
2 Non-current liabilities			
(a) Long-term borrowings	3	-	3,00,000.00
(b) Deferred tax liabilities (net)	4	30,70,638.00	14,19,720.00
(c) Other long-term liabilities	5	33,64,802.15	32,51,525.46
(d) Long-term provisions	6	61,58,771.00	43,07,436.00
		125,94,211.15	**92,78,681.46**
3 Current liabilities			
(a) Short-term borrowings	7	806,20,826.00	689,65,566.85
(b) Trade payables	8	1865,66,502.53	1657,60,524.33
(c) Other current liabilities	9	687,05,940.96	589,82,992.58
(d) Short-term provisions	10	83,87,384.00	105,12,165.00
		3442,80,653.49	**3042,21,248.76**
TOTAL		**7012,15,068.44**	**5856,41,905.93**
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		1604,28,272.65	1240,83,040.52
(ii) Intangible assets		5,87,925.38	3,93,248.22
(iii) Capital work-in-progress		34,57,694.38	8,47,002.41
(iv) Intangible assets under development		63,000.00	6,00,000.00
		1645,36,892.41	1259,23,291.15
(b) Long-term loans and advances	12	26,47,689.00	25,04,539.00
(c) Other non-current assets	13	79,68,284.01	84,90,408.51
		1751,52,865.42	1369,18,238.66
2 Current assets			
(a) Inventories	14	3704,79,760.89	2988,31,941.20
(b) Trade receivables	15	1001,69,400.15	965,67,703.27
(c) Cash and Bank Balances	16	309,57,373.84	232,31,537.65
(d) Short-term loans and advances	17	243,05,965.95	294,96,489.40
(e) Other current assets	18	1,49,702.19	5,95,995.75
		5260,62,203.02	4487,23,667.27
TOTAL		**7012,15,068.44**	**5856,41,905.93**
Significant Accounting Policies and Notes to financial statements - 1 to 32			

As per our report of even date.
For Shailesh Vishesh & Co.
Chartered Accountants
Firm Regd.No - 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Shailesh Shah)
Partner
M.No. 072521
Place : Kanpur
Date : 10/07/2014

For and on behalf of the Board of Directors

V. S. Parikh
(Vijay S. Parikh)
Managing Director

RShah
(Ramesh Shah)
Director

RM Pandey
(R.M.Pandey)
A.G.M. Accounts
Kanpur

M/S RESINOVA CHEMIE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Income			
Revenue from operations (gross)	19	19714,31,932.30	16001,46,142.85
Less: Excise duty		2466,93,423.74	2000,27,175.91
Revenue from operations (net)		17247,38,508.56	14001,18,966.94
Other income	20	22,26,470.77	10,56,858.29
Total revenue		**17269,64,979.33**	**14011,75,825.23**
Expenses			
(a) Cost of materials consumed	21	12842,68,629.05	10419,12,111.41
(b) Purchases of stock-in-trade	22	23,011.20	22,848.00
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(579,21,682.50)	(404,56,998.97)
(d) Employee benefits expense	24	1304,91,454.16	1036,73,782.49
(e) Finance costs	25	65,87,839.15	50,44,521.00
(f) Depreciation and amortisation expense	11	88,26,162.76	69,97,466.02
(g) Other expenses	26	2430,27,575.42	1984,54,269.68
Total expenses		**16153,02,989.24**	**13156,47,999.63**
Profit before tax		**1116,61,990.09**	**855,27,825.60**
Tax expense:			
(a) Current tax		348,92,000.00	263,74,000.00
(b) Current tax expense relating to prior years		5,78,106.00	-
(c) Deferred tax liability/(Asset)		16,50,918.00	(58,234.00)
Profit for the year		**745,40,966.09**	**592,12,059.60**
Earnings per equity share of Rs.10/- each:			
Basic/Diluted		18.61	14.79
Significant Accounting Policies and Notes to financial statements - 1 to 32			

As per our report of even date.
For Shailesh Vishesh & Co.
Chartered Accountants
Firm Regd.No. 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Shailesh Shah)
Partner
M.No.072521

Place : Kanpur
Date : 10/07/2014

For and on behalf of the Board of Directors

(Vijay S.Parikh)
Managing Director

(Ramesh Shah)
Director

(R.M.Pandey)
A.G.M. Accounts
Kanpur

RESINOVA CHEMIE LIMITED
CASH FLOW STATEMENT
for the year ended 31st March, 2014

Particulars	2013-14 Current Year (Rs.)	2012-13 Previous Year (Rs.)
A. ***Cash Flows from Operating Activities :***		
Profit before Tax	1116,61,990.09	855,27,825.60
Adjustment for:		
Depreciation	88,26,162.76	69,97,466.02
Profit/ Loss on sale of Fixed Assets	-10,16,176.75	-1,35,814.51
Bad Debts w/o	24,22,388.34	30,64,968.70
Liability no longer required	-6,52,247.00	-4,89,269.37
Loss in transit	1,42,657.00	8,654.00
Sundry Balances w/o	-6,65,643.50	-2,90,528.65
Interest Expense	65,87,839.15	50,44,521.00
Interest Income	-4,74,456.78	-4,36,983.91
Effect of Exchange Rates on Translation of Operating Cash Flows	39,55,683.00	22,87,232.69
Round Off	-1,818.74	-2,344.23
Operating Profit before Working Capital changes	**1307,86,377.57**	**1015,75,727.34**
Adjustment for:		
Inventories	-716,47,819.69	-793,96,743.00
Debtors	-53,62,770.28	-264,48,485.36
Long/Short term loans, advances and Current Assets	60,15,791.51	-189,54,627.20
Long/ Short term liabilities	123,39,807.07	172,99,908.52
Trade Payables	167,13,784.98	787,22,029.94
Cash generated from Operations	**888,45,171.16**	**727,97,810.24**
Income Tax paid/Divident Tax (net of Refund)	-339,30,350.00	-238,08,702.00
Net Cash generated from Operating Activities	**549,14,821.16**	**489,89,108.24**
B. ***Cash Flows from Investing Activities :***		
Purchase of Fixed Assets	-476,44,752.56	-423,37,653.25
Sale of Fixed Assets	12,21,165.81	4,66,860.90
Interest received	4,74,456.78	4,36,983.91
Net Cash used in Investing Activities	**-459,49,129.97**	**-414,33,808.44**
C. ***Cash Flows from Financing Activities :***		
Loans Taken	116,55,259.15	67,22,542.32
Loans Repaid	-3,00,000.00	-
Interest Paid	-65,87,839.15	-50,44,521.00
Dividend Paid	-60,07,275.00	-54,07,134.00
Net Cash generated from Financing Activities	**-12,39,855.00**	**-37,29,112.68**
D. ***Net Increase in Cash and Cash Equivalents (A + B + C)***	77,25,836.19	38,26,187.12
Cash and Cash Equivalents as at beginning of the year	231,86,710.65	193,60,523.53
Cash and Cash Equivalents as at end of the year	**309,12,546.84**	**231,86,710.65**

Note: (1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by ICAI.
(2) Previous year figures have been regrouped wherever necessary to confirm to current years classification.

As per our report of even date attached:
For Shailesh Vishesh & Co.
Chartered Accountants,
FRN - 010541C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Shailesh Shah)
Partner
M.No. 072521

Place: Kanpur
Date:

For and on behalf of the Board

(Vijay S. Parikh)
Managing Director

(Ramesh Shah)
Director

R.M.Pandey
AGM Accounts

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2014

Note - 1 SHARE CAPITAL	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Authorised:		
5250000 Equity Shares of Rs. 10/- each	525,00,000.00	525,00,000.00
(5250000 Equity Shares of Rs. 10/- each)		
Issues, Subscribed and Paid Up:		
4004850 Equity Shares of Rs. 10/- each fully paid	400,48,500.00	400,48,500.00
(4004850 Equity Shares of Rs. 10/- each fully paid)		
TOTAL	400,48,500.00	400,48,500.00

The company has only one class of equity shares having a par value of Rs. 10/- each. Each Share holder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Reconciliation of number of Equity Shares:	Year end 31st March 2014		Year end 31st March 2013	
	No. of Share	Amount (Rs.)	No. of Share	Amount (Rs.)
At the beginning of the year	40,04,850	400,48,500.00	40,04,850	400,48,500.00
Add: Fresh Issue	-	-	-	-
At the end of the year	40,04,850	400,48,500.00	40,04,850	400,48,500.00

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Vijay S. Parikh	23,08,175	57.63	23,08,175	57.63
Smt. Nita V. Parikh	8,84,675	22.09	8,84,675	22.09
Vijay S. Parikh (HUF)	3,15,000	7.87	3,15,000	7.87

NOTE - 2 RESERVES AND SURPLUS		As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Capital Reserve:			
Opening balance		2,25,000.00	2,25,000.00
Add/Less: Changes during the year		-	-
Closing Balance		2,25,000.00	2,25,000.00
General Reserve:			
Opening balance		329,22,158.00	270,00,953.00
Add: Transferred from surplus in statement of Profit & Loss		74,54,097.00	59,21,205.00
Closing Balance		403,76,255.00	329,22,158.00
Surplus in Statement of Profit & Loss:			
Opening balance		1989,46,317.71	1526,27,800.11
Add: Profit after tax for the year		745,40,966.09	592,12,059.60
Appropriations:			
Less:	Transferred to General Reserve	74,54,097.00	59,21,205.00
	Proposed Dividend on Share capital	20,02,425.00	60,07,275.00
	Dividend Distribution Tax on dividend	3,40,313.00	9,74,530.00
ADD:	Excess provision of tax in earlier years	-	9,468.00
		2636,90,448.80	1989,46,317.71
TOTAL		3042,91,703.80	2320,93,475.71

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

Vijay S. Parikh RShah RMPandey

RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
AS ON 30 SEPTEMBER 2014

Note - 19 REVENUE FROM OPERATIONS	As on 30th Sep. 2014 (`)	As on 30th Sep. 2013 (`)
Sale of products		
Manufactured	11744,75,051.50	9722,86,598.02
Stock in Trade	15,024.71	-
	11744,90,076.21	9722,86,598.02
Less:		
Sale return	77,81,403.59	90,16,620.50
Discount on sale	-	
Total	**11667,08,672.62**	**9632,69,977.52**

Note - 20 OTHER INCOME	As on 30th Sep. 2014 (`)	As on 30th Sep. 2013 (`)
Interest income	1,21,932.00	1,85,000.00
Other operating income	12,78,465.00	7,69,830.14
Office rent	-	36,000.00
Liabilities no longer required	1,019.55	4,00,000.00
Other incomes	3,457.63	4,183.02
TOTAL	**14,04,874.18**	**13,95,013.16**

Note - 21 COST OF MATERIAL CONSUMED	As on 30th Sep. 2014 (`)	As on 30th Sep. 2013 (`)
Raw Material		
Opening stock	1262,96,453.30	1230,87,124.75
Add: Purchases	6298,06,313.03	5361,07,695.65
Less: Closing stock	1367,24,570.22	1286,34,481.82
Cost of Raw material consumed [A]	**6193,78,196.11**	**5305,60,338.58**
Packing Material		
Opening stock	404,63,547.16	366,69,321.61
Add: Purchases	1333,08,152.31	945,72,226.37
Less: Closing stock	515,91,439.75	335,41,290.29
Cost of Packing Material consumed [B]	**1221,80,259.72**	**977,00,257.69**
Total Cost of Material consumed [A+B]	**7415,58,455.83**	**6282,60,596.27**

Note - 22 PURCHASE OF STOCK IN TRADE	As on 30th Sep. 2014 (`)	As on 30th Sep. 2013 (`)
Purchases	-	11,750.40
TOTAL	-	**11,750.40**

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

Vijay S. [illegible] R M Pandey

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2014

Note - 8 TRADE PAYABLES	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Trade Payables:		
Micro, Small and Medium Enterprises	83,41,596.00	94,32,413.00
(Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management, which have been relied upon by the auditors. No principal amount is overdue and no interest is payable as on 31st March 2014, as per terms of contract.)		
Creditors for Capital assets	6,49,378.00	3,14,861.00
Other Trade payables	1775,75,528.53	1560,13,250.33
TOTAL	1865,66,502.53	1657,60,524.33

Note: Other trade payables include Rs 89,48,828.08 (Previous year Rs 1,72,08,609.13) against cheques issued to creditors over the sanctioned limit under Cash Credit A/c with State Bank of India.

Note - 9 OTHER CURRENT LIABILITIES	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Advance from Customers	110,28,867.93	77,40,920.26
Other payables:		
Statutory dues (VAT/CST/ESI/ Excise duty)	256,66,640.25	201,18,711.16
TDS payable	5,81,279.00	8,59,201.00
Employee related Liabilities	151,50,505.97	122,14,125.77
Unclaimed Dividend	-	6,00,141.00
Other payables	162,78,647.81	174,49,893.39
TOTAL	687,05,940.96	589,82,992.58

Note: Other payables represents provisions for outstanding liabilities for expenses at the end of year.

Note - 10 SHORT TERM PROVISIONS	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Proposed Dividend on equity shares	20,02,425.00	60,07,275.00
Tax payable on proposed dividend	3,40,313.00	9,74,530.00
Provision for tax (net of advance tax and TDS)	60,44,646.00	35,30,360.00
TOTAL	83,87,384.00	105,12,165.00

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
AS ON 30 SEPTEMBER 2014

Note - 26 OTHER EXPENSES	As on 30th Sep. 2014 (`)	As on 30th Sep. 2013 (`)
Manufacturing and Operating Expenses		
Consumption of stores and spare parts	31,71,598.74	34,53,946.59
Factory Exp.	4,25,844.67	5,22,056.99
Power and fuel	138,24,562.68	132,36,255.80
Excise duty paid	6,61,896.68	6,71,415.88
Repairs and maintenance - Buildings	17,08,278.48	3,44,278.16
Repairs and maintenance - Machinery	2,26,323.23	1,49,798.80
	200,18,504.48	**183,77,752.22**
Administrative Expenses		
Bank Charges	11,64,187.14	7,53,410.26
Loss on fixed assets sold / scrapped / written off	14,460.28	-
Prior period items	-	87,522.00
Rent including lease rentals	28,67,642.00	27,87,975.00
Repairs and maintenance - Others	20,04,397.23	19,95,193.59
Telephone	22,38,646.81	18,38,739.39
Recruitment Exp	14,28,798.50	11,01,060.00
Rates and taxes	39,940.00	51,825.00
Printing, stationery & Postage	34,48,692.56	22,52,407.49
Insurance	6,71,328.76	2,83,832.00
Legal and professional	9,96,306.00	8,12,914.00
Net loss on foreign currency transactions and translation	-	83,83,976.00
	148,74,399.28	**203,48,854.73**
Selling Expenses		
Sales Tax/Vat Paid	61,54,219.00	50,08,604.00
Freight and forwarding	231,64,465.71	189,79,788.01
Sales discount	254,64,971.39	193,22,887.53
Product training exp.	9,93,951.00	8,96,496.96
Advertisement & Sales promotion	259,56,036.79	160,62,773.04
Travelling and conveyance	177,59,074.00	138,99,848.80
Other Marketing & Selling exp.	9,69,535.00	7,77,029.00
	1004,62,252.89	**749,47,427.34**
Other Expenses		
Bad debts	7,60,000.00	1,244.00
Miscellaneous expenses	37,31,393.13	30,23,032.20
	44,91,393.13	**30,24,276.20**
TOTAL	**1398,46,549.78**	**1166,98,310.49**

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2014

Note - 12 LONG TERM LOANS & ADVANCES	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Unsecured and Considered Good (Unless otherwise Stated)		
Security Deposits	26,47,689.00	25,04,539.00
TOTAL	26,47,689.00	25,04,539.00

Note - 13 OTHER NON CURRENT ASSETS	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Unsecured and Considered Good (Unless otherwise Stated)		
VAT/Sales Tax refundable	34,50,272.01	46,17,638.61
Income Tax Refundable	10,23,932.00	10,23,932.00
Other Loans & Advances (Recoverable in cash or in kind)		
Unsecured, considered good	34,94,080.00	25,93,150.55
Unsecured, considered doubtful	-	2,55,687.35
TOTAL	79,68,284.01	84,90,408.51

Note: Other long term loan & Advances include Rs 33,65,150/- (previous year Rs 18,53,895/-) as loans to employees

Note - 14 Inventories (Valued at lower of cost and net realisable value unless stated otherwise)	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
(a) Raw materials	1262,96,453.30	1230,87,124.75
(Include material in transit Rs Nil (Previous year Rs 57,36,959/-)		
(b) Work-in-progress	317,99,692.16	264,37,956.63
(c) Finished goods (other than those acquired for trading)	1658,17,853.80	1077,03,169.75
(Include goods in transit Rs 43,01,462.82 (Previous Year 6,842,392/-)		
(d) Stock-in-trade (acquired for trading)	42,870.60	61,477.90
(e) Stores and spares		
Consumable	20,39,042.30	24,76,557.72
POP Items	27,42,052.76	16,17,076.55
Power & Fuels	12,78,248.82	7,79,256.29
(f) Packing Material	404,63,547.15	366,69,321.61
Total	3704,79,760.89	2988,31,941.20

Note -14.1 DETAILS OF INVENTORIES	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Raw Material:		
Epoxy Resin	261,86,141.60	-
Dimer Acid	86,27,450.60	-
Tri Ethylene Tetra Amine (White)	68,33,506.33	45,11,936.12
Bisphenol-A	-	137,91,440.29
Epichlorohydrin	80,34,296.61	
Bayprene 320	-	43,61,563.12
Others	766,15,058.16	1004,22,185.22
Total	1262,96,453.30	1230,87,124.75

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SHAILESH VISHESH & CO.
KANPUR
CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES ON UNAUDITED FINANCIAL STATEMENTS
AS ON 30 SEPTEMBER 2014

29.2	Particulars	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
	Transactions:				
	Purchase of goods	-	-	36,73,068.00	36,73,068.00
		-	-	(36,05,102.00)	(36,05,102.00
	Sale of goods	-	-	76,64,042.00	76,64,042.00
		-	-	(64,38,090.00)	(64,38,090.00
	Rent Exp.	674160.00	-	70,500.00	7,44,660.00
		(11,36,520.00)	-	(85,500.00)	(12,22,020.00
	Salary	2156821.00	2,90,195.00	-	24,47,016.00
		(20,29,823.00)	-	-	(20,29,823.00
	Rent Received	-	-	-	
		-	-	(36,000.00)	(36,000.00
	Advance for Asset taken/repaid	-	-	-	
		-	(4,00,000.00)	-	(4,00,000.00
	Balances outstanding at the end of the year				
	Receivables:-				
	Trade receivables	-	-	7,06,603.00	7,06,603.00
		-	-	(1,73,970.00)	(1,73,970.00
	Salary	-	10,000.00	-	10,000.00
		-	-	-	
	Loans and advances (Advance Rent)	-	-	-	-
		-	-		
	Misc. Advance	-	-	1381.00	1,381.00
		-	-	(9,000.00)	(9,000.00
	Payables:-				
	Trade payables	-	-	6,65,432.00	6,65,432.00
		-	-	(8,45,364.00)	(8,45,364.00
	Borrowings	-	-	-	-
		-	-	-	-
	Rent	836376.00	-	49,500.00	8,85,876.00
		(1,59,725.00)	-	(61,000.00)	(2,20,725.00
	Salary	5,97,732.00	-	-	5,97,732.00
		(42,349)	-	-	(42,349.00
	Trade Advance Received	-	-		
		-	-	(31,35,920.08)	(31,35,920.08

Note: Figures in bracket relates to the previous year

SHAILESH VISHESH & CO.
KANPUR
CHARTERED ACCOUNTANTS

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RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2014

Note - 19 REVENUE FROM OPERATIONS	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Sale of products		
Manufactured	19903,29,881.91	16111,44,611.67
Stock in Trade	47,858.31	56,559.00
	19903,77,740.22	16112,01,170.67
Less:		
Sale returns	189,45,807.92	110,55,027.82
Total	19714,31,932.30	16001,46,142.85

Note- 19.1 Particulars	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Sale of products comprises		
Manufactured goods:		
Adhesive	9789,40,726.04	7548,62,282.36
Epoxide	5465,48,556.57	4666,09,994.75
Amine function compound	3778,86,619.91	3325,45,628.85
Others	680,08,171.47	460,71,677.89
Total - Sale of manufactured goods	19713,84,073.99	16000,89,583.85
Traded goods:		
Pigment Black	25,470.00	21,541.77
Pigment Brown	18,515.25	-
Pigment Dark Green	1,069.43	3,234.71
Pigment Light Grey	-	2,454.71
Others	2,803.63	29,327.81
Total - Sale of traded goods	47,858.31	56,559.00
TOTAL - Sale of products	19714,31,932.30	16001,46,142.85

Note - 20 OTHER INCOME	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Interest income	4,74,456.78	4,36,983.91
Other operating income	10,39,551.75	2,16,401.51
Office rent	45,000.00	1,08,000.00
Liabilities no longer required	6,65,643.50	2,90,528.65
Other incomes	1,818.74	4,944.22
TOTAL	22,26,470.77	10,56,858.29

Note : Other operating income includes Rs 10,16,176.75 (Previous year Rs 1,35,814.51) against profit on sales of Fixed assets.

Note - 21 COST OF MATERIAL CONSUMED	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Raw Material		
Opening stock	1230,87,124.75	967,14,104.69
Add: Purchases	10866,08,397.22	8973,86,072.83
Less: Closing stock	1262,96,453.30	1230,87,124.75
Cost of Raw material consumed [A]	10833,99,068.67	8710,13,052.77
Packing Material		
Opening stock	366,69,321.61	263,81,706.05
Add: Purchases	2046,63,785.92	1811,86,674.20
Less: Closing stock	404,63,547.15	366,69,321.61
Cost of Packing Material consumed [B]	2008,69,560.38	1708,99,058.64
Total Cost of Material consumed [A+B]	12842,68,629.05	10419,12,111.41
Material consumed comprises:		
Raw Material		
Bisphenol -A	964,03,943.20	1170,99,390.95
Dimer Acid	964,03,943.20	-
Epicholorohydrine	767,41,863.99	885,38,277.21
Epoxy Resin	2021,07,375.51	662,57,694.40
Other items	6117,41,942.77	5991,17,690.21
Packing Material		
Tubes	571,38,467.79	460,92,521.51
Cartons	298,07,025.91	260,93,404.45
Jerrycans	133,57,743.61	155,93,359.35
Other items	1005,66,323.07	831,19,773.33
TOTAL	12842,68,629.05	10419,12,111.41

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RShah RMPandey

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2014

Note - 22	PURCHASE OF STOCK IN TRADE	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Purchases		23,011.20	22,848.00
	TOTAL	23,011.20	22,848.00

Note - 23	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS, & STOCK IN TRADE	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Inventories at the beginning of the year:			
Finished goods		1077,03,169.74	740,90,745.21
Work-in-progress		264,37,956.64	167,73,111.33
Stock-in-trade		61,477.90	67,656.60
		1342,02,604.28	909,31,513.14
Inventories at the end of the year:			
Finished goods		1658,17,853.80	1077,03,169.75
Work-in-progress		317,99,692.16	264,37,956.63
Stock-in-trade		42,870.60	61,477.90
		1976,60,416.56	1342,02,604.28
	(Increase) / decrease in stock	(634,57,812.28)	(432,71,091.14)
Adjustment for variance in excise duty on opening and closing stock of finished goods		55,36,129.78	28,14,092.17
	TOTAL Net (Increase) / decrease	(579,21,682.50)	(404,56,998.97)

Note - 24	EMPLOYEE BENEFIT EXPENSE	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Salaries and wages		1227,04,088.00	977,94,897.00
Contributions to provident and other funds		59,71,562.00	51,52,598.00
Staff welfare expenses		18,15,804.16	7,26,287.49
	TOTAL	1304,91,454.16	1036,73,782.49

Note: Salaries includes salary paid to managing director Rs. 28,95,860/- (previous year Rs. 28,95,860/-) and to other directors Rs. 1,43,241/-(Previous year Rs. 1,41,000/-)

Note - 25	FINANCE COSTS	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
(a) Interest expense on:			
(i) Borrowings		64,22,997.15	50,26,278.00
(ii)- On Security Deposit		1,64,842.00	18,243.00
	TOTAL	65,87,839.15	50,44,521.00

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SHAILESH VISHESH & CO. CHARTERED ACCOUNTANTS KANPUR

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2014

Note - 26 OTHER EXPENSES	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Manufacturing and Operating Expenses		
Consumption of stores and spare parts	60,44,397.45	47,90,290.99
Factory Expenses	9,04,566.04	6,72,325.25
Power and fuel	251,12,063.20	210,23,492.81
Excise duty paid	39,51,152.85	26,86,074.16
Repairs and maintenance - Buildings	13,67,910.88	11,36,728.79
Repairs and maintenance - Machinery	4,49,006.81	3,92,650.50
	378,29,097.23	307,01,562.50
Administrative Expenses		
Bank Charges	24,01,986.52	19,52,725.74
Prior period items (Refer Note (26.2) below)	88,652.00	29,445.97
Rent including lease rentals	55,26,819.00	46,11,052.00
Repairs and maintenance - Others	38,45,790.03	34,46,055.70
Telephone	37,01,269.38	31,55,361.18
Recruitment Expenses	25,41,538.20	19,93,805.00
Rates and taxes	54,323.00	61,162.00
Printing, stationery & Postage	55,51,897.21	47,12,478.92
Insurance	7,58,823.00	4,81,756.00
Legal and professional	21,24,397.00	13,46,415.00
Net loss on foreign currency transactions and translation	39,55,683.00	22,87,232.69
	305,51,178.34	240,77,490.20
Selling Expenses		
Sales Tax/VAT Paid	115,76,757.03	86,98,049.63
Freight and forwarding	386,25,329.17	308,82,247.02
Sales discount	429,91,910.64	321,44,262.12
Product training expenses	10,95,603.00	15,35,675.00
Advertisement & Sales promotion	400,86,490.97	380,52,315.33
Travelling and conveyance	300,35,777.06	228,97,254.50
Other Marketing & Selling expenses	19,84,588.00	14,59,827.00
	1663,96,455.87	1356,69,630.60
Other Expenses		
Bad debts	24,22,388.34	30,64,968.70
Miscellaneous expenses	58,28,455.64	49,40,617.68
	82,50,843.98	80,05,586.38
TOTAL	2430,27,575.42	1984,54,269.68

Note - 26.1 PAYMENT TO AUDITORS	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Payments to the auditors comprise (net of service tax input credit, wherever applicable):		
For Statutory audit	2,15,000.00	1,95,000.00
For Tax Audit	77,000.00	70,000.00
For other services	53,500.00	86,000.00
Reimbursement of expenses	25,000.00	20,500.00
TOTAL	3,70,500.00	3,71,500.00

Note - 26.2 PRIOR PERIOD ITEMS	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
Prior period expenses	1,34,059.00	54,608.00
Prior period income	45,407.00	25,162.03
TOTAL	88,652.00	29,445.97

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2014

27	ADDITIONAL INFORMATION TO FINANCIAL STATEMENT	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
27.1	**Contingent liabilities (to the extent not provided for):** Claims against the Company not acknowledged as debt in respect of dusputed demands for which appeals are pending with Appellate Authorities/Courts:		
	Income Tax	2,69,000.00	2,69,000.00
	Central Exise	67,794.00	5,39,058.00
	VAT/Sales Tax	8,48,777.00	8,48,777.00
	Providend Fund	3,94,622.00	3,94,622.00
	Other Matter	8,16,330.00	8,16,330.00
Note :	Amount of Rs 394622/- against demand under PF Act has been lien marked under Current A/c with State Bank of India by PF department.		
27.2	The board of directors recommended a final dividend of Rs. 0.50 per share. The total amount to be distributed as a dividend as at 31st March 2014 is Rs. 20,02,425/- (Prev. year-Rs.60,07,275/- inclusive of interim dividend).		
27.3	The board is of the opinion that current assets,loans & advances have the value at least equal to the amount at which they are stated in the balance sheet if realised in ordinary course of the business.		
27.4	Balances of debtors and creditors, who have not responded against letters sent for balance confirmations, are subject to confirmation		
27.5	The conpany is engaged in manufacturing activitie of only organic chemicals and there are no separate reportable segment as per Accounting Standard -17.		

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2014

Note - 28	ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS		
28.1	Value of Imports calculated on CIF basis :	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
	Raw materials	4226,40,951.25	3616,52,819.00
	Packing materials	74,92,563.20	64,72,925.00
	Capital goods	13,89,993.00	14,80,249.00
	TOTAL	4315,23,507.45	3696,05,993.00

28.2	Details of consumption of imported and indigenous items	As at 31st March 2014		As at 31st March 2013	
		AMOUNT (Rs.)	%	AMOUNT (Rs.)	%
	Imported:				
	Raw materials	5932,96,548.11	54.76%	4338,73,794.91	49.81%
	Packing material	114,80,376.83	5.72%	81,88,095.99	4.79%
	TOTAL	6047,76,924.94	46.96%	4420,61,890.90	42.23%
	Indigenous:				
	Raw materials	4901,02,520.56	45.24%	4371,39,257.86	50.19%
	Packing material	1893,89,183.55	94.28%	1627,10,962.65	95.21%
	Store & spare parts	60,44,397.45	100.00%	47,90,290.99	100.00%
	TOTAL	6855,36,101.56	53.04%	6046,40,511.50	57.77%
	TOTAL (A+B)	12903,13,026.50		10467,02,402.40	

28.3	Earnings in foreign exchange:	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
	Export of goods calculated on FOB basis	8,43,873.00	7,25,166.07

Note 29	Related party transactions:	
29.1	Description of relationship:	Names of
	Key Management Personnel (KMP)	Mr.Vijay S. Parikh (Managing Director) Mrs.Nita V. Parikh (Director) Mr. Ramesh Shah (Director)
	Relatives of Key Management Personal	Sri Suresh Chandra M. Parikh (Relative of Directors) Smt. Usha S. Parikh (Relative of Directors) Mr.Nihir V.Parikh (Relative of Directors) Mr.Kushal V.Parikh (Relative of Directors)
	Enterprises in which KMP / Relatives of KMP can exercise significant influence	Parikh & Sons Maneklal Harilal Parikh Parikh Chemical Industries Parikh Resins Ltd. Parikh Agencies Shell Organics Pvt.Ltd.

Note: Related parties have been identified by the Management.

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2014

29.2	Particulars	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
	Transactions:				
	Purchase of goods	-	-	63,59,606.00	63,59,606.00
		-	-	(37,47,128.00)	(37,47,128.00)
	Sale of goods	-	-	118,38,154.00	118,38,154.00
		-	-	(113,49,441.00)	(113,49,441.00)
	Rent Exp.	1800000.00	-	1,50,000.00	19,50,000.00
		(19,46,260)	-	(1,50,000.00)	(20,96,260.00)
	Salary	3039101.00	10,98,240.00	-	41,37,341.00
		(30,36,860)	(8,80,360)	-	(39,17,220.00)
	Rent Received	-	-	45,000.00	45,000.00
		-	-	(1,08,000.00)	(1,08,000.00)
	Advance for Asset taken/repaid	-	400000.00	-	4,00,000.00
		-	-	-	-
	Balances outstanding at the end of the				
	Receivables:-				
	Trade receivables	-	-	-	-
		-	-	(1,06,400.00)	(1,06,400.00)
	Salary	-	-	-	-
		-	(73,728.00)	-	(73,728.00)
	Loans and advances (Advance Rent)	-	-	-	-
		-	-	(2,54,560.00)	(2,54,560.00)
	Misc. Advance	-	-	1381.00	1,381.00
		-	-	-	-
	Payables:-				
	Trade payables	-	-	4,07,959.00	4,07,959.00
		-	-	(5,64,434.00)	(5,64,434.00)
	Borrowings	-	-	-	-
		-	-	-	-
	Rent	259296.00	-	-	2,59,296.00
		(1,30,911.00)	-	-	(1,30,911.00)
	Salary	7,02,233.00	-	-	7,02,233.00
		(69,090)	-	-	(69,090.00)
	Trade Advance Received	-	-	38,24,024.67	38,24,024.67
		-	-	(38,99,456.08)	(38,99,456.08)

Note: Figures in bracket relates to the previous year

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RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2014

Note - 30	OPERATING LEASE
	The Company has entered into operating lease arrangements for land areas on which factory at Unnao has been established and for office premises. The leases arrangements are generally renewed on the expiry of the defined period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 to 10 % after a defined period, as per the agreements. Lease Rentals of Rs. 55.27 lacs (Prev. year Rs. 46.11 Lacs) paid during the year on the leases have been charged to Profit & Loss Account.
Note - 31	Previous year figures have been regrouped / reclassified and recasted wherever necessery to confirm to the current year presentation

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED, KANPUR

Notes forming part of standalone financial statements as at 31st March 2014

NOTE 32 - SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PREPARATIOIN OF FINANCIAL STATEMENTS:

The financial statements are prepared on going concern concept and in accordance with the Generally Accepted Accounting Principles, as per the historical convention on accrual method of accounting basis, except the value of plant & machineries which were revalued, and in conformity with the mandatory accounting standards, as specified in sub section 3C of section 211 of the Companies Act, 1956. Pursuant to circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 04, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing accounting standards notified under the Companies Act, 1956 shall continue to apply.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI of the Companies Act, 1956.

B. USE OF ESTIMATES:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires the management to make estimates and assumptions considered in the reporting of accounts of assets and liabilities including the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent, reasonable and based upon management's best knowledge of current event and actions, and actual results could differ from these estimates.

C. REVENUE RECOGNITION:

(a) Sales are recognized on dispatch of material when all the significant risks and title of ownership in the goods are transferred to the customers/buyer as per terms of contract.

(b) Sales are inclusive of excise duty realized on sales and net of returns and discounts, if any. In order to comply with the accounting interpretation (ASI-14)issued by the Institute of Chartered Accountants of India, Sales (inclusive of excise duty) and net sales (excluding excise duty) is disclosed in Statement of Profit & Loss.

(c) Revenue/Income is accounted for on accrual basis as they are earned.

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D. **FIXED ASSETS:**

Tangible assets:

Tangible fixed assets are stated at their historical cost or revalued cost, wherever applicable. Cost comprises of cost of acquisition/improvements, freight erection/installation charges, duties and taxes and other incidental expenses of bringing the asset to the condition for its intended use and is net of CENVAT/VAT availed/claimed, wherever applicable.

Intangible assets:

Intangible assets are stated at their cost of acquisition, which includes cost of improvements, license fee, charges, duties and taxes.

Capital Work-in-Progress:

Capital work-in-Progress comprises cost of assets that are not yet ready for their intended use at the year end.

E. **DEPRECIATION:**

Tangible assets:

Depreciation is provided on the straight line method, at the rates prescribed in Schedule- XIV of the Companies Act, 1956. Depreciation on additions/deductions to fixed assets is provided on prorate basis from the date of acquisition.

Intangible assets:

Computer software is being depreciated on straight line method at the rates specified in schedule XIV of the Companies act 1956.

F. **IMPAIRMENT OF ASSETS:**

The Carrying amount of assets is reviewed at each balance-sheet date. If there is any indication of impairment based on internal and external factor, an impairment loss is recognized wherever the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. For the purpose of accounting of impairment due consideration is given to revaluation reserve, if any. There has been no impairment loss during the year.

G. **BORROWING COST:**

Interest and other cost in connection with the borrowing of the funds to the extent related/attributed to the acquisition/ construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use. Other borrowing costs are charged to profit & loss account.

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H. INVENTORIES:

(a) **Raw Material, Packing Material & Stores/spares** are valued at the lower of cost or net realizable value. Cost includes expenses of Procurement, excise duties, custom duties, Sales tax and VAT and is net of credits under CENVAT Scheme & VAT. Cost is determined on FIFO basis.

(b) **Work in progress** is valued at cost (comprising cost of purchase and conversion cost incurred to bring inventories to present location) or net realizable value whichever is less

(c) **Finished goods** are valued at cost (inclusive of excise duty) or net realizable value, whichever is lower. Cost is worked out as per reverse calculation method from selling price on gross profit factor basis.

(d) **Trading stock** has been valued at lower of cost or net realizable value.

Net realizable value is the estimate of the selling price in the ordinary course of business as applicable.

I. EMPLOYEES' BENEFITS:

(a) Contributions to recognized provident fund and employee state insurance are charged to profit & loss account every year.

(b) Company follows the system of providing for retirement gratuity on accrual basis as per the provisions of the Payment of Gratuity Act, 1972, years to years on consistent basis.

(c) The yearly-accumulated Leave encashment is being accounted for on the basis of payment for calendar year.

J. FOREIGN CURRENCY TRANSACTIONS:

(a) Foreign currency transactions are accounted at the exchange rate prevailing on the date of transactions. Gains or losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currency are recognized in the statement of profit & loss.

(b) The balances of creditors (vendors) at the yearend are translated as per conversion rates on the Balance sheet date.

(c) Foreign currency transactions related to acquisition of capital assets are accounted at the exchange rate prevailing on the date of transactions. Gains or losses resulting from the settlement of such transaction are adjusted against the cost of acquisition of the assets.

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K. TAXES ON INCOME:

(a) **Current tax**: current tax is determined as the amount of tax payable on taxable income for the year as per the provisions of Income Tax Act, 1961.

(b) **Provision for deferred tax**: deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted on the balance sheet date.

(c) **Deferred tax assets** are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

L. OPERATING LEASES:

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the profit & loss account on an accrual basis over the lease term.

M. PROVISIONS AND CONTINGENCIES:

(a) A provision is made when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

(b) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. The disclosure of claims against the company not-acknowledged as debts are made after a careful evaluation of facts and legal aspect of the matter involved.

N. EARING PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share are the net profit for the period after deducting dividend and any attributable tax thereto for the period.

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

Shailesh Vishesh & Co.
CHARTERED ACCOUNTANTS

Office :
24/35, Birhana Road, Kanpur-208 001
Phone : 0512-2372978, 6554565
E-mail : shah.svco@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of ***Resinova Chemie Limited.***

Report on the financial statements:

We have audited the accompanying financial statements of Resinova Chemie Limited ("The Company") which comprises the Balance Sheet as at 31st March 2013, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statement:

The company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position financial performance and cash flow of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 19S6 ("The Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis of Qualified Opinion:

As per accounting policy consistently followed by the company, liability for retirement gratuity payable to employees is provided on accrual basis as per the provisions of the Payment of Gratuity Act, 1972, which is not in accordance with the Accounting Standards as referred to in sub-section (3C) of section 211 of the Companies Act, 1956. A liability of Rs. 14,26,576/- has been charged to Profit& Loss of the year. However, in absence of valuation of liability as per actuarial valuation, the effect of such deviation is indeterminable.

Opinion:

In our opinion and to the best of our information and according to the explanation given to us, except the effect of the matter described in the basis of Qualified Opinion paragraph, the 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:

(a) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2013;

(b) in the case of the statement of Profit and Loss, of the Profit for the year ended on that date; and

(c) in case of the Cash Flow Statement, of the cash flows of the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub-section (4A) of Sec. 227 of The Companies Act, 1956 and on the basis of such checks of books and records as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

2. As required by section 227 (3) of the Act, we report that:

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

   b) In our opinion, proper books of accounts, as required by law have been kept by the company, so far as appears from our examination of those books.

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SHAILESH VISHESH & CO. KANPUR

c) The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the Balance sheet and Statement of Profit & Loss dealt with by this report, subject to the matter described in the basis of Qualified Opinion paragraph, comply with the accounting standards referred to in Sub-Section (3C) of Sec. 211 of the Companies Act, 1956.

e) On the basis of written representation received from the Directors of the company as on 31st March 2013 and taken on record by Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the companies Act, 1956 nor has it issued any Rules under the said section,, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For Shailesh Vishesh & Co.,
Chartered Accountants,
(Firm Regd. No. 010571C)

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Shailesh Shah)
Partner
Membership No. 072521

Place : Kanpur
Dated : 29.06.2013

ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ADDRESSED TO MEMBERS OF RESINOVA CHEMIE LIMITED FOR THE FINANCIALYEAR 2012-13:

I In respect of fixed assets:

(a) The Company has maintained proper records showing full particulars including quantitative detail and situation of fixed asset.

(b) As explained to us, all the fixed assets have been physically verified by the management during the year in phased manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information furnished to us, no material discrepancies have been noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, the company has not made any substantial disposal of fixed assets during the year and the going concern status of the company is not affected.

II In respect of inventories:

(a) Inventories have been physical verified during the year by the management. In our opinion, the frequency of such verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on such verification between the physical stocks and the book records were not material.

III The Company has not granted/taken any loans secured or unsecured during the year to/from companies, firms or other parties to whom the provision of section 301 of The Companies Act, 1956 apply. Consequently, the requirements of Clauses no (iii) (a) to (g) of paragraph 4 of the order are not applicable.

IV In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and sales of goods and services. Further, on examination of books and records of the company during the course of our audit, no major weakness has been noticed or informed to us, in the aforesaid internal control system.

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

V In respect of contracts and arrangements referred to in Sec. 301 of the Companies Act, 1956:

(a) Based on our audit procedure and according to the information and explanation given to us, the transactions made in pursuant to the contracts and arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanation given to us, the transactions made if any, in pursuance of the contracts or arrangement entered in register maintained under section 301 of the companies Act, 1956 exceeding the value of Rs. 5 lacs with any party during the year, have been made at prices which appear reasonable having regard to prevailing market prices at the relevant time and information available with the company.

VI In our opinion and according to information and explanations given to us, the Company has not accepted any Deposits from the public within the meaning of the provisions of Sec. 58A and 58AA or any other relevant provisions of the Act and rules framed there under.

VII In our opinion, the Company has an in-house internal audit system commensurate with its size and nature of its business.

VIII We have broadly reviewed the cost records maintained by the company, pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the company has maintained cost records. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

IX According to information and explanation given to us and our examination of the records of the company;
(a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Service Tax, Income tax, Sales tax, VAT, Custom duty, Excise duty, Cess and other statutory dues with appropriate authority in India. According to information and explanation given to us, no undisputed statutory dues in respect of above were in arrears as at 31st March 2013 for a period of more than six months from the date they became payable.

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(b) No disputed statutory dues including Provident Fund, Employees' State Insurance, Service Tax, Income tax, Sales tax, Costom duty, Excise duty, Cess and other statutory dues with appropriate authority in India were in arrears as at 31st March 2013.

X The Company does not have accumulated losses as at 31st March 2013 and has not incurred cash losses during the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 4 (x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

XI In our opinion, according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or bank as at the balance sheet date.

XII In our opinion and according to the information and explanation given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

XIII The Company is not a chit fund or a Nidhis/Mutual benefit fund/Society. Accordingly, the provisions of the clause no. (xiii) of paragraph 4 of this order are not applicable to the company.

XIV The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of this clause are not applicable to the company.

XV According to the information and explanations given to us by the management, the company has not given any guarantees for loans taken by others from banks or financial institutions during the year. Accordingly, clause no. (xv) of paragraph 4 of the order is not applicable.

XVI To the best of our knowledge and belief and according to the information and explanations given to us, company has not availed any term loan during the year.

XVII According to the information and explanations given to us and on over all examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.

XVIII During the year, the company has not made any allotment of shares to parties and companies covered in the register maintained under Sec. 301 of the Act.

Cont...4

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

XIX. The company has not issued any debentures during the current financial year.

XX. The company has not raised any money by way of public issue during the year.

XXI. Based on our examination of books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to information and explanation given to us, we have neither come across any incident of material fraud on or by the company noticed or reported during the year, nor we have been informed of any such case by the company management.

FOR SHAILESH VISHESH & CO.
Chartered Accountants
Firm Regd. No. 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Shailesh Shah)
Partner
M.No. 072521

PLACE:- KANPUR
DATE:- 29.06.2013

M/S RESINOVA CHEMIE LIMITED
BALANCE SHEET AS AT 31 MARCH, 2013

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	40,048,500.00	40,048,500.00
(b) Reserves and surplus	2	232,093,475.71	179,853,753.10
		272,141,975.71	**219,902,253.10**
2 Non-current liabilities			
(a) Long-term borrowings	3	300,000.00	300,000.00
(b) Deferred tax liabilities (net)	4	1,419,720.00	1,477,954.00
(c) Other long-term liabilities	5	3,251,525.46	1,238,987.85
(d) Long-term provisions	6	4,307,436.00	3,034,909.00
		9,278,681.46	**6,051,850.85**
3 Current liabilities			
(a) Short-term borrowings	7	68,965,566.85	62,243,024.53
(b) Trade payables	8	165,760,524.33	85,003,129.81
(c) Other current liabilities	9	58,982,992.58	44,857,277.04
(d) Short-term provisions	10	10,512,165.00	6,981,805.00
		304,221,248.76	**199,085,236.38**
TOTAL		**585,641,905.93**	**425,039,340.33**
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		124,083,040.52	89,011,726.76
(ii) Intangible assets		393,248.22	1,135,027.65
(iii) Capital work-in-progress		847,002.41	407,395.88
(iv) Intangible assets under development		600,000.00	600,000.00
		125,923,291.15	91,154,150.29
(b) Long-term loans and advances	12	2,504,539.00	1,312,439.00
(c) Other non-current assets	13	8,490,408.51	6,527,031.60
		136,918,238.66	98,993,620.89
2 Current assets			
(a) Inventories	14	298,831,941.20	219,435,198.20
(b) Trade receivables	15	96,567,703.27	73,151,835.85
(c) Cash and Bank Balances	16	23,231,537.65	19,390,523.53
(d) Short-term loans and advances	17	29,496,489.40	13,734,058.93
(e) Other current assets	18	595,995.75	334,102.93
		448,723,667.27	326,045,719.44
TOTAL		**585,641,905.93**	**425,039,340.33**
Significant Accounting Policies and Notes to financial statements - 1 to 32			

As per our report of even date.
For Shailesh Vishesh & Co.
Chartered Accountants
Firm Regd.No.- 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Shailesh Shah)
Partner
M.No. 072521
Place : Kanpur
Date : 29th June 2013

For and on behalf of the Board of Directors

(Vijay S.Parikh)
Managing Director

(Ramesh Shah)
Director

R M Pandey

(R.M.Panday)
Sr.Manager Accounts
Kanpur -

M/S RESINOVA CHEMIE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Income			
Revenue from operations (gross)	19	1,600,146,142.85	1,331,652,220.49
Less: Excise duty		200,027,175.91	140,336,533.65
Revenue from operations (net)		1,400,118,966.94	1,191,315,686.84
Other income	20	1,056,858.29	1,724,251.79
Total revenue		**1,401,175,825.23**	**1,193,039,938.63**
Expenses			
(a) Cost of materials consumed	21	1,041,912,111.41	885,050,023.11
(b) Purchases of stock-in-trade	22	22,848.00	114,358.32
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(40,456,998.97)	(11,429,781.50)
(d) Employee benefits expense	24	103,673,782.49	85,153,837.29
(e) Finance costs	25	5,044,521.00	6,111,780.00
(f) Depreciation and amortisation expense	11	6,997,466.02	5,795,771.72
(g) Other expenses	26	198,454,269.68	153,841,871.46
Total expenses		**1,315,647,999.63**	**1,124,637,860.40**
Profit / (Loss) before tax		**85,527,825.60**	**68,402,078.23**
Tax expense:			
(a) Current tax		26,374,000.00	20,824,000.00
(b) Current tax expense relating to prior years		-	643,457.00
(c) Deferred tax liability/(Asset)		(58,234.00)	809,994.00
Profit / (Loss) for the year		**59,212,059.60**	**46,124,627.23**
Earnings per equity share of Rs.10/- each:			
Basic/Diluted		14.79	11.52

Significant Accounting Policies and Notes to financial statements - 1 to 32

As per our report of even date.
For Shailesh Vishesh & Co.
Chartered Accountants
Firm Regd.No.-010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Shailesh Shah)
Partner
M.No.072521

Place : Kanpur
Date : 29th June 2013

For and on behalf of the Board of Directors

(Vijay S.Parikh)
Managing Director

(Ramesh Shah)
Director

RMPandey
(R.M.Panday)
Sr.Manager Accounts
Kanpur

RESINOVA CHEMIE LIMITED
CASH FLOW STATEMENT
for the year ended 31st March, 2013

Particulars	2012-13 Current Year (Rs.)	2011-12 Previous Year (Rs.)
A. *Cash Flows from Operating Activities :*		
Profit before Tax	85,527,825.60	68,402,078.23
Adjustment for:		
Depreciation	6,997,466.02	5,795,771.72
Profit/ Loss on sale of Fixed Assets	-135,814.51	31,129.65
Bad Debts w/o	3,064,968.70	13,138.42
Liability no longer required	0.00	-74,296.30
Loss in transit	8,654.00	30,911.00
Sundry Balances w/o	-779,798.02	-1,207,219.90
Interest Expense	5,044,521.00	6,130,675.00
Interest paid out of accured	0.00	622,872.42
Interest Income	-436,983.91	-693,766.64
Effect of Exchange Rates on Translation of Operating Cash Flows	2,287,232.69	6,558,439.81
Round Off	-2,344.23	-1,692.29
Operating Profit before Working Capital changes	**101,575,727.34**	**85,608,041.12**
Adjustment for:		
Inventories	-79,396,743.00	-23,430,658.98
Debtors	-26,448,485.36	-15,537,250.14
Long/Short term loans, advances and Current Assets	-18,954,627.20	7,296,935.30
Long/ Short term liabilities	17,299,908.52	14,310,056.2
Trade Payables	78,722,029.94	-1,322,684.92
Cash generated from Operations	**72,797,810.24**	**66,924,438.62**
Income Tax paid/Dividend Tax (net of Refund)	-23,808,702.00	-27,871,659.00
Net Cash generated from Operating Activities	**48,989,108.24**	**39,052,779.62**
B. *Cash Flows from Investing Activities :*		
Purchase of Fixed Assets	-42,337,653.25	-19,951,631.10
Sale of Fixed Assets	466,860.90	34,539.85
Interest received	436,983.91	70,894.22
Net Cash used in Investing Activities	**-41,433,808.44**	**-19,846,197.03**
C. *Cash Flows from Financing Activities :*		
Loans Taken	6,722,542.32	-4,988,423.97
Increase in Capital (Refund of Share Application Money)	0.00	-210,000.00
Interest Paid	-5,044,521.00	-6,130,675.00
Dividend Paid	-5,407,134.00	-4,004,850.00
Net Cash generated from Financing Activities	**-3,729,112.68**	**-15,333,948.97**
D. *Net Increase in Cash and Cash Equivalents (A + B + C)*	3,826,187.12	3,872,633.62
Cash and Cash Equivalents as at beginning of the year	19,360,523.53	15,487,889.91
Cash and Cash Equivalents as at end of the year	**23,186,710.65**	**19,360,523.53**

Note: (1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by ICAI.

(2) Previous year figures have been regrouped wherever necessary to confirm to current years classification.

As per our report of even date attached:
For Shailesh Vishesh & Co.
Chartered Accountants,
FRN - 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Shailesh Shah)
Partner
M.No. 072521

Place: Kanpur
Dated: 29-6-2013

For and on behalf of the Board

(Vijay S. Parikh)
Managing Director

(Ramesh Shah)
Director

RMPandey
R.M.Pandey
Sr. Manager (Accounts)

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

Note - 1 SHARE CAPITAL	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Authorised :		
5250000 Equity Shares of Rs. 10/- each	52,500,000.00	52,500,000.00
Issues, Subscribed and Paid Up:		
4004850 Equity Shares of Rs. 10/- each fully paid	40,048,500.00	40,048,500.00
TOTAL	40,048,500.00	40,048,500.00

The company has only one class of equity shares having a par value of Rs. 10/- each. Each Share holder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Reconciliation of number of Equity Shares:	Year end 31st March 2013		Year end 31st March 2012	
	No. of Share	Amount (Rs.)	No. of Share	Amount (Rs.)
At the beginning of the year	4,004,850	40,048,500.00	4,004,850	40,048,500.00
Add: Fresh Issue	-	-	-	-
At the end of the year	4,004,850	40,048,500.00	4,004,850	40,048,500.00

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Vijay S. Parikh	2,308,175	57.63	2,308,175	57.63
Smt. Nita V. Parikh	884,675	22.09	884,675	22.09
Vijay S. Parikh (HUF)	315,000	7.87	315,000	7.87

NOTE - 2 RESERVES AND SURPLUS		As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Capital Reserve:			
Opening balance		225,000.00	225,000.00
Add/Less: Changes during the year		-	-
Closing Balance		225,000.00	225,000.00
General Reserve:			
Opening balance		27,000,953.00	22,388,490.00
Add: Transferred from surplus in statement of Profit & Loss		5,921,205.00	4,612,463.00
Closing Balance		32,922,158.00	27,000,953.00
Surplus in Statement of Profit & Loss:			
Opening balance		152,627,800.11	118,097,440.87
Add: Profit after tax for the year		59,212,059.60	46,124,627.23
Appropriations:			
Less:	Transferred to General Reserve	5,921,205.00	4,612,463.00
	Proposed Dividend on Share capital	6,007,275.00	6,007,275.00
	Dividend Distribution Tax on dividend	974,530.00	974,530.00
ADD :	Excess provision of tax in earlier years	9,468.00	-
		198,946,317.71	152,627,800.10
TOTAL		232,093,475.71	179,853,753.10

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

Note - 3 LONG TERM BORROWINGS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Secured:	-	-
Unsecured:		
From a company	300,000.00	300,000.00
TOTAL	300,000.00	300,000.00

Details of terms of repayment for long term unsecured borrowing taken from M/s Transcont India Finvest Pvt. Ltd.

Terms of repayment: Repayable in six years i.e. due for payment in March 2015.

Note - 4 DEFERRED TAX LIABILITY/(ASSET)	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Tax efffect of items constituting deferred tax liability		
Difference between depreciation as per books and tax rates	1,788,511.00	1,616,599.00
Allowances u/s 43 B	16.00	57,637.00
Profit on sale of Assets	44,065.00	-
Gratuity payment out of provisions	49,981.00	87,180.00
	1,882,573.00	1,761,416.00
Tax efffect of items constituting deferred tax asset		
Loss on Sale of assets	-	10,100.00
Provision for gratuity	462,853.00	273,346.00
Disallowance u/s 43 B	-	16.00
	462,853.00	283,462.00
TOTAL DEFFERED LIABILITY	1,419,720.00	1,477,954.00

Note - 5 OTHER NON-CURRENT LIABILITIES	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Security Deposit from Customers / Agents	1,072,020.00	77,020.00
Creditors for Capital Assets	93,644.00	-
Other Liabilities	2,085,861.46	1,161,967.85
TOTAL	3,251,525.46	1,238,987.85

Note - 6 LONG TERM PROVISIONS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Provision for payment of Gratuity (Refer note no. 32-I)	4,307,436.00	3,034,909.00
TOTAL	4,307,436.00	3,034,909.00

Note - 7 SHORT TERM BORROWINGS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Working Capital loans from Bank:		
Cash credit account with Bank	68,965,566.85	62,243,024.53
TOTAL	68,965,566.85	62,243,024.53

(Repayable on demand to State Bank of India, secured against hypothecation of entire Stock, book debts, other chargeable current assets and movable fixed assets with equitable mortagage on factory land & building and personal guarantees of directors)

RMPandey

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

Note - 8 TRADE PAYABLES	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Trade Payables:		
Micro, Small and Medium Enterprises	9,432,413.00	5,473,799.00
(Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management, which have been relied upon by the auditors. No principal amount is overdue and no interest is payable as on 31st March 2013, as per terms of contract.)		
Creditors for Capital assets	314,861.00	564,975.00
Other Trade payables	156,013,250.33	78,964,355.81
TOTAL	165,760,524.33	85,003,129.81

Note: Other trade payables include Rs 1,72,08,609.13 as liabilties against chequeg. issued.

Note - 9 OTHER CURRENT LIABILITIES	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Advance from Customers	7,740,920.26	7,762,314.88
Other payables:		
Statutory dues (VAT/CST/ESI/ Excise duty)	20,118,711.16	13,641,051.61
TDS payable	859,201.00	518,607.00
Employee related Liabilities	12,214,125.77	9,208,566.55
Unclaimed Dividend	600,141.00	-
Other payables	17,449,893.39	13,726,737.00
TOTAL	**58,982,992.58**	**44,857,277.04**

Note: Other payables represents provisions for outstanding liabilities of expenses at the end of year.

Note - 10 SHORT TERM PROVISIONS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Proposed Dividend on equity shares	6,007,275.00	6,007,275.00
Tax payable on proposed dividend	974,530.00	974,530.00
Provision for tax (net of advance tax and TDS)	3,530,360.00	-
TOTAL	10,512,165.00	6,981,805.00

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

Note - 11

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2013

FIXED ASSETS

A.	Tangible assets	Rate (%)	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
			Balance as at 1 April, 2012	Additions	Disposals	Balance as at 31 March, 2013	Up to 1st April, 2012	For the year	Disposals	Up to 31st March, 2013	Balance as at 31st March, 2013	Balance as at 31st March, 2012
	(a) Land											
	Freehold	0.00	5252150.00	0.00	240000.00	5012150.00	0.00	0.00	0.00	0.00	5012150.00	5252150.00
	(b) Buildings											
	Factory	3.34	18189846.13	18107627.27	0.00	36297473.40	1524877.58	630078.83	0.00	2154956.41	34142516.99	16664968.55
	Office	1.63	2075710.08	0.00	0.00	2075710.08	101594.91	33834.07	0.00	135428.99	1940281.09	1974115.17
	(c) Plant & Equipment											
	Plant & Machinery	5.28	60363002.46	12630520.00	120655.00	72872867.46	16066751.04	3399460.65	61785.94	19404425.75	53468441.71	44296251.42
	Boiler	5.28	3323585.87	0.00	0.00	3323585.87	1179425.52	175485.33	0.00	1354910.86	1968675.01	2144160.35
	Lab Equipment	5.28	713002.28	290245.00	0.00	1003247.28	131695.81	46250.08	0.00	177945.88	825301.40	581306.47
	Mould & Dyes	5.28	2095820.00	452988.00	135000.00	2413808.00	237882.99	119340.98	34038.64	323185.33	2090622.67	1857937.01
	Weighing Machine	4.75	947075.05	64384.00	2582.00	1008877.05	199559.31	47326.67	1005.37	245880.61	762996.44	747515.74
	Power Equipment	4.75	2789548.00	1560264.86	360307.00	3989505.86	793700.68	153667.25	282652.15	664715.78	3324790.08	1995847.31
	Fire Fighting & Hydrant Equipment	4.75	467369.06	89846.10	0.00	557215.16	26396.75	24669.95	0.00	51066.70	506148.46	440972.31
	(d) Furniture and Fixture											
	Furniture & Fixture	6.33	7061181.59	3979251.58	0.00	11040433.17	1163462.28	531459.19	0.00	1694921.47	9345511.70	5897719.31
	Electric Fitting	6.33	2848515.72	863907.70	0.00	3712423.42	861237.50	189342.25	0.00	1050579.75	2661843.67	1987278.22
	(e) Vehicle											
	Owned	9.50	1897525.00	1291422.00	391333.00	2797614.00	843973.01	221109.09	299348.53	765733.56	2031880.44	1053552.00
	Cycle	7.07	15215.90	0.00	0.00	15215.90	6616.73	916.14	0.00	7532.87	7683.03	8599.17
	(f) Office Equipment											
	Office Equipment	4.75	2352839.23	390055.62	0.00	2742894.85	364419.48	117054.42	0.00	481473.90	2261420.95	1988419.75
	Air Conditioner	4.75	624937.58	27600.25	0.00	652537.83	82368.54	30698.08	0.00	113066.62	539471.21	542569.05
	Utility Tools & Impliments	4.75	151997.65	1464944.71	0.00	1616942.36	23461.25	20628.03	0.00	44089.28	1572853.08	128536.40
	(g) Computer	16.21	4033384.70	684989.63	24200.00	4694174.33	2583556.17	514365.57	24200.00	3073721.73	1620452.60	1449828.53
	Total		**115202706.30**	**41898046.72**	**1274077.00**	**156826676.02**	**26190979.54**	**6255686.59**	**703030.63**	**31743636.50**	**124083040.52**	**89011726.76**
	Previous Year		**89087319.65**	**26224572.75**	**109186.00**	**115202706.30**	**21178144.33**	**5058351.94**	**43516.73**	**26190979.54**	**89011726.76**	**67911175.21**
B.	**Intangible assets**											
	(a) ERP Software at H.O.	16.21	4576060.66	0.00	0.00	4576060.66	3441033.01	741779.43	0.00	4182812.44	393248.22	1135027.65
	Total		**4576060.66**	**0.00**	**0.00**	**4576060.66**	**3441033.01**	**741779.43**	**0.00**	**4182812.44**	**393248.22**	**1135027.65**
	Previous Year		**4521975.05**	**54085.61**	**0.00**	**4576060.66**	**2703613.23**	**737419.78**	**0.00**	**3441033.01**	**1135027.65**	**1818381.82**
C.	**Capital work in progress**											
	(a) Plant & Machinery		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Building		402456.36	18109515.32	18107627.27	404344.41	0.00	0.00	0.00	0.00	404344.41	402456.36
	(c) Mould & Dyes		0.00	442658.00	0.00	442658.00	0.00	0.00	0.00	0.00	442658.00	0.00
	(d) Furniture & Fixture		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(e) Electric Fitting		4939.52	0.00	4939.52	0.00	0.00	0.00	0.00	0.00	0.00	4939.52
	Total		**407395.88**	**18552173.32**	**18112566.79**	**847002.41**	**0.00**	**0.00**	**0.00**	**0.00**	**847002.41**	**407395.88**
	Previous Year		**6734423.37**	**2596797.43**	**8923824.82**	**407395.88**	**0.00**	**0.00**	**0.00**	**0.00**	**407395.88**	**6734423.37**
D.	**Intangible assets under Development**											
	PDA Software under development		600000.00	0.00	0.00	600000.00	0.00	0.00	0.00	0.00	600000.00	600000.00
	Total		**600000.00**	**0.00**	**0.00**	**600000.00**	**0.00**	**0.00**	**0.00**	**0.00**	**600000.00**	**600000.00**
	Previous Year		**600000.00**	**0.00**	**0.00**	**600000.00**	**0.00**	**0.00**	**0.00**	**0.00**	**600000.00**	**600000.00**
GRAND TOTAL (CURRENT YEAR)			**120786162.84**	**60450220.04**	**19386643.79**	**161849739.09**	**29632012.55**	**6997466.02**	**703030.63**	**35926447.94**	**125923291.15**	**91154160.29**
GRAND TOTAL (PREVIOUS YEAR)			**100843717.97**	**28875455.79**	**9033010.82**	**120786162.84**	**23879757.56**	**5795771.72**	**43516.73**	**29632012.55**	**91154160.29**	**77063960.40**

NOTES :

1. The Gross value of Plant & Machinery are inclusive of Rs. 67,73,106.14 added on revaluation of Plant & Machineries in the FY 1994-95, before conversion of Partnership firm into Company under Part-IX of the Companies Act, 1956
2. Capital WIP (Tangible) includes assets under construction/installation at the end of year.
3. Capital WIP (Intangible) includes a PDA software under development at the end of year.

SHAILESH VISHESH & CO. CHARTERED ACCOUNTANTS KANPUR

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RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

Note - 12 LONG TERM LOANS & ADVANCES	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Unsecured and Considered Good (Unless otherwise Stated)		
Security Deposits	2,504,539.00	1,312,439.00
TOTAL	2,504,539.00	1,312,439.00

Note - 13 OTHER NON CURRENT ASSETS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Unsecured and Considered Good (Unless otherwise Stated)		
VAT/Sales Tax refundable	4,617,638.61	3,979,396.15
Income Tax Refundable	1,023,932.00	1,023,932.00
Other Loans & Advances (Recoverable in cash or in kind)		
Unsecured, considered good	2,593,150.55	1,523,703.45
Unsecured, considered doubtful	255,687.35	-
TOTAL	8,490,408.51	6,527,031.60

Note: Other long term loan & Advances include Rs 1853895/- lacs (previous year Rs262600/- lacs) as loans to employees

Note - 14 Inventories (Valued at lower of cost and net realisable value unless stated otherwise)	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
(a) Raw materials	123,087,124.75	96,714,104.69
(Include material in transit Rs 5736959/- (Previous year Rs 8423871/-)		
(b) Work-in-progress	26,437,956.63	16,773,111.34
(c) Finished goods (other than those acquired for trading)	107,703,169.75	74,090,745.20
(Include goods in transit Rs 6,842,392/-(Previous Year 3,852,498/-)		
(d) Stock-in-trade (acquired for trading)	61,477.90	67,656.60
(e) Stores and spares		
Consumable	2,476,557.72	2,289,389.66
POP Items	1,617,076.55	1,813,380.49
Power & Fuels	779,256.29	1,305,104.17
(f) Packing Material	36,669,321.61	26,381,706.05
Total	**298,831,941.20**	**219,435,198.20**

Note -14.1 DETAILS OF INVENTORIES	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Raw Material:		
TETA White	4,511,936.12	5,414,765.36
Bisphenol-A imported	13,791,440.29	4,982,061.65
Bayprene 320	4,361,563.12	4,983,491.53
Others	100,422,185.22	81,333,786.15
Total	**123,087,124.75**	**96,714,104.69**

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RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

Note - 15 TRADE RECEIVABLES	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment:		
Unsecured, considered good	4,110,778.19	4,545,438.27
Unsecured considered doubtful	175,758.02	835,170.24
Other trade receivables:		
Unsecured, considered good (Net Value)	91,910,792.91	67,249,037.34
Unsecure considered doubtful	370,374.15	522,190.00
TOTAL	**96,567,703.27**	**73,151,835.85**

Note: Trade receivables include Rs. 3,60,960/-(previous year Rs. 3,43,560/-) due from entities in which key management personnel have significant influece.

Note - 16 CASH AND BANK BALANCES		As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Cash and Bank Balances			
Balance with banks			
1	In current accounts	17,680,281.32	14,645,772.72
2	In deposit accounts	4,464,573.33	4,338,249.21
3	In deposit accounts under Security deposit with Govt. Deptt.	44,827.00	30,000.00
4	Dividend account	609,491.00	9,262.00
Cash in hand		432,365.00	367,239.60
TOTAL		**23,231,537.65**	**19,390,523.53**

Fixed deposits with banks include deposits of Rs 3401834/- (Previous Year Rs 3401834/-) with maturity of more than 12 months.

Note - 17 SHORT-TERM LOANS AND ADVANCES	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Loans and advances to employees		
Unsecured, considered good	4,352,112.84	1,296,542.24
Unsecured, considered doubtful	8,664.00	255,687.35
Prepaid expenses	467,863.00	331,724.00
(Unsecured, considered good)		
Advance Income tax (Net of provisions)		24,812.00
(Unsecured, considered good)		
Balances with government authorities		
(Unsecured, considered good)		
CENVAT credit receivable	6,581,401.45	2,859,441.50
VAT credit receivable	396,374.00	379,582.89
Service tax credit receivable	510,861.97	169,015.95
Income Tax Refundable (A.Y.12-13)	34,280.00	-
Security Deposit	250,000.00	-
Advances to vendor (Unsecured, considered good)		
Capital Advances	8,094,748.00	2,120,040.00
Other Advances	8,800,184.14	6,297,213.00
TOTAL	**29,496,489.40**	**13,734,058.93**

Note - 18 OTHER CURRENT ASSETS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Interest accrued on deposits	595,995.75	334,102.93
TOTAL	**595,995.75**	**334,102.93**

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

Note - 19 REVENUE FROM OPERATIONS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Sale of products		
Manufactured	1,611,144,611.67	1,340,995,951.82
Stock in Trade	56,559.00	116,397.48
	1,611,201,170.67	1,341,112,349.30
Less:		
Sale return	11,055,027.82	9,188,602.60
Discount on sale	-	271,526.21
Total	1,600,146,142.85	1,331,652,220.49

Note- 19.1 Particulars	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Sale of products comprises @:		
Manufactured goods:		
Adhesive	754,862,282.36	559,308,025.93
Epoxide	466,609,994.75	431,254,325.56
Amine function compound	332,545,628.85	308,164,816.29
Others	46,071,677.89	32,808,655.23
Total - Sale of manufactured goods	1,600,089,583.85	1,331,535,823.01
Traded goods:		
Pigment Black	21,541.77	41,379.10
Pigment Dark Green	3,234.71	2,492.11
Pigment Light Grey	2,454.71	270.00
Others	29,327.81	72,256.27
Total - Sale of traded goods	56,559.00	116,397.48
TOTAL - Sale of products	1,600,146,142.85	1,331,652,220.49

Note - 20 OTHER INCOME	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Interest income	436,983.91	70,894.22
Other operating income	216,401.51	206,555.00
Office rent	108,000.00	108,000.00
Liabilities no longer required	290,528.65	1,335,010.28
Other incomes	4,944.22	3,792.29
TOTAL	1,056,858.29	1,724,251.79

Note - 21 COST OF MATERIAL CONSUMED	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Raw Material		
Opening stock	96,714,104.69	77,968,890.95
Add: Purchases	897,386,072.83	778,428,707.98
Less: Closing stock	123,087,124.75	96,714,104.69
Cost of Raw material consumed (A)	871,013,052.77	759,683,494.24
Packing Material		
Opening stock	26,381,706.05	35,464,882.50
Add: Purchases	181,186,674.20	116,283,352.42
Less: Closing stock	36,669,321.61	26,381,706.05
Cost of Packing Material consumed (B)	170,899,058.64	125,366,528.87
Total Cost of Material consumed (A+B)	1,041,912,111.41	885,050,023.11
Material consumed comprises:		
Raw Material		
Bisphenol -A imported	117,099,390.95	112,729,248.28
Epicholorohydrine (F)	88,538,277.21	70,315,386.64
Epoxy Part-A	66,257,694.40	67,574,648.88
Other items	599,117,690.21	509,064,210.44
Packing Material		
Tube	46,092,521.51	36,683,906.20
Carton	26,093,404.45	21,249,429.64
Jerrycan	15,593,359.35	12,594,265.91
Other items	83,119,773.33	57,367,951.12
TOTAL	1,041,912,111.41	887,579,047.11

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

Note - 22	PURCHASE OF STOCK IN TRADE	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Purchases		22,848.00	114,358.32
	TOTAL	22,848.00	114,358.32

Note - 23	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS, & STOCK IN TRADE	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Inventories at the beginning of the year:			
Finished goods		74,090,745.21	61,795,928.75
Work-in-progress		16,773,111.33	15,622,041.72
Stock-in-trade		67,656.60	48,223.22
		90,931,513.14	77,466,193.69
Inventories at the end of the year:			
Finished goods		107,703,169.75	74,090,745.20
Work-in-progress		26,437,956.63	16,773,111.34
Stock-in-trade		61,477.90	67,656.60
		134,202,604.28	90,931,513.14
	Increase/decrease in stock	(43,271,091.14)	(13,465,319.45)
Adjustment for variance in excise duty on opening and closing stock of finished goods		2,814,092.17	2,035,537.95
	TOTAL (Net increase / decrease)	(40,456,998.97)	(11,429,781.50)

Note - 24	EMPLOYEE BENEFIT EXPENSE	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Salaries and wages		97,794,897.00	79,502,232.00
Contributions to provident and other funds		5,152,598.00	4,337,047.00
Staff welfare expenses		726,287.49	1,314,558.29
	TOTAL	103,673,782.49	85,153,837.29

Note: Salaries includes salary paid to managing director Rs. 28,95,860/- (previous year Rs. 28,95,860/-) and to other directors Rs. 1,41,000/-(Previous year Rs. 1,41,000/-)

Note - 25	FINANCE COSTS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
(a) Interest expense on:			
(i) Borrowings		5,026,278.00	6,108,139.00
(ii)- On Security Deposit		18,243.00	3,641.00
	TOTAL	5,044,521.00	6,111,780.00

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

Note - 26 OTHER EXPENSES	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Manufacturing and Operating Expenses		
Consumption of stores and spare parts	4,790,290.99	4,008,553.65
Factory Exp.	672,325.25	557,844.13
Power and fuel	21,023,492.81	18,434,751.81
Excise duty paid	2,686,074.16	1,773,826.23
Repairs and maintenance - Buildings	1,136,728.79	239,566.62
Repairs and maintenance - Machinery	392,650.50	530,131.24
	30,701,562.50	25,544,673.68
Administrative Expenses		
Bank Charges	1,952,725.74	1,585,189.12
Loss on fixed assets sold / scrapped / written off	-	31,129.65
Prior period items (Refer Note (29.2) below)	29,445.97	156,731.34
Rent including lease rentals	4,611,052.00	3,870,400.00
Repairs and maintenance - Others	3,446,055.70	2,991,362.02
Telephone	3,155,361.18	2,964,787.93
Recruitment Exp	1,993,805.00	403,711.00
Rates and taxes	61,162.00	71,190.00
Printing, stationery & Postage	4,712,478.92	4,937,581.38
Insurance	481,756.00	509,557.00
Legal and professional	1,346,415.00	1,420,334.00
Net loss on foreign currency transactions and translation	2,287,232.69	6,558,439.81
	24,077,490.20	25,500,413.25
Selling Expenses		
Sales Tax/Vat Paid	8,698,049.63	4,042,806.00
Freight and forwarding	30,882,247.02	25,483,138.77
Sales discount	32,144,262.12	23,173,983.85
Product training exp.	1,535,675.00	1,425,725.25
Advertisement & Sales promotion	38,052,315.33	24,341,054.38
Travelling and conveyance	22,897,254.50	19,595,350.40
Other Marketing & Selling exp.	1,459,827.00	943,641.00
	135,669,630.60	99,005,699.65
Other Expenses		
Bad debts	3,064,968.70	13,138.42
Miscellaneous expenses	4,940,617.68	3,777,946.46
	8,005,586.38	3,791,084.88
TOTAL	198,454,269.68	153,841,871.46

Note - 26.1 PAYMENT TO AUDITORS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Payments to the auditors comprise (net of service tax input credit, wherever applicable):		
For Statutory audit	195,000.00	175,000.00
For Tax Audit	70,000.00	65,000.00
For other services	86,000.00	53,500.00
Reimbursement of expenses	20,500.00	15,000.00
TOTAL	371,500.00	308,500.00

Note - 26.2 PRIOR PERIOD ITEMS	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
Prior period expenses	54,608.00	213,546.82
Prior period income	25,162.03	56,815.48
TOTAL	29,445.97	156,731.34

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RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

27	ADDITIONAL INFORMATION TO FINANCIAL STATEMENT	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
27.1	**Contingent liabilities (to the extent not provided for):** Claims against the Company not acknowledged as debt in respect of dusputed demands for which appeals are pending with Appellate Authorities/Courts:		
	Income Tax	269,000.00	269,000.00
	Central Exise	539,058.00	471,264.00
	VAT/Sales Tax	848,777.00	2,586,356.00
	Providend Fund	394,622.00	1,540,893.00
	Other Matter	816,330.00	724,180.00
27.2	The board of directors recommended a final dividend of Rs. 1.50 per share. The total amount to be distributed as a dividend as at 31st March 2013 is Rs. 60,07,275/- (Prev. year-Rs.60,07,275/- inclusive of interim dividend).		
27.3	The board is of the opinion that current assets,loans & advances have the value at least equal to the amount at which they are stated in the balance sheet if realised in ordinary course of the business.		
27.4	Balances of debtors and creditors, who have not responded against letters sent for balance confirmations, are subject to confirmation.		

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

Note - 28	ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS		
28.1	Value of Imports calculated on CIF basis :	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
	Raw materials	361,652,819.00	319,265,832.00
	Packing materials	6,472,925.00	5,057,182.00
	Capital goods	1,480,249.00	225,782.00
	TOTAL	369,605,993.00	324,548,796.00

28.2	Expenditure in foreign currency :	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
	Professional and consultation fees	-	75,891.00
	TOTAL	-	75,891.00

28.3	Details of consumption of imported and indigenous items	As at 31st March 2013		As at 31st March 2012	
		AMOUNT (Rs.)	%	AMOUNT (Rs.)	%
	Imported:				
	Raw materials	433,873,794.91	49.81%	426,310,119.64	56.12%
	Packing material	8,188,095.99	4.79%	6,006,571.78	4.70%
	TOTAL	442,061,890.90	42.23%	432,316,691.42	48.49%
	Indigenous:				
	Raw materials	437,139,257.86	50.19%	333,373,374.60	43.88%
	Packing material	162,710,962.65	95.21%	121,888,981.87	95.30%
	Store & spare parts	4,790,290.99	100.00%	4,008,553.65	100.00%
	TOTAL	604,640,511.50	57.77%	459,270,910.12	51.51%
	TOTAL (A+B)	1,046,702,402.40		891,587,601.54	

28.4	Earnings in foreign exchange:	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
	Export of goods calculated on FOB basis	725,166.07	1,084,988.00

Note 29	Related party transactions:	
29.1	Description of relationship:	Names of
	Key Management Personnel (KMP)	Mr.Vijay S. Parikh (Managing Director)
		Mrs.Nita V. Parikh (Director)
		Mr. Ramesh Shah (Director)
	Relatives of Key Management Personal	Mr.Nihir V.Parikh (Relative of Directors)
		Mr.Kushal V.Parikh (Relative of Directors)
	Enterprises in which KMP / Relatives of KMP can exercise significant influence	Parikh & Sons
		Maneklal Harilal Parikh
		Parikh Chemical Industries
		Parikh Resins Ltd.
		Parikh Agencies
		Shell Organics Pvt.Ltd.

Note: Related parties have been identified by the Management.

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RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

29.2	Particulars	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
	Transactions:				
	Purchase of goods			3,747,128.00	3,747,128.00
		0	0	(8,573,607.00)	(8,573,607.00)
	Sale of goods			11,349,441.00	11,349,441.00
		0	0	(11,842,671.00)	(11,842,671.00)
	Rent Exp.	1946260.00	0.00	150,000.00	2,096,260.00
		(1,923,600)	0	(150,000.00)	(2,073,600.00)
	Salary	3036860.00	880360.00		3,917,220.00
		(3,036,860)	(679,994)	-	(3,716,854.00)
	Rent Received			108,000.00	108,000.00
		0	0	(108,000.00)	(108,000.00)
	Loans taken and repaid				-
		(2,980,000)	0	(315,000.00)	(3,295,000.00)
	Balances outstanding at the end of the				-
	Receivables:-				-
	Trade receivables	0.00	0.00	106,400.00	106,400.00
		0	0	-	-
	Salary	0.00	73728.00	-	73,728.00
		0	(3,801)	-	(3,801.00)
	Loans and advances (Advance Rent)			254,560.00	254,560.00
		0	0	(343,560.00)	(343,560.00)
	Misc. Advance				-
		0	(2,258)	-	(2,258.00)
	Payables:-				-
	Trade payables			564,434.00	564,434.00
		0	0	(1,260,742.00)	(1,260,742.00)
	Borrowings				-
		0	0	-	-
	Rent	130911.00	0	-	130,911.00
		(83,500)	0	(47,612.00)	(131,112.00)
	Salary	69,090.00	0	-	69,090.00
		(73,144)	(4,787)	-	(77,931.00)
	Trade Advance Received			3,899,456.08	3,899,456.08
		0	0	(3,477,717.00)	(3,477,717.00)

Note: Figures in bracket relates to the previous year

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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RESINOVA CHEMIE LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2013

Note - 30	OPERATING LEASE
	The Company has entered into operating lease arrangements for factory and office premises. The leases arrangements are generally renewed on the expiry of the defined period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 to 10 % after a defined period, as per the agreements. Lease Rentals of Rs. 46.11 lacs (Prev. year Rs. 38.70 Lacs) on the said leases have been charged to Profit & Loss Account.
Note - 31	Previous year figures have been regrouped / reclassified and recasted wherever necessary to confirm to the current year presentation

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED, KANPUR

Notes forming part of standalone financial statements as at 31st March 2013

NOTE 32 - SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PREPARATIOIN OF FINANCIAL STATEMENTS:

The financial statements are prepared on going concern concept and in accordance with the Generally Accepted Accounting Principles, as per the historical convention on accrual method of accounting basis, except the value of plant & machineries which were revalued and in conformity with the mandatory accounting standards, as specified in sub section 3C of section 211 of the Companies Act, 1956.

All assets and liabilities have been classified as current and non-current as per the Company's operating cycle and other criteria set out in the Schedule VI of the Companies Act, 1956.

B. USE OF ESTIMATES:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires the management to make estimates and assumptions considered in the reporting of accounts of assets and liabilities including the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent, reasonable and based upon management's best knowledge of current event and actions, and actual results could differ from these estimates.

C. FIXED ASSETS:

Tangible assets:

Tangible fixed assets are stated at their historical cost or revalued cost, wherever applicable. Cost comprises of cost of acquisition/improvements, freight erection/installation charges, duties and taxes and other incidental expenses of bringing the asset to the condition for its intended use and is net of CENVAT/VAT availed/claimed, wherever applicable.

Intangible assets:

Intangible assets are stated at their cost of acquisition, which includes cost of improvements, license fee, charges, duties and taxes.

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SHAILESH VISHESH & CO. CHARTERED ACCOUNTANTS KANPUR

Capital Work-in-Progress:

Capital work-in-Progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

D. DEPRECIATION:

Tangible assets:

Depreciation is provided on the straight line method, at the rates prescribed in Schedule- XIV of the Companies Act, 1956.

Intangible assets:

Computer software is being depreciated on straight line method at the rates specified in schedule XIV of the Companies act 1956.

E. BORROWING COST:

Interest and other cost in connection with the borrowing of the funds to the extent related/attributed to the acquisition/ construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use. Other borrowing costs are charged to profit & loss account.

F. IMPAIRMENT OF ASSETS:

The Carrying amount of assets is reviewed at each balance-sheet date. If there is any indication of impairment based on internal and external factor, an impairment loss is recognized wherever the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. For the purpose of accounting of impairment due consideration is given to revaluation reserve, if any. There has been no impairment loss during the year.

G. INVENTORIES:

(a) **Raw Material, Packing Material & Stores/spares** are valued at the lower of cost or net realizable value. Cost includes expenses of Procurement, excise duties, custom duties, Sales tax and VAT and is net of credits under CENVAT Scheme & VAT. Cost is determined on FIFO basis.

(b) **Work in progress** is valued at cost (comprising cost of purchase and conversion cost incurred to bring inventories to present location) or net realizable value whichever is less

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SHAILESH VISHESH & CO. KANPUR

(c) **Finished goods** are valued at cost (inclusive of excise duty) or net realizable value, whichever is lower.

(d) **Trading stock** has been valued at lower of cost or net realizable value.

Net realizable value is the estimate of the selling price in the ordinary course of business as applicable.

H. REVENUE RECOGNITION:

(a) Sales are recognized on dispatch of material or point when risk and title of ownership are transferred to the customers.

(b) Sales are inclusive of excise duty realized on sales and net of returns and discounts, if any.

(c) Revenue/Income is accounted for on accrual basis as they are earned.

I. EMPLOYEES' BENEFITS:

(a) Contributions to recognized provident fund and employee state insurance are charged to profit & loss account every year.

(b) Company follows the system of providing for retirement gratuity on accrual basis as per the provisions of the Payment of Gratuity Act, 1972, on consistent basis.

(c) The yearly-accumulated Leave encashment is being accounted for on the basis of payment for calendar year.

J. FOREIGN CURRENCY TRANSACTIONS:

(a) Foreign currency transactions are accounted at the exchange rate prevailing on the date of transactions. Gains or losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currency are recognized in the statement of profit & loss.

(b) The balances of creditors (vendors) at the yearend are translated as per conversion rates on the Balance sheet date.

(c) Foreign currency transactions related to acquisition of capital assets are accounted at the exchange rate prevailing on the date of transactions. Gains or losses resulting from the settlement of such transaction are adjusted against the cost of acquisition of the assets.

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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K. **TAXES ON INCOME:**

(a) **Current tax**: current tax is determined as the amount of tax payable on taxable income for the year as per the provisions of Income Tax Act, 1961.

(b) **Provision for deferred tax**: deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted on the balance sheet date.

(c) **Deferred tax assets** are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

L. **OPERATING LEASES**:

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the profit & loss account on an accrual basis over the lease term.

M. **PROVISIONS AND CONTINGENCIES**:

(a) A provision is made when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

(b) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. The disclosure of claims against the company not acknowledged as debts are made after a careful evaluation of facts and legal aspect of the matter involved.

N. **EARING PER SHARE:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting dividend and any attributable tax thereto for the period.

RM Pandey

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

SHAILESH VISHESH & Co.
Chartered Accountants
Office : 24/35, Birhana Road, Kanpur - 208001
Ph. : (0512) - 2372978, 3014657
E-mail : shah.svco@gmail.com

To

The Members of Resinova Chemie Limited
Kanpur.

We have audited the attached Balance Sheet of Resinova Chemie Limited as at 31st March 2012, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub-section (4A) of Sec. 227 of The Companies Act, 1956 and on the basis of such checks of books and records as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

2. Further to and subject to our comments in the Annexure referred to in paragraph 1 above, we report that:

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

   b) In our opinion, proper books of accounts, as required by law have been kept by the company, so far as appears from our examination of such books.

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

c) The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the Balance sheet and Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Sec. 211 of the Companies Act, 1956 ***except AS-15 – Employees' Benefits. (Refer Accounting policy under Note No. 2-I).***

e) On the basis of written representation received from the Directors of the company as on 31st March 2012 and taken on record by Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, said financial statements subject to and read together with other notes on accounts annexed, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   i. in case of the Balance Sheet, of the state of affairs of the company as at 31st March 2012;

   ii. in case of the Statement of Profit & Loss, of the profit for the year ended on that date; and

   iii. in case of Cash flow statement, of the cash flow of the company for the year ended on that date.

For Shailesh Vishesh & Co.,
Chartered Accountants,
Firm Regd. No. 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

Place : Kanpur
Dated : 20.08.2012

(Shailesh Shah)
Partner
Membership No. 072521

ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE FOR RESINOVA CHEMIE LIMITED FOR THE FINANCIALYEAR 2011-12:

I **In respect of fixed assets:**

(a) The Company has maintained proper records showing full particulars including quantitative detail and situation of fixed asset.

(b) All assets have not been physically verified by the management during the year, but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information furnished to us, no material discrepancies have been noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, the company has not made any substantial disposal of fixed assets during the year.

II **In respect of inventories:**

(a) Physical verification of inventory has been conducted during the year by the management. In our opinion, the frequency of such verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on such verification between the physical stocks and the book records were not material.

III **(a)** The Company has not granted any loans secured or unsecured to companies, firms or other parties to whom the provision of section 301 of The Companies Act, 1956 apply. However, the company has taken interest free unsecured loans from the parties covered in the register maintained under Sec. 301 of The Companies Act, 1956. The details are as under:

No. of Parties	Amount Involved
3	Rs. 32,95,000/-

(b) The rate of interest and other terms and conditions of loan taken by the company are prima facie not prejudicial to the interest of the company.

(c) The company has repaid the loan taken in time and there is no overdue amount at the end of year.

IV In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and sales of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.

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SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

V **(a)** As per compliance certificate given by the Company Secretary, the transaction that need to be entered in to register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanation given to us, the transactions made if any, in pursuance of the contracts or arrangement entered in register maintained under section 301 of the companies Act, 1956 exceeding the value of Rs. 5 lacs with any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

VI In our opinion and according to information and explanations given to us, the Company has not accepted any Deposits from the public under the directives issued by the Reserve Bank of India and the provisions of Sec. 58A and 58AA or any other relevant provisions of the Act and rules framed there under.

VII In our opinion, the Company has an in-house internal audit system commensurate with its size and nature of its business.

VIII Based on our review of the cost records, prima facie, the company has made and maintained cost records as prescribed by the Central Government under Sec. 209 (1) (d) of the Companies Act, 1956.

IX **(a)** According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Custom duty, Excise duty, Cess and other statutory dues with appropriate authority in India. According to information and explanation given to us, no undisputed statutory dues in respect of above were in arrears as at 31st March 2012 for a period of more than six months from the date they became payable.

(b) According to information and explanation given to us, no disputed statutory dues including Provident Fund, Employees' State Insurance, Service-Tax, Income tax, Sales tax, Custom duty, Excise duty, Cess and other statutory dues with appropriate authority in India were in arrears as at 31st March 2012.

X The Company has no accumulated losses as at 31st March 2012 and has not incurred cash losses in the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 4 (x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

XI. In our opinion, according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or bank as at the balance sheet date.

SHAILESH V. KANPUR CHARTERED ACCOUNTANTS

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XII. In our opinion and according to the information and explanation given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

XIII The Company is not a chit fund or a nidhi /mutual benefit fund/society. Accordingly, the provisions of this clause are not applicable to the company.

XIV The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of this clause are not applicable to the company.

XV. According to the information and explanations given to us by the management, the company has not given any guarantees for loans taken by others from banks or financial institutions during the year. Accordingly, paragraph 4(xiv) of the order is not applicable.

XVI. To the best of our knowledge and belief and according to the information and explanations given to us, company has not availed any term loan during the year.

XVII According to the information and explanations given to us and on over all examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.

XVIII During the year, the company has not made any allotment of shares to parties and companies covered in the register maintained under Sec. 301 of the Act.

XIX. The company has not issued any debentures during the current financial year.

XX. The company has not raised any money by public issue during the year.

XXI. Based on our examination of books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to information and explanation given to us, we have neither come across any incident of material fraud on or by the company, noticed or reported during the year, nor we have been informed of any such case by the company management.

FOR SHAILESH VISHESH & CO.
Chartered Accountants
Firm Regd. No. 010571C

PLACE :- KANPUR
DATE :- 20.08.2012

(Shailesh Shah)
Partner
M.No. 072521

SHAILESH VISHESH KANPUR CHARTERED ACCOUNTANTS

M/S RESINOVA CHEMIE LIMITED
BALANCE SHEET AS AT 31 MARCH, 2012

Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	40,048,500.00	40,048,500.00
(b) Reserves and surplus	4	179,853,753.11	140,710,930.87
		219,902,253.11	**180,759,430.87**
2 Share application money pending allotment	21.1	-	210,000.00
3 Non-current liabilities			
(a) Long-term borrowings	5	300,000.00	327,000.00
(b) Deferred tax liabilities (net)	6	1,477,954.00	667,960.00
(c) Other long-term liabilities	7	1,238,987.85	1,165,260.88
(d) Long-term provisions	8	3,034,909.00	2,471,620.00
		6,051,850.85	**4,631,840.88**
4 Current liabilities			
(a) Short-term borrowings	9	62,243,024.53	67,204,448.50
(b) Trade payables	10	85,245,697.81	79,736,463.92
(c) Other current liabilities	11	44,824,411.04	32,519,247.06
(d) Short-term provisions	12	6,981,805.00	10,384,240.00
		199,294,938.38	**189,844,399.48**
TOTAL		**425,249,042.34**	**375,445,671.23**
B ASSETS			
1 Non-current assets			
(a) Fixed assets	13		
(i) Tangible assets		89,011,726.76	67,911,175.22
(ii) Intangible assets		1,135,027.65	1,818,361.82
(iii) Capital work-in-progress		407,395.88	6,734,423.37
(iv) Intangible assets under development		600,000.00	600,000.00
		91,154,150.29	77,063,960.41
(c) Long-term loans and advances	14	1,312,439.00	1,354,763.00
(d) Other non-current assets	15	10,232,165.60	8,134,504.24
		102,698,754.89	86,553,227.65
2 Current assets			
(a) Inventories	16	219,435,198.21	196,004,539.23
(b) Trade receivables	17	73,151,835.85	57,679,525.92
(c) Cash and Bank Balances	18	15,988,689.53	14,273,433.91
(d) Short-term loans and advances	19	13,640,460.93	19,017,511.47
(e) Other current assets	20	334,102.93	1,917,433.05
		322,550,287.45	288,892,443.58
TOTAL		**425,249,042.34**	**375,445,671.23**

Significant Accounting Policies and Notes to financial statements - 1 to 33

As per our report of even date.
For Shailesh Vishesh & Co.
Chartered Accountants
Firm Regd.No.- 010571C

(Shailesh Shah)
Partner
M.No. 072521
Place : Kanpur
Date : 20-08-2012

For and on behalf of the Board of Directors

(Vijay S.Parikh)
Managing Director

(Ramesh Shah)
Director

(R.M.Panday)
Sr.Manager Accounts

M/S RESINOVA CHEMIE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Income			
Revenue from operations (gross)	22	1,331,652,220.49	1,089,796,148.88
Less: Excise duty		140,336,533.65	111,403,603.71
Revenue from operations (net)		1,191,315,686.84	978,392,545.17
Other income	23	4,253,275.79	8,360,668.47
Total revenue		**1,195,568,962.63**	**986,753,213.64**
Expenses			
(a) Cost of materials consumed	24	887,579,047.11	723,206,105.46
(b) Purchases of stock-in-trade	25	114,358.32	75,666.48
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(11,429,781.50)	(7,349,951.76)
(d) Employee benefits expense	27	85,153,837.29	63,313,085.44
(e) Finance costs	28	6,130,675.00	6,668,625.56
(f) Depreciation and amortisation expense		5,795,771.72	4,902,163.26
(g) Other expenses	29	153,822,976.46	133,043,556.35
Total expenses		**1,127,166,884.39**	**923,859,250.79**
Profit / (Loss) before tax		**68,402,078.23**	**62,893,962.85**
Tax expense:			
(a) Current tax expense for current year		20,824,000.00	20,288,000.00
(b) (Less): MAT credit (where applicable)		-	-
(c) Current tax expense relating to prior years		643,457.00	141,107.00
(d) Deferred tax liability/(Asset)		809,994.00	(192,236.00)
Profit / (Loss) for the year		**46,124,627.23**	**42,657,091.85**
Earnings per share (of Rs.10/- each):			
Basic/Diluted		11.52	10.65

Significant Accounting Policies and Notes to financial statements - 1 to 33

As per our report of even date.
For Shailesh Vishesh & Co.
Chartered Accountants
Firm Regd.No.-010574C

(Shailesh Shah)
Partner
M.No.072521

Place : Kanpur
Date : 20-08-2012

For and on behalf of the Board of Directors

(Vijay S.Parikh)
Managing Director

(Ramesh Shah)
Director

(R.M.Panday)
Sr.Manager Accounts

RESINOVA CHEMIE LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	2011-12 Current Year (Rs.)	2010-11 Previous Year (Rs.)
A. ***Cash Flows from Operating Activities*** :		
Profit before Tax	68,402,078.23	62,893,962.85
Adjustment for:		
Depreciation	5,795,771.72	4,902,163.26
Loss on sale of Fixed Assets	31,129.65	99,395.71
Advances/bad debts written off	97,543.50	73,779.00
Liability no longer required	(1,335,010.28)	(1,351,410.80)
Round Off	(1,692.29)	(1,661.23)
Interest Expense	6,130,675.00	6,668,625.56
Interest Income	(70,894.22)	(529,748.39)
Effect of Exchange Rates fluctuation	6,558,439.81	(4,865,654.11)
Operating Profit before Working Capital changes	**85,608,041.12**	**67,889,451.85**
Adjustment for:		
Inventories	(23,430,658.98)	(34,514,702.79)
Debtors	(15,537,250.14)	(3,619,395.19)
Long/short term Loans, Advances and Current Assets	7,087,233.30	(10,320,996.83)
Long/short term Liabilities	14,277,190.23	1,351,410.80
Trade Payables	(1,080,116.92)	35,602,129.27
Cash generated from Operations	**66,924,438.62**	**56,387,897.11**
Income Tax paid/Divident Tax (net of Refund)	(27,871,659.00)	(16,155,455.00)
Net Cash generated from Operating Activities	**39,052,779.62**	**40,232,442.11**
B. ***Cash Flows from Investing Activities*** :		
Purchase of Fixed Assets	(19,951,631.10)	(18,580,633.60)
Sale of Fixed Assets	34,539.85	102,197.26
Interest received	70,894.22	529,748.39
Net Cash used in Investing Activities	**(19,846,197.03)**	**(17,948,687.95)**
C. ***Cash Flows from Financing Activities*** :		
Loans Taken	(4,988,423.97)	(15,914,817.26)
Increase in Capital(Refund of Share Application Money)	(210,000.00)	0.00
Interest Paid	(6,130,675.00)	(6,668,625.56)
Dividend Paid	(4,004,850.00)	(2,002,425.00)
Net Cash generated from Financing Activities	**(15,333,948.97)**	**(24,585,867.82)**
D. ***Net Increase in Cash and Cash Equivalents (A + B + C)***	3,872,633.62	(2,302,113.66)
Cash and Cash Equivalents as at beginning of the year	15,487,889.91	17,790,003.57
Cash and Cash Equivalents as at end of the year	**19,360,523.53**	**15,487,889.91**

Notes:

1. The above cash flow has been prepared under the indirect method as set out in the accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Previous years' figures have been regrouped wherever necessary
3. Figures in brackets represents cash outflow.

As per our report of even date attached:
For Shailesh Vishesh & Co.
Chartered Accountants,
FRN - 010571C

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

(Shailesh Shah)
Partner
M.No. 072521

Place: Kanpur
Dated: 20-08-2012

For and on behalf of the Board

(Vijay S. Parikh)
Managing Director

(Ramesh Shah)
Director

(R.M.Pandey)
Sr. Manager (Accounts)

RESINOVA CHEMIE LIMITED, KANPUR

Notes forming part of standalone financial statements as at 31st March 2012

NOTE 1 – GENERAL INFORMATION:

Resinova Chemie Limited is engaged in manufacturing and marketing of specialty chemicals such as Adhesives, Sealants, Maintenance/repair products, Epoxy resins and Hardener for industrial production and construction related products. The company has two manufacturing plants near Kanpur (Uttar Pradesh) and stock points in eight locations in various states of the country.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF ACCOUNTING:

The financial statements are prepared on going concern concept as per the historical convention on accrual method of accounting basis, except the value of plant & machineries (which were revalued) and in accordance with the mandatory accounting standards as specified in sub section 3C of section 211 of the Companies Act, 1956.

B. USE OF ESTIMATES:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires the management to make estimates and assumptions considered in the reporting of accounts of assets and liabilities including the disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent, reasonable and based upon management's best knowledge of current event and actions, and actual results could differ from these estimates.

C. FIXED ASSETS:

Tangible assets:

Fixed assets are stated at their historical cost or revalued cost, wherever applicable. Cost comprises of cost of acquisition/improvements, freight erection/installation charges, duties and taxes and other incidental expenses of bringing the asset to the condition for its intended use and is net of CENVAT/VAT availed/claimed, wherever applicable.

Vijay S. Parikh

RM Pandey

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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Intangible assets:

Intangible assets are stated at their cost of acquisition, which includes cost of improvements, license fee, charges, duties and taxes.

D. DEPRECIATION:

Tangible assets:

Depreciation is provided on the straight line method, at the rates prescribed in Schedule- XIV of the Companies Act, 1956.

Intangible assets:

Computer software is being depreciated on straight line method at the rates specified in schedule XIV of the Companies act 1956.

E. IMPAIRMENT OF ASSETS:

The Carrying amount of assets is reviewed at each balance-sheet date. If there is any indication of impairment based on internal and external factor, an impairment loss is recognized wherever the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. For the purpose of accounting of impairment due consideration is given to revaluation reserve, if any. There has been no impairment loss during the year.

F. INVENTORIES:

(a) **Raw Material, Packing Material & Stores/spares** are valued at the lower of cost or net realizable value. Cost includes expenses of Procurement, excise duties, custom duties, Sales tax and VAT and is net of credits under CENVAT Scheme & VAT. Cost is determined on FIFO basis.

(b) **Work in progress** is valued at cost (comprising cost of purchase and conversion cost incurred to bring inventories to present location) or net realizable value whichever is less

(c) **Finished goods** are valued at cost (inclusive of excise duty) or net realizable value, whichever is lower.

RMPandey

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

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(d) **Trading stock** has been valued at lower of cost or net realizable value.

Net realizable value is the estimate of the selling price in the ordinary course of business as applicable.

G. BORROWING COST:

Interest and other cost in connection with the borrowing of the funds to the extent related/attributed to the acquisition/ construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use. Other borrowing costs are charged to profit & loss account.

H. REVENUE RECOGNITION:

(a) Sales are recognized on dispatch of material or point when risk and title of ownership are transferred to the customers.

(b) Sales are inclusive of excise duty realized on sales and net of returns and discounts.

(c) Revenue/Income is accounted for on accrual basis as they are earned.

I. EMPLOYEES' BENEFITS:

(a) Contributions to recognized provident fund and employee state insurance are charged to profit & loss account every year.

(b) Company follows on consistent basis the system of providing for retirement gratuity on accrual basis as per the provisions of the Payment of Gratuity Act, 1972.

(c) The yearly-accumulated Leave encashment is being accounted for on the basis of payment for calendar year.

J. FOREIGN CURRENCY TRANSACTIONS:

(a) Foreign currency transactions are accounted at the exchange rate prevailing on the date of transactions. Gains or losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currency are recognized in the statement of profit & loss.

(b) The balances of creditors (vendors) at the yearend are translated as per conversion rates on the Balance sheet date.

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R M Pandey

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

K. TAXES ON INCOME:

(c) **Current tax**: current tax is determined as the amount of tax payable on taxable income for the year as per the provisions of Income Tax Act, 1961.

(d) **Provision for deferred tax**: deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted on the balance sheet date.

(e) Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

L. OPERATING LEASES:

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the profit & loss account on an accrual basis over the lease term.

M. PROVISIONS AND CONTINGENCIES:

The company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. The disclosure of claims against the company not acknowledged as debts are made after a careful evaluation of facts and legal aspect of the matter involved.

Vijay S. Parikh

R.S.

R M Pandey

RESINOVA CHEMIE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 2012

Note - 3 SHARE CAPITAL	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Authorised :		
5250000 Equity Shares of Rs. 10/- each	52,500,000.00	52,500,000.00
Issues, Subscribed and Paid Up:		
4004850 Equity Shares of Rs. 10/- each fully paid	40,048,500.00	40,048,500.00
TOTAL	40,048,500.00	40,048,500.00

The company has only one class of equity shares having a par value of Rs. 10/- each . Each Share holder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Reconciliation of number of Shares:	Year end 31st March 2012		Year end 31st March 2011	
	No. of Share	Amount (Rs.)	No. of Share	Amount (Rs.)
At the beginning of the year	4,004,850	40,048,500.00	4,004,850	40,048,500.00
Add: Fresh Issue	-	-	-	-
At the end of the year	4,004,850	40,048,500.00	4,004,850	40,048,500.00

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held .	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Vijay S. Parikh	2,308,175	57.63	2,170,987	54.21
Smt. Nita V. Parikh	884,675	22.09	884,675	22.09
Vijay S. Parikh (HUF)	315,000	7.87	315,000	7.87

NOTE - 4 RESERVES AND SURPLUS	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Capital Reserve:		
Opening balance	225,000.00	225,000.00
Add/Less: Changes during the year	-	-
Closing Balance	225,000.00	225,000.00
General Reserve:		
Opening balance	22,388,490.00	20,255,634.88
Add: Transferred from surplus in statement of Profit & Loss	4,612,463.00	2,132,855.12
Closing Balance	27,000,953.00	22,388,490.00
Surplus in Statement of Profit & Loss:		
Opening balance	118,097,440.87	82,220,007.14
Add: Profit after tax for the year	46,124,627.23	42,657,091.85
Appropriations:		
Less: Transferred to General Reserve	4,612,463.00	2,132,855.12
Proposed Dividend on Share capital	6,007,275.00	4,004,850.00
Dividend Distribution Tax on dividend	974,530.00	649,687.00
Excess provision of tax in earlier years	-	7,734.00
	152,627,800.11	118,097,440.87
TOTAL	179,853,753.11	140,710,930.87

Vijay S. Parikh

RShah

RM Pandey

RESINOVA CHEMIE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 2012

Note - 5 LONG TERM BORROWINGS	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Secured:	-	-
Unsecured:		
From a company	300,000.00	327,000.00
TOTAL	300,000.00	327,000.00

Details of terms of repayment for long term unsecured borrowing taken from M/s Transcont India Finvest Pvt. Ltd.

Terms of repayment: Repayable in six years i.e. due for payment in March 2015.

Note - 6 DEFERRED TAX LIABILITY/(ASSET)	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Tax efffect of items constituting deferred tax liability		
Difference between depreciation as per books and tax rates	1,616,599.00	952,256.00
Allowances u/s 43 B	57,637.00	5,897.00
Gratuity payment out of provisions	87,180.00	21,248.00
	1,761,416.00	979,401.00
Tax efffect of items constituting deferred tax asset		
Loss on Sale of assets	10,100.00	33,017.00
Provision for gratuity	273,346.00	219,758.00
Disallowance u/s 43 B	16.00	58,666.00
	283,462.00	311,441.00
TOTAL DEFFERED LIABILITY	(1,477,954.00)	(667,960.00)

Note - 7 OTHER NON-CURRENT LIABILITIES	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Security Deposit from Customers	77,020.00	77,020.00
Other Liabilities	1,161,967.85	1,088,240.88
TOTAL	1,238,987.85	1,165,260.88

Note - 8 LONG TERM PROVISIONS	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Provision for payment of Gratuity (Refer note no. 2.I)	3,034,909.00	2,471,620.00
TOTAL	3,034,909.00	2,471,620.00

Note - 9 SHORT TERM BORROWINGS	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Working Capital loans from Bank:		
Cash credit account with Bank	62,243,024.53	67,204,448.50
TOTAL	62,243,024.53	67,204,448.50

(Repayable on demand to State Bank of India, secured against hypothecation of entire Stock, book debts, other and entire movable fixed assets chargeable assets with equitable mortagage on factory land & building and personal guarantees of directors)

Vijay C Parikh

RM Pandey

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 2012

Note - 10 TRADE PAYABLES	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Trade Payables:		
Micro, Small and Medium Enterprises	5,473,799.00	3,704,706.00
(Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management, which have been relied upon by the auditors. No principal amount is overdue and no interest is payable a on 31st March 2012, as per terms of contract.)		
Capital Advances	2,120,040.00	1,418,897.00
Other Trade payables	77,651,858.81	74,612,860.92
TOTAL	85,245,697.81	79,736,463.92

Note - 11 OTHER CURRENT LIABILITIES	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Advance from Customers	7,762,314.88	9,425,965.18
Other payables:		
Statutory dues	13,641,051.61	9,553,184.40
TDS payable	518,607.00	321,072.00
Employee related Liabilities	7,123,219.96	5,683,879.96
Other payables	15,779,217.59	7,535,145.52
TOTAL	44,824,411.04	32,519,247.06

Note - 12 SHORT TERM PROVISIONS	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Provision for employee benefits. (Refer Note No. 2.I)	-	-
Proposed Dividend on equity shares	6,007,275.00	4,004,850.00
Tax payable on proposed dividend	974,530.00	649,687.00
Provision for tax (net of advance tax and TDS)	-	5,729,703.00
TOTAL	6,981,805.00	10,384,240.00

Vijay S. Parikh RShah

R M Pandey

SHAILESH V. SHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 2012

Note - 13 FIXED ASSETS

		GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
A.	Tangible assets	Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Up to 1st April 2011	For the year	Disposals	Up to 31st March 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	(a) Land										
	Freehold	5,252,150.00	0.00	0.00	5,252,150.00	0.00	0.00	0.00	0.00	5,252,150.00	5,252,150.00
	(b) Buildings										
	Factory	11,549,445.99	6,640,400.14	0.00	18,189,846.13	1,137,922.36	386,955.22	0.00	1,524,877.58	16,664,968.55	10,411,523.63
	Office	2,075,710.08	0.00	0.00	2,075,710.08	67,760.84	33,834.07	0.00	101,594.91	1,974,115.17	2,007,949.24
	(c) Plant and Equipment										
	Plant & Machinery	45,370,770.06	15,008,872.40	16,640.00	60,363,002.46	13,329,516.04	2,748,008.03	10,773.03	16,066,751.04	44,296,251.42	32,041,254.02
	Boiler	3,323,585.87	0.00	0.00	3,323,585.87	1,003,940.19	175,485.33	0.00	1,179,425.52	2,144,160.35	2,319,645.68
	Lab equipment	489,136.40	223,865.88	0.00	713,002.28	96,510.24	35,185.57	0.00	131,695.81	581,306.47	392,626.16
	Moulds & Dyes	1,704,020.00	391,800.00	0.00	2,095,820.00	145,345.95	92,537.04	0.00	237,882.99	1,857,937.01	1,558,674.05
	Weighing Machine	751,087.55	224,192.50	28,205.00	947,075.05	171,542.94	41,017.17	13,000.80	199,559.31	747,515.74	579,544.61
	Power Equipment	2,789,548.00	0.00	0.00	2,789,548.00	661,197.15	132,503.53	0.00	793,700.68	1,995,847.32	2,128,350.85
	Fire Fighting & Hydrant Equipment	467,369.06	0.00	0.00	467,369.06	4,196.72	22,200.03	0.00	26,396.75	440,972.31	463,172.34
	(d) Furniture and Fixtures										
	Furniture	4,545,749.11	2,532,323.48	16,891.00	7,061,181.59	788,758.37	383,108.69	8,404.78	1,163,462.28	5,897,719.31	3,756,990.74
	Electric Fitting	2,613,265.81	235,249.91	0.00	2,848,515.72	684,217.88	177,019.63	0.00	861,237.51	1,987,278.21	1,929,047.93
	(e) Vehicles										
	Owned	1,897,525.00	0.00	0.00	1,897,525.00	663,708.13	180,264.88	0.00	843,973.01	1,053,551.99	1,233,816.87
	Cycles	15,215.90	0.00	0.00	15,215.90	5,700.59	916.14	0.00	6,616.73	8,599.17	9,515.31
	(f) Office equipment										
	Office Equipment	1,886,640.83	475,698.40	9,700.00	2,352,639.23	264,996.67	103,080.83	3,658.22	364,419.48	1,988,419.75	1,621,643.96
	Air Conditioner	532,728.58	114,209.00	22,000.00	624,937.58	58,327.32	28,367.40	4,326.18	82,368.54	542,569.04	474,401.26
	Utility Tools & Implements	102,126.60	49,871.05	0.00	151,997.65	16,874.91	6,586.33	0.00	23,461.24	128,536.41	85,251.69
	(g) Computers	3,721,044.71	328,089.99	15,750.00	4,033,384.70	2,075,627.84	511,282.05	3,353.72	2,583,556.17	1,449,828.53	1,645,416.87
	Total	89,087,319.56	26,224,572.76	109,186.00	116,202,706.30	21,176,144.33	5,058,361.94	43,516.73	26,190,979.54	89,011,726.76	67,911,176.22
	Previous year	76,868,666.83	13,340,486.72	121,833.00	89,087,319.56	17,026,343.81	4,156,156.86	6,356.33	21,176,144.34	67,911,175.21	58,842,323.02
B	Intangible assets										
	(a) ERP Software at H.O.	4,521,975.05	54,085.61	0.00	4,576,060.66	2,703,613.23	737,419.78	0.00	3,441,033.01	1,135,027.65	1,818,361.82
	Total	4,521,976.05	54,085.61	0.00	4,576,060.66	2,703,613.23	737,419.78	0.00	3,441,033.01	1,135,027.66	1,818,361.82
	Previous year	4,695,075.00	18,008.06	191,100.00	4,521,976.06	2,062,590.21	746,006.40	104,983.38	2,703,613.23	1,818,361.82	2,632,484.79
C	Capital work in progress										
	(a) Plant & Machinery	2,051,351.04	85,021.24	2,136,372.28	0.00	0.00	0.00	0.00	0.00	0.00	2,051,351.04
	(b) Building	4,536,019.83	2,506,836.67	6,640,400.14	402,456.36	0.00	0.00	0.00	0.00	402,456.36	4,536,019.83
	(c) Moulds & Dies	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00
	(d) Furniture & Fixtures	132,052.50	0.00	132,052.50	0.00	0.00	0.00	0.00	0.00	0.00	132,052.50
	(e) Electric Fitting	0.00	4,939.52	0.00	4,939.52	0.00	0.00	0.00	0.00	4,939.52	0.00
	Total	6,734,423.37	2,596,797.43	8,923,824.92	407,395.88	0.00	0.00	0.00	0.00	407,395.88	6,734,423.37
	Previous year	2,112,275.22	4,762,695.15	140,547.00	6,734,423.37	0.00	0.00	0.00	0.00	6,734,423.37	2,112,275.22
D	Intangible assets under Development										
	PDA Software under development	600,000.00	0.00	0.00	600,000.00	0.00	0.00	0.00	0.00	600,000.00	600,000.00
	Total	600,000.00	0.00	0.00	600,000.00	0.00	0.00	0.00	0.00	600,000.00	600,000.00
	Previous year	-	600,000.00	0.00	600,000.00	0.00	0.00	0.00	0.00	600,000.00	0.00
	GRAND TOTAL (CURRENT YEAR)	100,943,717.97	28,875,455.79	9,033,010.92	120,786,162.84	23,879,757.56	5,795,771.72	43,516.73	29,632,012.55	91,154,150.29	77,063,960.41
	GRAND TOTAL (PREVIOUS YEAR)	82,676,017.05	18,721,180.92	453,480.00	100,943,717.97	19,088,934.02	4,902,163.26	111,339.71	23,879,757.57	77,063,960.40	63,587,083.03

NOTES:

1 Gross Value of Plant & Machineries is inclusive of Rs. 67,73,106.14, as increase on account of revaluation of Plant & Machineries in the financial year 1994-95, before conversion of company under Part IX of the Companies Act, 1956.

2 Office Building has been constructed on the land owned by director of the company.

2 Capital work in Progress pertains to new installations/acquisitions/construction in progrss at the Balance Sheet date.

3 Deductions in capital work in progress represents amounts capitalised and put to use during the year.

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 2012

Note - 13 FIXED ASSETS (Contd.)	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Depreciation and amortisation relating to continuing operations as per Note 13		
Depreciation And Amortisation for the year on tangible assets.	5,058,351.94	4,156,156.86
Depreciation And Amortisation for the year on Intangible assets.	737,419.78	746,006.40
TOTAL	5,795,771.72	4,902,163.26

Note - 14 LONG TERM LOANS & ADVANCES	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Unsecured and Considered Good (Unless otherwise Stated)		
Security Deposits	1,312,439.00	1,354,763.00
TOTAL	1,312,439.00	1,354,763.00

Note - 15 OTHER NON CURRENT ASSETS	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Unsecured and Considered Good (Unless otherwise Stated)		
VAT/Sales Tax refundable	3,979,396.15	3,863,188.12
Income Tax Refundable	1,023,932.00	2,199,850.00
Non-current Bank deposit	3,401,834.00	1,244,456.00
Other Loans & Advances (Recoverable in cash or in kind)	1,827,003.45	827,010.12
TOTAL	10,232,165.60	8,134,504.24

Note - 16 INVENTORIES	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
(a) Raw materials	88,290,233.38	77,968,890.95
Goods-in-transit	8,423,871.31	-
(b) Work-in-progress	16,773,111.34	15,622,041.72
(c) Finished goods (other than those acquired for trading)	70,238,247.70	61,795,928.74
Goods-in-transit	3,852,497.50	-
(d) Stock-in-trade (acquired for trading)	67,656.60	48,223.22
(e) Stores and spares		
Consumable	2,289,389.66	2,783,185.91
POP items	1,813,380.49	1,439,256.04
Power & Fuels	1,305,104.17	882,130.15
(f) Packing Material	26,381,706.05	35,464,882.50
Total	219,435,198.21	196,004,539.23

(For method of valuation, refer Note No. 2. F)

Note -16.1 DETAILS OF INVENTORIES	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Raw Material:		
Teta white	5,414,765.36	1,677,864.20
Bisphenol-A imported	4,982,061.65	2,799,256.84
Bayprene 320	4,983,491.53	6,711.74
Others	72,909,914.84	73,485,058.17
Total	88,290,233.38	77,968,890.95
Packing Material:		
Bondquick 20 gm china bottle	833,008.67	12,662.00
Plastic cartridge plain	501,836.44	721,389.93
Solvobond 40 ml alluminium tube	414,148.13	164,050.44
Others	24,632,712.81	34,566,780.13
Total	26,381,706.05	35,464,882.50

Vijay S Parikh

RSheth

RM Pandey

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 2012

Note - 17 TRADE RECEIVABLES	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment:		
Unsecured, considered good	4,545,438.27	4,706,131.54
Unsecured considered doubtful	835,170.24	350,670.02
Other trade receivables:		
Unsecured, considered good	67,249,037.34	52,424,989.36
Unsecure considered doubtful	522,190.00	197,735.00
(Trade receivables also include balance of Rs. 343560/- relating to entity in which key management personal have significant influence).		
TOTAL	73,151,835.85	57,679,525.92

Note - 18 CASH AND BANK BALANCES		As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Cash and Bank Balances			
Balance with banks			
1	In current accounts	14,655,034.72	10,268,539.70
2	In deposit accounts	936,415.21	3,695,589.21
3	In deposit accounts under Security deposit with Govt. Deptt.	30,000.00	30,000.00
Cash in hand		367,239.60	279,305.00
TOTAL		15,988,689.53	14,273,433.91

Note - 19 SHORT-TERM LOANS AND ADVANCES	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Loans and advances to employees		
Unsecured, considered good	1,207,745.24	1,492,013.16
Unsecured, considered doubtful	250,886.35	264,162.75
Prepaid expenses		
Unsecured, considered good	331,724.00	229,594.00
Advance income tax (Net of provisions)		
Unsecured, considered good	24,812.00	-
Balances with government authorities		
Unsecured, considered good		
CENVAT credit receivable	2,859,441.50	1,840,322.50
VAT credit receivable	379,582.89	691,263.93
Service tax credit receivable	169,015.95	79,743.13
Advances to vendor		
Unsecured, considered good	8,417,253.00	14,420,412.00
TOTAL	13,640,460.93	19,017,511.47

Note - 20 OTHER CURRENT ASSETS	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Interest accrued on deposits	334,102.93	1,917,433.05
TOTAL	334,102.93	1,917,433.05

Vijay S. Paint

R.Shah

RM Pandey

KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 2012

Note - 21 ADDITIONAL INFORMATION TO FINANCIAL STATEMENT	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
21.1 Share application money pending allotment	-	210,000.00
Share application money pending for allotment at the close of preceeding previous year Rs. 2,10,000/- has been refunded during the year without allotment.		
21.2 Contingent liabilities (to the extent not provided for):		
Claims against the Company not acknowledged as debt in respect of dusputed demands for which appeals are pending with Appellate Authorities/Courts:		
Income Tax	269,000.00	269,000.00
Central Exise	471,264.00	471,264.00
VAT/Sales Tax	2,586,356.00	39,424,000.00
Providend Fund	1,540,893.00	-
Other Matter	724,180.00	704,180.00
21.3 The board of directors recommended an interim dividend of Rs. 1.00 per share and thereafter in eddition to interim dividend, declared a final dividend of Rs. 0.50 per share. The total amount to be distributed as a dividend as at 31st March 2012 is Rs. 6007275. (Prev. year-Rs.4004850)		
21.4 The board is of the opinion that current assets,loans & advances have the value at least equal to the amount at which they are stated in the balance sheet if realised in ordinary course of the business.		
21.5 Balances of debtors and creditors, who have not responded against letters sent for balance confirmations, are subject to confirmation		

RM Pandey

SHAILESH VISHESH & CO. KANPUR CHARTERED ACCOUNTANTS

RESINOVA CHEMIE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 2012

Note - 22 REVENUE FROM OPERATIONS	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Sale of products		
Manufactured	1,340,995,951.82	1,102,980,238.88
Stock in Trade	116,397.48	141,681.64
	1,341,112,349.30	1,103,121,920.52
Less:		
Sale return	9,188,602.60	10,648,738.25
Discount on sale	271,526.21	2,677,033.39
Total	1,331,652,220.49	1,089,796,148.88

Note- 22.1 Particulars	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Sale of products comprises @:		
Manufactured goods:		
Adhesive	559,308,025.93	333,143,972.69
Epoxide	431,254,325.56	356,565,310.55
Amine function compound	308,164,816.29	26,415,779.24
Others	32,808,655.23	373,529,404.76
Total - Sale of manufactured goods	1,331,535,823.01	1,089,654,467.24
Traded goods:		
Pigment White	48,526.07	52,839.47
Pigment Black	41,379.10	49,095.81
Pigment Brown	19,572.16	22,029.15
Others	6,920.15	17,717.21
Total - Sale of traded goods	116,397.48	141,681.64
TOTAL - Sale of products	1,331,652,220.49	1,089,796,148.88

Note - 23 OTHER INCOME	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Interest income	70,894.22	529,748.39
Net gain on foreign currency transactions and translation	-	4,865,654.11
Other operating income	2,735,579.00	1,486,766.32
Office rent	108,000.00	108,000.00
Liabilities no longer required	1,335,010.28	1,362,682.42
Other incomes	3,792.29	7,817.23
TOTAL	4,253,275.79	8,360,668.47

Note - 24 COST OF MATERIAL CONSUMED	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Raw Material		
Opening stock	77,968,890.95	60,750,303.45
Add: Purchases	778,428,707.98	640,161,207.15
Less: Closing stock	96,714,104.69	77,968,890.95
Cost of Raw material consumed [A]	759,683,494.24	622,942,619.65
Packing Material		
Opening stock	35,464,882.50	28,069,958.89
Add: Purchases	118,812,376.42	107,658,409.42
Less: Closing stock	26,381,706.05	35,464,882.50
Cost of Packing Material consumed [B]	127,895,552.87	100,263,485.81
Total Cost of Material consumed [A+B]	887,579,047.11	723,206,105.46
Material consumed comprises:		
Raw Material		
Bisphenol -A Imported	112,729,248.28	84,035,504.28
Epicholorohydrine (F)	70,315,386.64	64,788,132.48
Epoxy Part-A	67,574,648.88	69,683,613.80
Other Items	509,064,210.44	404,435,369.09
Packing Material		
Tube	36,683,906.20	29,815,537.05
Carton	21,249,429.64	16,134,377.88
Jerrycan	12,594,265.91	11,572,207.10
Other Items	57,367,951.12	42,741,363.78
TOTAL	887,579,047.11	723,206,105.46

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RESINOVA CHEMIE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT
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Note - 25 PURCHASE OF STOCK IN TRADE	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Purchases	114,358.32	75,666.48
TOTAL	114,358.32	75,666.48

Note - 26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS, & STOCK IN TRADE	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Inventories at the beginning of the year:		
Finished goods	61,795,928.75	52,032,469.04
Work-in-progress	15,622,041.72	17,109,468.32
Stock-in-trade	48,223.22	86,724.36
	77,466,193.69	69,228,661.72
Inventories at the end of the year:		
Finished goods	74,090,745.21	61,795,928.74
Work-in-progress	16,773,111.34	15,622,041.72
Stock-in-trade	67,656.60	48,223.22
	90,931,513.14	77,466,193.68
Adjustment for variance in excise duty on opening and closing stock of finished goods	2,035,537.95	887,580.20
TOTAL (Net increase / decrease)	(11,429,781.50)	(7,349,951.76)

Note - 27 EMPLOYEE BENEFIT EXPENSE	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Salaries and wages	79,502,232.00	59,183,916.40
Contributions to provident and other funds	4,337,047.00	3,207,730.00
Staff welfare expenses	1,314,558.29	921,439.04
TOTAL	85,153,837.29	63,313,085.44

Note: Salaries includes salary paid to managing director Rs. 28,86,500/- (previous year Rs. 28,86,500/-) and to other directors Rs. 1,32,768/-(Previous year Rs. 1,32,768/-)

Note - 28 FINANCE COSTS	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
(a) Interest expense on:		
(i) Borrowings	6,108,139.00	6,637,220.56
(ii) Others		
- Interest under indirect taxes	18,895.00	25,692.00
- On Security Deposit	3,641.00	5,713.00
TOTAL	6,130,675.00	6,668,625.56

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Note - 29 OTHER EXPENSES	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Manufacturing and Operating Expenses		
Consumption of stores and spare parts	4,008,553.65	3,384,760.67
Factory Exp.	557,844.13	569,729.60
Power and fuel	18,434,751.81	16,818,009.57
Excise duty paid	1,773,826.23	360,171.94
Repairs and maintenance - Buildings	239,566.62	240,236.07
Repairs and maintenance - Machinery	530,131.24	578,471.42
	25,544,673.68	21,951,379.27
Administrative Expenses		
Bank Charges	1,585,189.12	2,345,418.49
Loss on fixed assets sold / scrapped / written off	31,129.65	99,395.71
Prior period items (Refer Note (30.2) below)	156,731.34	150,497.00
Rent including lease rentals	3,870,400.00	3,257,937.00
Repairs and maintenance - Others	2,991,362.02	2,728,261.18
Telephone	2,964,787.93	3,271,874.40
Recruitment Exp	403,711.00	435,934.90
Rates and taxes	71,190.00	94,482.00
Printing, stationery & Postage	4,937,581.38	4,309,985.27
Insurance	509,557.00	418,049.00
Legal and professional	1,420,334.00	930,285.50
Net loss on foreign currency transactions and translation	6,558,439.81	-
	25,500,413.25	18,042,120.45
Selling Expenses		
Sales Tax/Vat Paid	4,042,806.00	3,909,306.00
Freight and forwarding	25,483,138.77	19,449,958.72
Sales discount	23,173,983.85	15,246,152.75
Product traning exp.	1,425,725.25	1,220,930.50
Advertisement & Sales promotion	24,341,054.38	26,911,902.76
Travelling and conveyance	19,595,350.40	16,820,424.25
Other Marketing & Selling exp.	943,641.00	5,781,287.25
	99,005,699.65	89,339,962.23
Other Expenses		
Miscellaneous expenses	3,772,189.88	3,710,094.40
	3,772,189.88	3,710,094.40
TOTAL	153,822,976.46	133,043,556.35

Note - 29.1 PAYMENT TO AUDITORS	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Payments to the auditors comprises (net of service tax input credit, wherever applicable):		
For Statutory audit	175,000.00	160,000.00
For Tax Audit	65,000.00	60,000.00
For other services	53,500.00	20,000.00
Reimbursement of expenses	15,000.00	10,000.00
TOTAL	308,500.00	250,000.00

Note - 29.2 PRIOR PERIOD ITEMS	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Prior period expenses	213,546.82	219,462.50
Prior period income	56,815.48	68,965.50
TOTAL	156,731.34	150,497.00

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NOTES FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 2012

Note - 30	ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS		
30.1	Value of imports calculated on CIF basis :	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
	Raw materials	319,265,832.00	283,620,703.00
	Packing materials	5,057,182.00	2,902,462.00
	Capital goods	225,782.00	357,719.00
	TOTAL	324,548,796.00	286,880,884.00

30.2	Expenditure in foreign currency :		As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
	Professional and consultation fees	(US $ 1600)	75,891.00	-
	TOTAL		75,891.00	

		As at 31st March 2012		As at 31st March 2011	
30.3	Details of consumption of imported and indigenous items	AMOUNT (Rs.)	%	AMOUNT (Rs.)	%
	Imported:				
	Raw materials	426,310,119.64	56.12%	373,042,929.12	59.88%
	Packing material	6,006,571.78	4.70%	2,925,314.71	2.96%
	TOTAL	432,316,691.42	48.49%	375,968,243.83	51.85%
	Indigenous:				
	Raw materials	333,373,374.60	43.88%	249,899,690.53	40.12%
	Packing material	121,888,981.87	95.30%	95,851,404.78	97.04%
	Store & spare parts	4,008,553.65	100.00%	3,384,760.67	100.00%
	TOTAL	459,270,910.12	51.51%	349,135,855.98	48.15%
	TOTAL (A+B)	891,587,601.54		725,104,099.81	

30.4	Earnings in foreign exchange:	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
	Export of goods calculated on FOB basis	1,084,988.00	355,889.00

Note 31	Related party transactions:	
31.1	Description of relationship:	Names of related parties
	Key Management Personnel (KMP)	Mr.Vijay S. Parikh (Managing Director)
		Mrs.Nita V. Parikh (Director)
		Mr. Ramesh Shah (Director)
	Relatives of Key Management Personal	Mr.Nihir V.Parikh (Relative of Directors)
		Mr.Kushal V.Parikh (Relative of Directors)
		Mr. S. M. Parikh (Relative of Directors)
	Enterprises in which KMP / Relatives of KMP can exercise significant influence	Parikh & Sons
		Maneklal Harilal Parikh
		Parikh Chemical Industries
		Parikh Resins Ltd.
		Parikh Agencies
		Shell Organics Pvt.Ltd.
		Vijay S. Parikh HUF

Note: Related parties have been identified by the Management.

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	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Transactions:				
Purchase of goods	0	0	8573607	8573607
	0	0	(8414567)	(8414567)
Sale of goods	0	0	11842671	11842671
	0	0	(10045974)	(10045974)
Rent Exp.	1923600	0	150000	2073600
	(1800000)	0	(150000)	(1950000)
Salary	3019268	661516	0	3680784
	(3018956)	(434006)	0	(3452962)
Telephone Exp.	0	0	0	0
	0	0	(52339)	(52339)
Rent Received	0	0	108000	108000
	0	0	(108000)	(108000)
Loans taken and repaid	2980000	0	315000	3295000
	0	0	0	0
Balances outstanding at the end of the year				
Receivables:-				
Trade receivables	0	0	0	0
	0	0	(-3544861.83)	(-3544861.83)
Salary	0	3801	0	3801
	0	(91253)	0	(91253)
Loans and advances (Advance Rent)	0	0	343560	343560
	0	0	(210560)	(210560)
Misc. Advance	0	2258	0	2258
	0	0	0	0
Payables:-				
Trade payables	0	0	1260742	1260742
	0	0	(65275)	(65275)
Borrowings	0	0	0	0
	0	0	0	0
Rent	83500	0	47612	131112
	(221376)	0	0	(221376)
Salary	73144	4787	0	77931
	(393983)	0	0	(393983)
Trade Advance Received	0	0	3477717	3477717
	0	0	0	0
Telephone Exp. Payable	0	0	0	0
	0	0	(183561)	(183561)

Note: Figures in bracket relates to the previous year

Note - 32	OPERATING LEASE	As at 31st March 2012 (Rs in lacs.)	As at 31st March 2011 (Rs.in lacs)
	The Company has entered into operating lease arrangements for factory and office premises. The leases arrangements are generally renewed on the expiry of the defined period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 to 10 % after a defined period, as		
	Future minimum lease payments :		
	not later than one year	41.83	37.91
	later than one year and not later than five years	180.40	159.65
	Lease Rentals of Rs. 38.70 lacs (Prev. year Rs. 32.58Lacs) on the said leases have been charged to Profit & Loss Account.		

Note - 33	Previous year figures have been regrouped and recasted wherever necessary to confirm to the classification for the year.

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M/S RESINOVA CHEMIE LIMITED

Grouping part of the financial statements Related Balance Sheet As on 31st March 2012

Note 3 Share capital @

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)	
1)- Mr. Vijay S. Parikh		23,081,750.00	21,709,870.00	***
2)- Smt Nila V. Parikh		8,846,750.00	8,846,750.00	
3)- Mr. Vijay S. Parikh - HUF		3,150,000.00	3,150,000.00	
4)- Smt Usha S. Parkih		1,872,500.00	1,872,500.00	
5)- Smt Vinila S. Sawla		0.00	1,371,880.00	***
6)- Mr. Suresh Chandra M. Parikh		1,138,130.00	1,138,130.00	
7)- Mr. Suresh Chandra M. Parikh		970,000.00	970,000.00	
8)- Mr. Nihir V Parikh		500,000.00	500,000.00	
9)- Mr. Kushal V Parikh		465,000.00	465,000.00	
10)- Mr. Sunil R. Savla		20,310.00	20,310.00	
11)- Mr. Ramesh Shah		4,060.00	4,060.00	
Total -->		40,048,500.00	40,048,500.00	

*** 137188 shares of value of Rs. 1371880.00 have been gifted by Vinila S. Sawla to Vijay S. Parikh.

Note 7 Other Non Current liabilities

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
(i) Security deposite received from customer			
Agarwal Paints Stores, Badaun	Badaun	5,000.00	5,000.00
Manoj Brothers	Meerut	10,000.00	10,000.00
Nihir Fibers & Chemicals	Kanpur	25,000.00	25,000.00
Sohanco	Jodhpur	10,000.00	10,000.00
S.K. Engg.Co.	Jalandhar	7,020.00	7,020.00
S.M. Techno Sales (P) Ltd.	Delhi	20,000.00	20,000.00
Total -->		77,020.00	77,020.00

Other liabilities (long term)

Credit Balance of Staff account (Non-current)		82,006.50	236,852.25
Credit Balance of Advance from customers (Non-current)		324,255.63	670,088.24
Trade payables (Non-current)		9,316.00	-
Other outstanding liabilities (Non-current)		-	-
Deposit from customer against C Form	KANPUR	244,317.70	89,967.00
Advance received from Customer (FORMS)	KOLKATA	397,390.02	91,333.39
Advance received from Customer (FORMS)	HYDERABAD	104,682.00	-
Staff related liabilities (Non-current)		-	-
		1,161,967.85	1,088,240.88

Note:8 Long Term Provision

(ii) Provision for gratuity (net)		Amount	Amount
Gratuity Payable	KANPUR	2,470,534.00	1,901,953.00
Gratuity Payable	DELHI	176,059.00	178,593.00
Gratuity Payable	JAIPUR	12,877.00	10,500.00
Gratuity Payable	MOHALI	16,304.00	0.00
Gratuity Payable	AHMEDABAD	281,128.00	199,604.00
Gratuity Payable	KOLKATA	16,562.00	115,394.00
Gratuity Payable	MUMBAI	61,445.00	34,904.00
Gratuity Payable	HYDERABAD	0.00	30,672.00
Total		3,034,909.00	2,471,620.00

Note 9 Short-term borrowings

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Cash Credit A/c with State Bank Of India		42399746.68	38,017,281.50
Additional limit against Stock		0.00	9,089,889.00
Loan against Book Debts		19843277.85	20,097,278.00
Total		62,243,024.53	67,204,448.50

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Note 11 Other current liabilities @

1)- Advances from customers (Current)		7,063,762.93	8178784.79
Deposit from customer against C Form	KANPUR	365,192.00	507,445.70
Advance received from Customer (FORMS)	KOLKATA	192364.95	462,826.69
Advance received from Customer (FORMS)	HYDERABAD	140995.00	278,908.00
		7,762,314.88	**9,425,965.18**

2)- Other payables	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
CST Payable (Sales)	KANPUR	552,766.14	337,691.46
CST Payable (Sales)	DELHI	56,540.68	39,030.36
CST Payable (Sales)	MOHALI	46,716.84	35,481.38
CST Payable (Sales)	BANGALORE	44,605.89	0.00
CST Payable (Sales)	KOLKATA	41,264.45	20,838.53
CST Payable (Sales)	MUMBAI	879.52	1,765.02
CST Payable (Sales)	HYDERABAD	0.00	35,152.23
EPF Payable	KANPUR	443,920.00	317,882.00
ESI Payable	KANPUR	100,952.00	103,350.00
ESI Payable	DELHI	9,724.00	8,985.00
ESI Payable	JAIPUR	11,493.00	10,284.00
ESI Payable	AHMEDABAD	16,876.00	14,500.00
ESI Payable	MOHALI	8,241.00	6,964.00
ESI Payable	BANGALORE	11,143.00	6,829.00
ESI Payable	KOLKATA	19,680.00	13,806.00
ESI Payable	MUMBAI	17,355.00	17,580.00
ESI Payable	HYDERABAD	7,533.00	14,336.00
Excise Duly Payable	KANPUR	6,611,180.16	4,864,137.20
Professional Tax Payable	AHMEDABAD	3940.00	3,200.00
Professional Tax Payable	BANGALORE	1,550.00	995.00
Professional Tax Payable	KOLKATA	3360.00	2,070.00
Professional Tax Payable	MUMBAI	6075.00	5,755.00
Professional Tax Payable	HYDERABAD	1575.00	2,530.00
Sales Tax Payable	HYDERABAD	0.00	173,342.86
Sales Tax Payable	DELHI	0.00	6,764.00
Additional Vat Tax Payable	KANPUR	354,515.60	257,589.42
VAT Payable	KANPUR	817,797.93	340,055.88
VAT Payable	DELHI	393,520.15	306,422.91
VAT Payable	JAIPUR	772,640.51	617,369.77
VAT Payable	AHMEDABAD	1,516,326.80	1,140,693.55
VAT Payable	BANGALORE	167,604.54	123,441.02
VAT Payable	KOLKATA	208,935.95	91,830.70
VAT Payable	MUMBAI	880,208.25	542,285.81
VAT Payable	HYDERABAD	272,108.14	171,752.10
VAT Payable	MOHALI	218,220.17	109,418.85
Additional Vat Tax Payable	MOHALI	21,780.90	11,175.35
		13,641,051.61	9,553,184.40
3)- TDS Payable	KANPUR	516607.00	321,072.00

4)- Employee related Liabilities

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
(a) Provision for employee benefits: @			
Bonus Payable	KANPUR	726,925.00	683,283.00
Bonus Payable	DELHI	68,728.00	79,507.00
Bonus Payable	JAIPUR	59,278.00	40,703.00
Bonus Payable	AHMEDABAD	84,036.00	70,632.00
Bonus Payable	MOHALI	37,295.00	2,894.00
Bonus Payable	BANGALORE	33,151.00	1,997.00
Bonus Payable	KOLKATA	75,066.00	40,348.00
Bonus Payable	MUMBAI	91,643.00	53,711.00
Bonus Payable	HYDERABAD	44,370.00	67,798.00
Salary Payable	KANPUR	2,357,151.98	2,263,161.96
Salary Payable	DELHI	289,955.00	239,654.00
Salary Payable	JAIPUR	223,608.00	195,489.00
Salary Payable	AHMEDABAD	321,539.00	285,831.00
Salary Payable	MOHALI	152,858.00	125,774.00
Salary Payable	BANGALORE	269,020.00	114,510.00
Salary Payable	KOLKATA	358,081.00	250,389.00
Salary Payable	MUMBAI	394,192.00	295,879.00
Salary Payable	HYDERABAD	171,172.00	265,833.00
Salary Payable for Directors	KANPUR	73,144.00	413,415.00
Exgratia Payable		328,501.00	183,071.00
Book Allowance Payable	KANPUR	150,408.00	0.00
Book Allowance Payable	DELHI	50,107.00	0.00
Book Allowance Payable	JAIPUR	43,369.00	0.00
Book Allowance Payable	AHMEDABAD	5,061.00	0.00
Book Allowance Payable	MOHALI	22,634.00	0.00
Book Allowance Payable	BANGALORE	21,476.00	0.00
Book Allowance Payable	KOLKATA	43,108.00	0.00
Book Allowance Payable	MUMBAI	64,196.00	0.00
Book Allowance Payable	HYDERABAD	13,990.00	0.00
Leave Encashment Payable	KANPUR	232,523.00	0.00
Leave Encashment Payable	DELHI	89,415.00	0.00
Leave Encashment Payable	JAIPUR	16,876.00	0.00
Leave Encashment Payable	AHMEDABAD	0.00	0.00
Leave Encashment Payable	MOHALI	43,864.00	0.00
Leave Encashment Payable	BANGALORE	1,057.00	0.00
Leave Encashment Payable	KOLKATA	32,180.00	0.00
Leave Encashment Payable	MUMBAI	99,674.00	0.00
Leave Encashment Payable	HYDERABAD	13,369.00	0.00
Total		7,123,219.96	5,683,879.96

6)- Other Payables:Short term		As on 31-03-12	As on 31-03-11
Functional Developement Payable	KANPUR	57,902.00	93,064.00
Functional Developement Payable	DELHI	22,000.00	36,366.00
Functional Developement Payable	JAIPUR	10,652.00	13,343.00
Functional Developement Payable	AHMEDABAD	0.00	11,770.00
Functional Developement Payable	MOHALI	14,889.00	10,721.00
Functional Developement Payable	BANGALORE	5,000.00	4,327.00
Functional Developement Payable	KOLKATA	0.00	25,154.00
Functional Developement Payable	MUMBAI	5,900.00	7,846.00
Functional Developement Payable	HYDERABAD	16,375.00	11,600.00
Other Outstanding Liabilities	KANPUR	11,266,456.00	3,394,732.56
Other Outstanding Liabilities	DELHI	383,047.00	139,270.00
Other Outstanding Liabilities	JAIPUR	264,308.00	336,041.00
Other Outstanding Liabilities	AHMEDABAD	425,365.00	405,434.00
Other Outstanding Liabilities	MOHALI	158,120.00	111,028.00
Other Outstanding Liabilities	BANGALORE	147,078.00	69,998.00
Other Outstanding Liabilities	KOLKATA	384,943.00	253,283.00
Other Outstanding Liabilities	MUMBAI	433,019.00	246,090.00
Other Outstanding Liabilities	HYDERABAD	131,663.00	61,390.00
Credit balances of staff against expenses excluding Directors		2,052,480.59	2,300,765.96
		15,779,217.59	7,535,145.52

Note No. 12 Short Term provision

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Provision for proposed equity dividend		6,007,275.00	4,004,850.00
Provision for tax on proposed dividends		974,530.00	649,687.00
Total		6,981,805.00	4,654,537.00
(b) Provision for tax (nett of advance tax & TDS)			
Provision for Income Tax		20,824,000.00	20288000.00
Less:-			
Tax Deducted at Source	KANPUR	34,072.00	47477.00
Tax Deducted at Source	DELHI	14,740.00	10820.00
Advance Income Tax		20,800,000.00	14500000.00
		-24812.00	5729703.00

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ASSETS
Note 14 Long-term loans and advances

LIST OF SECURITY DEPOSIT

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
DIRECTOR FINANCE R.D.S.O.	LUCKNOW	10000.00	10,000.00
GHATAMPUR SUGAR MILLS LTD.	KANPUR	1000.00	1,000.00
M.S.E.B.,MUMBAI	KANPUR	10000.00	10,000.00
MEMBER DISTRIBUTION DEP.WORK(UPSEB)	KANPUR	47554.00	47,554.00
NANDGANJ SEORAHI SUGAR CO.LTD.	KANPUR	1030.00	1,030.00
SECURITY WITH E.D.D.,UNNAO	KANPUR	231000.00	231,000.00
SECURITY WITH E.D.D.,RANIA	KANPUR	154000.00	154,000.00
TELEPHONE SECURITY (CALCUTTA)	KANPUR	18000.00	18,000.00
TELEPHONE SECURITY (DELHI)	KANPUR	3000.00	3,000.00
TELEPHONE SECURITY (MUMBAI)	KANPUR	1000.00	1,000.00
TELEPHONE SECURITY	KANPUR	25980.00	25,980.00
Hapag - Llloyd India Pvt Ltd.	KANPUR	0.00	5,000.00
U.P.S.E.B.SECURITY	KANPUR	12500.00	12,500.00
SECURITY FOR INDORE OFFICE	KANPUR	8400.00	8,400.00
USB MODEM SECURITY	KANPUR	5000.00	5,000.00
K.E.S.A .SECURITY	KANPUR	24500.00	24,500.00
WATER POLLUTION CONTROL BOARD	KANPUR	110000.00	110,000.00
RAMESH CHAND GUPTA	KANPUR	76200.00	76,200.00
SECURITY DEPOSIT (AHMEDABAD)			
AHMEDABAD TELECOM DISTRICT	AHMEDABAD	23000.00	23,000.00
DEPOSIT WITH TATA INDICOM	AHMEDABAD	750.00	750.00
GEETABEN MOHANBHAI RAB	AHMEDABAD	40500.00	40,500.00
SECURITY MOBILE TELEPHONE(S.R.MODI/HUTCH)	AHMEDABAD	686.00	686.00
SECURITY DEPOSIT (JAIPUR)			
SALES TAX SECURITY (NSC)	JAIPUR	3000.00	3,000.00
SECURITY FOR OFFICE RENT	JAIPUR	0.00	10,000.00
TELEPHONE SECURITY (BSNL)	JAIPUR	2000.00	2,000.00
SECURITY FOR GODOWN RENT	JAIPUR	60000.00	60,000.00
TELEPHONE SECURITY (HUTCH)	JAIPUR	2497.00	2,497.00
SECURITY DEPOSIT (KOLKATA)			
ANAND LOK WALFARE	KOLKATA	20018.00	5,018.00
SECURITY DEPOSIT OF GODOWN	KOLKATA	51000.00	51,000.00
SECURITY DEPOSIT (DELHI)			
KAIN GAS AGENCY (SECURITY)	DELHI	1000.00	1,000.00
SECURITY DEPOSIT (MUMBAI)			
TELEPHONE SECURITY	MUMBAI	1950.00	1,950.00
GODOWN SRCURITY	MUMBAI	0.00	42,324.00
RELIANCE SECURITY,	MUMBAI	1049.00	1,049.00
NEW GODOWN SECURITY	MUMBAI	55200.00	55,200.00
SECURITY DEPOSIT (MOHALI)			
GODOWN SECURITY	MOHALI	57600.00	57,600.00
SECURITY DEPOSIT (BANGALORE)			
GODOWN SECURITY	BANGALORE	100000.00	100,000.00
VAT REGISTRATION SECURITY	BANGALORE	25525.00	25,525.00
SECURITY DEPOSIT (HYDERABAD)			
OFFICE SECURITY	HYDERABAD	78000.00	78,000.00
OFFICE SECURITY NEW	HYDERABAD	47000.00	47,000.00
TELEPHONE SECURITY	HYDERABAD	2500.00	2,500.00
TOTAL SECURITY DEPOSIT		1312439.00	1,354,763.00

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Note No. 15 Other Non Current Assets

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
i)- VAT/Sales Tax refundable			
VAT UNDER CAPITAL GOODS (Total-712208.04)	KANPUR	332,625.15	431,637.12
SALES TAX APPEAL, JAIPUR	KANPUR	3,583,385.00	3,428,115.00
SECURITY AGAINST SALES TAX	KANPUR	63,386.00	3,436.00
		3,979,396.15	3,863,188.12
ii)- Income Tax Refundable			
Income Tax Refundable (A.Y. 2007-08)	KANPUR	723,890.00	723,890.00
Income Tax Refundable (A.Y. 2009-10)	KANPUR	300,042.00	1,475,960.00
		1,023,932.00	2,199,850.00
iii)- Other Loans & Advances			
SECURITY AGAINST SALES TAX	DELHI	250,000.00	-
Sales Tax Demand (Security-07-08)	KANPUR	-	4,000.00
SALES TAX PAID UNDER (APPEAL)	KOLKATA	85,469.00	354,000.00
Advances to staff (Non-current)		1,136,206.45	346,140.12
Advance to Vender		250,328.00	122,870.00
Excise duty deposit under Appeal	KANPUR	126,000.00	-
		1,827,003.45	**827,010.12**

Note 18 Cash and cash equivalents @

1)- In current accounts

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
AXIS BANK LIMITED	KANPUR	0.00	10,000.00
STATE BANK OF INDIA, MAIN BRANCH	KANPUR	14,875.50	14,775.50
UNION BANK OF INDIA	KANPUR	10,579.12	10,669.12
STATE BANK OF INDIA C/A A/C	KANPUR	2,531,060.00	1,232,976.00
STATE BANK OF INDIA DIVIDEND A/C	KANPUR	9,262.00	9,237.00
YES BANK	KANPUR	51,322.05	0.00
BANK OF INDIA	KANPUR	73,736.00	2,185.00
BANK OF INDIA	DELHI	1,573,029.71	2,320,339.75
STATE BANK OF INDIA	DELHI	16,794.72	519,742.72
YES BANK	DELHI	200,000.00	0.00
STANDARD CHARTERED BANK	AHMEDABAD	580,381.62	438,499.22
STATE BANK OF INDIA	AHMEDABAD	35,178.74	35,104.74
STATE BANK OF INDIA	KOLKATA	4,067,109.77	1,100,546.37
STATE BANK OF INDIA	HYDERABAD	1,554,728.05	985,601.01
STATE BANK OF INDIA	JAIPUR	1,498,019.61	1,348,065.61
CORPORATION BANK	MUMBAI	38,043.66	38,093.66
STATE BANK OF INDIA	MUMBAI	1,255,160.00	1,525,454.00
STATE BANK OF INDIA	MOHALI	823,367.30	394,863.00
STATE BANK OF INDIA	BANGALORE	302,386.87	284,467.00
TOTAL		14655034.72	10,266,639.70

2)- In deposit accounts

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
F.D.R.A/C	KANPUR	3,394,161.00	3,995,957.00
F.D.R.A/C	DELHI	936,415.21	936,415.21
F.D.R.A/C	MUMBAI	7,673.00	7,673.00
TOTAL		4,338,249.21	4,940,045.21
CURRENT (Note No. 18)		936,415.21	3,695,589.21
NON-CURENT (Note No. 15)		3,401,834.00	1,244,456.00
		4,338,249.21	4,940,045.21

3)- In deposit accounts under Security deposit with Govt. Deptt.

UP POLLUTION CONTROL BOARD SECURITY	KANPUR	30000.00	30,000.00

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LIST OF CASH BALANCE

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Cash on Hand	JAIPUR	35,205.00	70,271.00
Cash on Hand	KOLKATA	18,045.00	35,320.00
Cash on Hand	AHMEDABAD	27,292.00	37,717.00
Cash on Hand	KANPUR	98,788.00	8,852.00
Cash on Hand	KANPUR	14,718.60	14,811.00
Cash on Hand	KANPUR	4,551.00	5,521.00
Cash on Hand	UNNAO	21,993.80	9,831.50
Cash on Hand	RANIA	6,869.70	13,749.00
Cash on Hand	HYDERABAD	33,877.00	13,701.50
Cash on Hand	BANGALORE	41,640.00	13,976.00
Cash on Hand	MUMBAI	31,568.50	14,536.00
Cash on Hand	DELHI	6,666.00	10,331.00
Cash on Hand	MOHALI	26,025.00	30,688.00
TOTAL		367,239.60	279,305.00

Note 19 Short-term loans and advances

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
A)- Loans and advances to employees		1,458,631.59	1,756,175.91
TOTAL		1,458,631.59	1,756,175.91
B)- Prepaid Expenses - Unsecured, considered good			
Prepaid Expenses	KANPUR	194,279.00	97,900.00
Prepaid Insurance	KANPUR	66,800.00	73,797.00
Prepaid Expenses	BANGALORE	12,409.00	0.00
Prepaid Insurance	BANGALORE	464.00	0.00
Prepaid Insurance	MOHALI	787.00	0.00
Prepaid Insurance	DELHI	3326.00	3,879.00
Prepaid Expenses	DELHI	7,090.00	6,401.00
Prepaid Expenses	AHMEDABAD	4,508.00	4,823.00
Prepaid Insurance	AHMEDABAD	5,555.00	5,555.00
Prepaid Expenses	JAIPUR	2,375.00	2,052.00
Prepaid Insurance	JAIPUR	7,570.00	6,732.00
Prepaid Insurance	KOLKATA	13,920.00	13,919.00
Prepaid Expenses	KOLKATA	3,880.00	3,880.00
Prepaid Insurance	HYDERABAD	3,920.00	4,038.00
Prepaid Expenses	HYDERABAD	417.00	2,734.00
Prepaid Expenses	MUMBAI	667.00	0.00
Prepaid Insurance	MUMBAI	3,757.00	3,884.00
TOTAL		331,724.00	229,594.00

Balances with government authorities Unsecured, considered good

(i) CENVAT credit receivable

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
EXCISE DUTY RECOVERABLE		1,637,212.50	331,892.00
P.L.A.EXCISE DUTY		86,272.58	36,583.58
R.G.23 A PART II		1,015,062.42	673,934.42
R.G.23 C PART II		120,894.00	98,848.50
R.B.I. Commissioner of Custom		0.00	699,064.00
TOTAL		2,859,441.50	1,840,322.50

(ii) VAT credit receivable

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
SALES TAX RECOVERABLE (CUSTOMER FORM C)	KANPUR	0.00	158,327.70
SALES TAX RECOVERABLE (CUSTOMER FORM C)	HYDERABAD	0.00	162,829.86
VAT UNDER CAPITAL GOODS (Total-712208.04)	KANPUR	379,582.89	370,106.37
TOTAL		379,582.89	691,263.93

(iii) Service Tax credit receivable

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
SERVICE TAX RECOVERABLE	UNNAO	115,222.50	52,791.68
SERVICE TAX RECOVERABLE	RANIA	44,928.45	26,951.45
CENVAT RECOVERABLE SERVICE TAX		8,865.00	0.00
TOTAL		169,015.95	79,743.13

Other loans and advances (Unsecured,considered good)

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Advance to vendor (current)		8,417,253.00	14,420,412.00
TOTAL		8,417,253.00	14,420,412.00

Note 20 Other current assets

Interest Accrued but not due

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
INTEREST RECEIVABLE ON FDR	KANPUR	257,584.00	1,900,872.76
INTEREST RECEIVABLE ON FDR	DELHI	73,835.47	14,832.20
INTEREST RECEIVABLE ON FDR	MUMBAI	879.96	286.99
INTEREST ACCRUED (NSC UNDER VAT)	JAIPUR	1,803.50	1,441.10
TOTAL		334,102.93	1,917,433.05

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M/S RESINOVA CHEMIE LIMITED

Grouping part of the financial statements Related Profit & loss as on 31st march 2012

Note 23 Other income

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
A)- Interest Income			
Interest Received on FDRs	KANPUR	344,002.00	474,708.24
Interest Received on FDRs	DELHI	73,743.27	54,086.24
Interest Received on FDRs	MUMBAI	592.97	618.81
Interest Received on NSC	JAIPUR	362.40	335.10
Other Interest	KANPUR	133,958.00	0.00
Accrued Intt.on Prematured FDR Reversed	KANPUR	-622,872.42	0.00
Interest received on income tax refund (09-10)	KANPUR	141,108.00	0.00
TOTAL Rs.		70,894.22	529,748.39
B)- Other operating Income			
Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Discount Received		2,529,024.00	1,486,766.32
Bad Debts Recovered A/c		206,555.00	0.00
		2,735,579.00	1,486,766.32
C)- Other non-operating Income			
i)- Office Rent		108,000.00	108,000.00
D)- Liabilities no longer required			
Liabilities of Forms no longer required		74,296.30	0.00
Balances Written off Crdit Balances		1,260,713.98	1,362,682.42
		1,335,010.28	1,362,682.42
Less: Balances Written off Debit Balances refer misc. expenses		53,494.08	11,271.62
Balances Written off (Net)		1,207,219.90	1,351,410.80
E)- Other Income			
Round Off		1,692.29	1,661.23
Misc.Income		2,100.00	6,156.00
TOTAL Rs.		3,792.29	7,817.23

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Note 28 Employee benefits expense

LIST OF Salaries, Wages, Bonus & other related expenses

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Factory wages including all allowances			
Basic Wages (Factory)	UNNAO & RAINA	4,644,149.00	3,945,257.00
Dearness Allowances (Factory)		796,292.00	605,392.00
House Rent Allowances (Factory)		1,456,396.00	1,204,293.00
Conveyance Allowances (Factory)		992,408.00	785,937.00
Medical Reimbursement (Factory)		1,167,925.00	900,643.00
Telephone Allowances (Factory)		478,124.00	388,880.00
Dress/Washing allowances (Factory)		464,076.00	393,306.00
Insurance Allowances (Factory)		98,003.00	88,126.00
Advance against Bonus(Factory)		452,193.00	413,364.00
City Allowances (Factory)		926,312.00	785,092.00
Car Allowance (Factory)		47,481.00	47,692.00
Leave Encashment (Factory)		14,683.00	178,150.00
Ex-Gratia & Incentive (Factory)		183,244.00	684,711.00
Bonus Paid (Factory)		339,676.00	320,121.40
L.T.Allowance (Factory)		290,314.00	197,227.00
Contractor Wages (Factory)		6,283,335.00	3,712,397.00
Gratuity (Factory)		315,492.00	355,892.00
TOTAL (A)		18,950,103.00	15,006,480.40
OFFICE SALARIES INCLUDING ALL ALLOWANCES			
Salary & Wages		16,488,776.00	12,629,386.00
Laptop Allowance		425,469.00	167,500.00
Bonus		1,033,013.00	756,221.00
Conveyance Allowance		3,788,207.00	2,630,899.00
Book Allowance		6,503,451.00	4,495,016.00
House Rent Allowance		7,304,658.00	5,147,218.00
Telephone Allowance		2,400,471.00	1,688,608.00
Vehicle Maintinance Allowance		169,712.00	0.00
Leave Encashment		1,112,566.00	906,139.00
Medical Allowance		5,880,714.00	4,168,120.00
Metopolition City Allowance		2,988,666.00	1,894,651.00
Dress/Washing Allowances		2,330,833.00	1,639,014.00
Field Allowances		264,592.00	0.00
City Allowance		2,254,039.00	1,761,023.00
L.T.Allowance		1,477,454.00	891,100.00
Ex-Gratia & Incentive		387,652.00	269,794.00
Insurance Allowance		382,339.00	310,538.00
Advance against Bonus		1,516,694.00	1,195,914.00
Car Allowance		45,655.00	48,000.00
Gratuity		585,946.00	322,080.00
TOTAL (B)		57,269,907.00	40,931,223.00
TOTAL (A + B)		76,220,010.00	55,937,703.40
Director's Remuneration		3,004,824.00	3,004,824.00
Shifting & Relocation Charges Staff		277,398.00	241,389.00
TOTAL		79,502,232.00	59,183,916.40

Company's Contribution to PF and other funds

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Employer's Contribution to EPF		2,610,860.00	1,963,777.00
Employer's Contribution to ESI		1,726,187.00	1,243,953.00
TOTAL		4,337,047.00	3,207,730.00

Staff welfare expenses :

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Workmen / Staff welfare expenses		1,440,454.29	921,439.04
Staff Welfare Fund		-125,896.00	0.00
Total--->		1,314,558.29	921,439.04

Note 29 Finance costs

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
(I) Borrowings			
Bank Interest		3,761,287.00	3,309,580.47
Book Debt Interest		2,337,001.00	2,155,952.85
Interest on Stock Loans due to reversal		-20,149.00	1,141,687.24
Interest paid on loan agst Transcont		30,000.00	30,000.00
Total (i)		6,108,139.00	6,637,220.56

(ii) Others

Particulars	Place	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
Interest on delayed payment of Indirect taxes		18,895.00	25692.00
Intérest on Security Deposit		3,641.00	5713.00
Total (ii)		22,536.00	31405.00
Total (I) + (ii)		6,130,675.00	6,668,625.56

Vijit Jain Ashok RM Pandey

Note 29 Other expenses

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
		AMOUNT Rs.	AMOUNT Rs.	AMOUNT Rs.
Manufacturing and Operating Expenses				
Store & Spares				
Opening	2,783,165.91		2,855,496.46	
Add:- Purchases	3,514,757.40		3,312,450.12	
Less:- Closing Stock	2,289,389.66	4,006,553.65	682,130.15	3384760.67
Power & Fuel consumed				
Factory Electricity & Power	9,482,063.00		8,275,483.00	
Opening Stock	862,130.15		540,453.62	
Add:- Purchases Fuel	9,375,682.83		6,884,203.10	
Less:- Closing Stock	1,305,104.17	18,434,751.81	1,439,256.04	16816009.67
Repairs and maintenance - Buildings		239,566.62		240236.07
Repairs and maintenance - Machinery		530,131.24		578471.42
Excise Duty Paid		1,773,826.23		360171.94
Other Factory expenses		543,044.13		569729.60
Office Functional Dev. Expenses		14,800.00		0.00
Administrative Expenses				
Professional Taxes	9,900.00		14,205.00	
Rates & Taxes	61,290.00	71,190.00	80,277.00	94482.00
OTHERS REPAIRS & MAINTENANCE				
Annual Maintenance Charges	411,453.00		357,387.00	
Electric Repairs & Maintenance	642,877.13		426,443.32	
Mould & Dyes Repairs	38,450.00			
Furniture Repair & Maintenance	61,943.90		92,284.38	
Vehicle Repairs & Maintenance.	60,032.00		42,639.00	
Other Rep. & Maint.	336,698.77		479,377.16	
Genrator Expenses(Office)	133,316.00		236,353.00	
Computer Repair & Maintenance	1,282,820.00		1,037,491.08	
Generator Running Repairs & Maintenance	53,771.22	2,991,362.02	56,286.24	2728261.18
Bank Charges		1,585,189.12		2345418.49
Printing & Stationery, Postage				
Printing & Stationery	1,459,065.63		1,749,447.77	
Stamp Paper Expenses	2,112.00			
Postage & Telegram	3,476,403.75	4,937,561.38	2,560,537.50	4309985.27
Communication *				
Telephone Expenses	2,699,091.94		3,168,249.40	
Airtel Corporate Expenses	265,695.99	2964787.93	103,625.00	3271874.40
Product Training Expenses		1425725.25		1220930.50
Rent including lease rentals (Refer Note 30.6.d)		3870400.00		3257937.00
Recruitment Exp		403711.00		435934.90
Insurance		509557.00		418049.00
Loss on fixed assets sold / scrapped / written off		31129.65		99395.71
Income due to Fluctuation in Foreign Currency		6558439.81		0.00
Selling Expenses				
Vat Paid	3,799,658.00		3,898,425.00	
Sales Tax Expenses	15,356.00		0.00	
Sales Tax Paid	227,794.00	4,042,808.00	10,881.00	3909306.00
Other Rebate & Discount	960,564.00		1,160,812.02	
Cash Discount	21,785,162.88		14,762,835.04	
Turnover Discount	563,955.00		248,907.00	
Special Rebate & Discount	1,279,092.72		231,383.00	
Less: Goods Return Charges	-1,414,790.75	23,173,983.85	-1,137,784.31	15246162.75
Advertisement & Sales promotion				
Advertisement & Publicity	3,021,729.84			
POP consumed :				
Opening Stock	1,439,256.03		44,962.30	
Add: Purchases during the year	14,265,068.10		11,204,928.48	
Less: Closing Stock	1,813,380.49		2,783,165.91	
	13,890,943.64		9,810,634.74	
Business Promotion			229,571.55	
Marketing Expenses	151,072.40		153,119.88	
Sales Promotion	934,039.00		343,245.00	
Calender Expenses	154,204.50		154,745.81	
Silver Scheme	6,189,065.00	24,341,054.38	12,469,078.00	26911902.76
Functional Dev.Exp. Marketing		943,641.00		5781287.25

Vijay S. Parikh   [illegible]   R M Pandey

Outward Freight & Cartage & Handling Charges				
Freight & Cartage others	457,047.00		306,890.00	
Freight & Cartage & Handling Outward	23,981,006.77		18,667,711.72	
Freight & Cartage Export	69,368.00			
Clearing & Forwarding Exp.(Export)	197,949.00		109,900.00	
Rejected Goods Claimed (Export)	239,983.00			
Octroi & Others	517,056.00		341,410.00	
Packing Expenses	30,729.00	25,463,138.77	24,047.00	19449958.72
Travelling & Conveyance Expenses				
Travelling Expenses (Fare)	3,837,566.00		3,366,770.50	
Conveyance	8,713,354.60		7,785,741.25	
Foreign Travelling Others	175,214.00			
Director Travelling	137,103.00		73,852.00	
Travelling Expenses (Fooding & Lodging)	6,732,112.80	19,595,350.40	5,594,060.50	16820424.25
Legal and professional Charges				
Professional & Consultancy Charges	1,383,036.00		849,050.50	
Legal Expenses	37,298.00	1,420,334.00	81,235.00	930285.50
Miscellaneous expenses				
Auditors' Remuneration (Excluding tax)	240,000.00		220000.00	
Donations and contributions	10,000.00		9601.00	
Balances Written off	53,494.08		11,271.62	
Loss in Transit	30,911.00		73779.00	
Service tax paid	155,139.00		96033.00	
Bad debts	13,138.42		0.00	
Electric Expenses	712,276.00		594,980.80	
Horticulture Exp.	9,995.00		7,745.00	
Lab Operating Expenses	77,018.51		14,529.63	
Misc. Fees & Licence Fees	198,281.00		143,467.00	
News papers, Books & Periodicals	2,725.00		16,594.00	
Functional Dev.Exp.	600,737.00		830,309.00	
Penalty (others)	101,000.00		52,000.00	
Subscription Exp.	25,482.00		14,871.00	
General Expenses	221,787.21		231,541.77	
Brokerage paid	0.00		52,000.00	
Exhibition Expenses	0.00		98,277.30	
Social & Economic Welfare Exp.	7,000.00		3,000.00	
Pujan/Festival Expenses	164,409.50		170,907.00	
Office Upkeep & Maintenance	416,525.00		423,339.76	
Security Service Charges	733,271.16	3,772,189.88	645,847.50	3710094.40
Prior period adjustments		156,731.34		150497.00
TOTAL Rs.		153,822,976.46		133,043,656.35

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RESINOVA CHEMIE LTD. AS ON 31-03-2012

Note 22 Revenue from operations

GROUPING OF SALES	Up to 31-03-2012			Up to 31-03-2011		
SALES	AMOUNT(RS)	AMOUNT(RS)	AMOUNT(RS)	AMOUNT(RS)	AMOUNT(RS)	AMOUNT(RS)
SALES (KANPUR)	371,396,096.32			301,923,199.54		
SALES EXPORT (KANPUR)	10,463,447.70			6,844,736.42		
SALES EMPTY CONTAINER (KANPUR)	8,203,410.21			7,533,041.48		
		390,062,954.23			316,300,977.44	
SALES (RANIA)	124,311,324.63			95,755,675.21		
SALES EXPORT (RANIA)	7,581,442.29			5,660,326.55		
SALES EMPTY CONTAINER (RANIA)	2,278,662.03			1,829,329.98		
		134,171,428.95	524,234,383.18		103,245,331.74	419,546,309.18
SALES (DELHI)	211,167,952.45			228,951,025.56		
LESS ; TRADING SALES	116,397.48	211,051,554.97		141,681.64	228,809,343.92	
SALES SCRAP (DELHI)		0.00			300.00	
SALES (AHMEDABAD)		149,540,460.51			122,623,203.43	
SALES (KOLKATTA)		102,160,791.45			76,123,915.31	
SALES (HYDERABAD)		32,568,481.97			46,687,499.02	
SALES (MUMBAI)		86,805,531.44			63,631,750.67	
SALES (MOHALI)		43,039,751.07			4,277,907.49	
SALES (BANGALORE)		33,150,229.01			2,464,756.19	
SALES (JAIPUR)		98,609,417.22	756,926,217.64		93,073,408.67	637,692,084.70
			1,281,160,600.82			1,057,238,393.88
ADD: EXCISE DUTY REALISED ON SALES AT HO (A)			59,835,351.00			45,741,845.00
			1,340,995,951.82			1,102,980,238.88
LESS : SALES RETURN						
SALES RETURN (KANPUR)		2,513,777.27			3,374,506.88	
SALES RETURN (RANIA)		220,085.26			193,782.98	
SALES RETURN EXPORT (KANPUR)		6,559.02			136,521.36	
SALES RETURN (DELHI)		1,310,409.58			2,356,931.13	
SALES RETURN (AHMEDABAD)		1,023,869.84			923,814.38	
SALES RETURN (KOLKATTA)		559,734.28			898,165.95	
SALES RETURN (HYDERABAD)		764,800.28			1,622,220.06	
SALES RETURN (MUMBAI)		841,498.57			484,883.67	
SALES RETURN (MOHALI)		820,484.57			58,099.13	
SALES RETURN (BANGALORE)		570,911.67			38,036.82	
SALES RETURN (JAIPUR)		556,472.26	9,188,602.60		561,775.89	10,648,738.25
TOTAL SALES WITH OUT EXCISE:			1,331,807,349.22			1,092,331,500.63
GROUPING OF DISCOUNTS TO CUSTOMERS:						
DISCOUNT ON SALES						
RANIA	1,205.36					
DELHI	199,751.52			2,388,952.14		
AHMEDABAD	18,879.09			39,323.88		
MUMBAI				49.00		
JAIPUR	51,690.24	271,526.21	271,526.21	248,708.37	2,677,033.39	2,677,033.39
SALES LESS DISCOUNTS			1,331,535,823.01			1,089,654,467.24

WORKING OF EXCISE DUTY REALISED ON SALE:

	2012	2011
EXCISE DUTY REALISED ON SALES AT HO (A)	59,835,351.00	45,741,845.00
BREAKUP OF EXCISE DUTY REALISED ON SALES AT BRANCH OFFICES:		
EXCISE DUTY ON OPENING STOCK OF FINISHED GOODS AT BRANCHES	3,475,153.12	3,011,628.83
ADD: DUTY PAID ON STOCK TRANSERS TO BRANCHES DURING THE YEAR	81,931,448.00	66,125,283.00
LESS: DUTY ON CLOSING STOCK OF FINISHED GOODS AT BRANCHES	4905418.47	3,475,153.12
NET AMOUNT BEING DUTY REALISED ON SALES AT BO (B)	80,501,182.65	65,661,758.71

TOTAL DUTY TO BE DEDUCTED FROM SALES IN PROFIT & LOSS ACCOUNTS: (A+B) 140,336,533.65 111,403,603.71

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RESINOVA CHEMIE LTD. AS ON 31-03-2012

Note 24.a Cost of materials consumed

GROUPING OF PURCHASES	As on 31-03-2012			As on 31-03-11		
	AMOUNT(RS)	AMOUNT(RS)	AMOUNT(RS)	AMOUNT(RS)	AMOUNT(RS)	AMOUNT(RS)
RAW MATERIALS PURCHASE ;						
RAW MATERIALS (DOMESTIC)	352,460,619.94			250,139,670.10		
RAW MATERIALS IMPORTED	401,885,028.21			367,626,537.05		
CLEARING & FORWARDING EXP.	10,073,464.00			10,045,412.50		
F & C ON RAW MATERIALS	13,965,744.93			12,420,881.00		
PURCHASE CHARGES	316,445.16			161,126.00		
Transit Insurance of Material	55,594.00					
		778,756,896.24			640,393,626.65	
Less: PURCHASE RETURN:		328,188.26			232,419.50	
			778,428,707.98		0.00	640,161,207.1
PACKING MATERIALS PURCHASE						
PACKING MATERIALS (DOMESTIC)	113,876,491.07			104,167,397.03		
PACKING MATERIALS (imported)	5,622,582.80			2,902,461.35		
DESIGNING CHARGES	42,300.00			43,772.79		
F & C INWARD	1,219,328.00			1,065,195.25		
PURCHASE ENTRY TAX	217.00			206.00		
PURCHASE CHARGES	100,024.00	120,860,942.87		135,505.00	108,314,537.42	
Less: DISCOUNT ON PURCHASE		0.00			0.00	
Less: PURCHASE RETURN:		2,048,566.45	118,812,376.42		656,128.00	107,658,409.4
CONSUMABLE STORES	3,458,587.36			3,318,157.67		
LAB	115,913.17			76,549.31		
F & C INWARD	1,809.00			13,610.00		
PURCHASE CHARGES	15,734.00	3,592,043.53		11,796.00	3,420,112.98	
Less: PURCHASE RETURN:		77,286.13	3,514,757.40		107,662.86	3,312,450.1
POP						
POP Purchase	14,477,616.44					
POP Charges	111,106.50	14,588,722.94				
Less : Return		323,654.84	14,265,068.10			
POWER & FUEL PURCHASE						
PURCHASE POWER & FUEL		9,375,662.83	9,375,662.83			8,884,203.1
TRADING PURCHASE						
TRADING PURCHASE (DELHI)		114,358.32			80,392.32	
Less: PURCHASE RETURN:					4,725.84	75,666.4
TOTAL			**924,396,572.73**			**760,091,936.2**

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RESINOVA CHEMIE LTD

CONSOLIDATED FOR THE PERIOD FROM 01/04/11 TO 31/03/2012

CLOSING STOCK VALUATION OF FINISHED GOODS

Note No. 16 Invertories

S NO	PARTICULARS	STOCK QTY	BASIC	EXCISE	TOTAL VALUE	LOADING	AMOUNT	AMOUNT
	FINISH STOCK							
1	UNNAO	881,607.30	23,632,881.23	3,594,553.53	27,227,434.77		4892006.42	22335428.35
2	RANIA	1,683,017.32	17,792,121.13	3,016,626.62	20,808,747.74		3682969.07	17125778.67
3	JAIPUR	129,920.77	2,351,440.14	361,389.26	2,712,829.40		486748.11	2226081.29
4	DELHI	197,558.76	8,184,419.28	1,130,666.16	9,315,085.44		1694174.79	7620910.65
5	MOHALI	193,061.46	3,125,291.08	504,380.65	3,629,671.72		646935.25	2982736.47
6	BHIWANDI	164,229.90	3,194,658.08	491,395.94	3,686,054.02		661294.22	3024759.80
7	AHMEDABAD	374,309.73	8,162,199.62	1,283,985.12	9,446,184.74		1689575.32	7756609.42
8	BANGALORE	67,784.29	2,214,652.47	330,937.43	2,545,589.90		458433.06	2087156.84
9	SECUNDRABAD	79,635.61	1,529,043.57	228,644.11	1,757,687.68		316512.02	1441175.66
10	KOLKATTA	162,571.20	3,863,292.25	574,019.81	4,437,312.05		799701.49	3637610.56
	TOTAL FINISHED (A)	3933696.32	74049998.84	11516598.62	85566597.46			
0.2070	Less: GP		15328349.76	0.00	15328349.76			
			58721649.08	11516598.62	70238247.70			
	GOODS IN TRANSIT							
	GIT TO BRANCH							
11	AHMEDABAD		448186.00	77417.00	525603.00		92774.50	432828.50
12	JAIPUR		109226.00	19358.00	128584.00		22609.78	105974.22
15	BANGALORE		951563.00	140715.00	1092278.00		196973.54	895304.46
16	KOLKATA		237334.00	29199.00	266533.00		49128.14	217404.86
17	MUMBAI		1610897.00	215438.00	1826335.00		333455.68	1492879.32
	RETURNED GIT TO HO							
	MUMBAI	22531.01	400248.35	60593.25	460841.60		82851	377990.19
	DELHI	9366.56	139590.87	20458.12	160048.99		28895	131153.68
	KOLKATA	14711.00	211945.31	30889.64	242834.95		43873	198962.27
	TOTAL GIT (B)		4108990.52	594068.02	4703058.54			
0.2070	Less: GP		850561.04	0.00	850561.04			
			3258429.48	594068.02	3852497.50			
	TOTAL FINISH STOCK(A+B)		78158989.36	12110666.64	90269656.01			
0.2070	Less: GP		16178910.80	0.00	16178910.80			
	NET FINISH STOCK		61980078.56	12110666.64	74090745.21			74090745.21
17	TRADING STOCK							
	DELHI	304						67656.60
	Net Trading Stock							**67656.60**
18	WORK IN PROGRESS							
	UNNAO							3096747.59
19	INTERMEDIATE							
	UNNAO	57420.26			8011967.44	778836.67		8790804.11
	RANIA	29108.85			3487335.17	362666.65		3850001.82
	MOULDING UNNAO	621885.80			980641.87	54915.94		1035557.81
	Total WIP & Intermediate							16773111.34
20	RAW MATERIAL							
	UNNAO	526519.25						59,473,770.84
	RANIA	185385.99						28816462.54
	MATERIAL IN TRANSIT							8423871.31
	Total Raw material							**96714104.69**
21	PACKING MATERIAL							
	UNNAO	9756918.76						13407722.97
	RANIA	11955127.38						12973983.08
	Total Packing material							**26381706.05**
23	FUELS							
	UNNAO	181734.05						1,074,173.67
	RANIA	5314.00						230930.50
	Total Stock of Fuels							**1,305,104.17**
24	STORES & SPARES							
	UNNAO	18599.83						1,554,388.12
	RANIA	11442.06						735001.55
	Total Stores & Spares							**2,289,389.66**
	POP							
	POP STOCK(UNNAO)	276071.66						1683234.52
	POP STOCK(RANIA)	30948.00						130145.97
	Total POP							**1813380.49**
	TOTAL Stock As on 31st march 2012							**219435198.21**

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RESINOVA CHEMIE LTD

SUMMARY OF VENDOR AS ON 31 march 2012

Note 10 Trade payables *

PARTICULARS	As on 31/03/12 CREDIT BALANCE OF VENDOR	As on 31/03/12 DEBIT BALANCE OF VENDOR	As on 31/03/12 VENDOR AS ON 31.03.12	As on 31/03/11 CREDIT BALANCE OF VENDOR	As on 31/03/11 DEBIT BALANCE OF VENDOR	As on 31/03/11 VENDOR AS ON 31.03.11
KANPUR / FO						
DOMESTIC & FOREIGN VENDOR	84875772.81	8665566.00	76210206.81	79477121.92	15224607.00	64252514.92
JAIPUR						
DOMESTIC VENDOR	23288.00	2015.00	21273.00	51795.00	2739.00	49056.00
DELHI						
DOMESTIC VENDOR	164312.00	0.00	164312.00	52398.00	15000.00	37398.00
MUMBAI						
DOMESTIC VENDOR	51224.00	0.00	51224.00	86177.00	0.00	86177.00
AHEMDABAD						
DOMESTIC VENDOR	10716.00	0.00	10716.00	0.00	0.00	0.00
BANGALORE						
DOMESTIC VENDOR	29318.00	0.00	29318.00	26384.00	0.00	26384.00
MOHALI						
DOMESTIC VENDOR	31658.00	0.00	31658.00	0.00	0.00	0.00
SECUNDRABAD						
DOMESTIC VENDOR	40151.00	0.00	40151.00	34128.00	0.00	34128.00
KOLKATA						
DOMESTIC VENDOR	28574.00	0.00	28574.00	8460.00	0.00	8460.00
NET TOTAL	85255013.81	8667581.00	76587432.81	79736463.92	15242346.00	64494117.92
LESS:						
RBI COMMISSIONER OF CUSTOM	0.00	0.00	0.00	0.00	699064.00	-699064.00
NET GRAND TOTAL	85255013.81	8667581.00	76587432.81	79736463.92	14543282.00	65193181.92
Short Term (Note no. 10)	85245697.81	8417253.00		79736463.92	14420412.00	
Long Term	9316.00	250328.00		0.00	122870.00	
Total	85255013.81	8667581.00		79736463.92	14543282.00	

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RESINOVA CHEMIE LTD. AS ON 31-03-2011

DETAILS OF DEBTORS AS ON 31ST MARCH 2012

	2011-2012					2010-2011				
Particulars	Less Than Six Month From Due Date	More Than Six Month From Due Date	Total	Advance From Customer	Net Balance As On 31-03-12	Less Than Six Month From Due Date	More Than Six Month From Due Date	Total	Advance From Customer	Net Balance As On 31-03-11
Head Office										
Sundry Debtors (Total)	33161705.73	2126247.52	35287953.25	2107678.19	33180275.06	23178254.40	2052124.84	25230379.24	2884580.28	22345798.96
Bank Recon. Adjustment									123808.00	-123808.00
Parikh Resins Ltd.				3525328.83	-3525328.83				3544861.83	-3544861.83
Total	33161705.73	2126247.52	35287953.25	5633007.02	29654946.23	23178254.40	2052124.84	25230379.24	6553250.11	18677129.13
Hyderabad										
Sundry Debtors (Domestic)	1516154.61	652213.21	2168367.82	127873.48	2040494.34	4509516.06	862036.70	5371552.76	162411.33	5209141.43
Bank Recon. Adjustment				47499.00	-47499.00				223556.00	-223556.00
Jaipur										
Sundry Debtors (Domestic)	762146.91	54270.00	816416.91	375973.31	440443.60	619119.61	130508.09	749627.70	544802.12	204825.58
Bank Recon. Adjustment									0.00	0.00
Kolkata	4273921.07	163256.43	4437177.50	311124.53	4126052.97					
Sundry Debtors (Domestic)						3978960.30	301108.69	4280068.99	460212.36	3819856.63
Bank Recon. Adjustment									21429.00	-21429.00
Mumbai	4239351.48	211332.44	4450683.92	252467.59	4198216.33					
Sundry Debtors (Domestic)						3189801.13	216667.60	3406468.73	152089.08	3254379.65
									72800.00	-72800.00
Mohali	3393821.68	378975.04	3772796.72	141451.97	3631344.75					
Sundry Debtors (Domestic)				25000.00	-25000.00	3154550.25	0.00	3154550.25	173805.11	2980745.14
Bangalore	4896400.47	656744.73	5553145.20	123814.33	5429330.87					
Sundry Debtors (Domestic)						2218002.09		2218002.09	16119.93	2201882.16
New Delhi										
Sundry Debtors (Domestic)	13258910.97	1098672.76	14357583.73	326414.93	14031168.80	10161030.87	1475557.28	11636588.15	261412.07	11375176.08
Bank Recon. Adjustment									57474.00	-57474.00
Ahmedabad	2268814.42	38896.38	2307710.80	323392.40	1984318.40	1613489.65	18798.36	1632288.01		
Sundry Debtors (Domestic)									474511.92	1157776.09
Grand Total	67771227.34	5380608.51	73151835.85	7688018.56	65463817.29	52622724.36	5056801.56	57679525.92	9173873.03	48505652.89
LESS										
Transcont India Finvest P Ltd.				300000.00	-300000.00				327000.00	-327000.00
Net Grand Total	67771227.34	5380608.51	73151835.85	7388018.56	65763817.29	52622724.36	5056801.56	57679525.92	8846873.03	48832652.89
Long Term				324255.63					670088.24	
Short term				7,063,762.93					8176784.79	
Total Advance from Customer				7388018.56					8846873.03	

Vijay S. Parikh

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RESINOVA CHEMIE LTD

STAFF & SALES STAFF SUMMARY AS ON 31st March 2012

Particulars	2011-2012			2010-2011		
	Advance To Staff	Advance From Staff	Net Balance	Advance To Staff	Advance From Staff	Net Balance
	Dr	Cr	Amount	Dr	Cr	Amount
KANPUR / FO						
STAFF BALANCE	1010383.00	196021.00	814362.00	755972.53	526023.19	229949.34
SALES STAFF BALANCE	565680.15	1069879.97	-504199.82	551813.93	1106709.51	-554895.58
JAIPUR						
STAFF BALANCE	58694.00	781.00	57913.00	35193.00	7345.62	27847.38
SALES STAFF BALANCE	141986.41	60446.00	81540.41	97161.00	50971.59	46189.41
DELHI						
STAFF BALANCE	5384.00	5831.50	-447.50	23333.00	20038.50	3294.50
SALES STAFF BALANCE	24765.00	83814.00	-59049.00	26365.00	230903.00	-204538.00
MOHALI						
STAFF BALANCE	7684.00	169.00	7515.00	0.00	8920.00	-8920.00
SALES STAFF BALANCE	64271.00	105761.00	-41490.00	2747.00	82657.00	-79910.00
MUMBAI						
STAFF BALANCE	32070.00	0.00	32070.00	24220.00	11277.50	12942.50
SALES STAFF BALANCE	105144.86	81575.55	23569.31	52615.50	114224.39	-61608.89
AHEMDABAD						
STAFF BALANCE	1396.00	0.00	1396.00	0.00	53837.00	-53837.00
SALES STAFF BALANCE	5029.00	235749.00	-230720.00	2030.00	356889.00	-354859.00
BANGALORE						
STAFF BALANCE	825.00	172.00	653.00	0.00	91.00	-91.00
SALES STAFF BALANCE	75520.07	65572.07	9948.00	10855.92	24373.00	-13517.08
SECUNDRABAD						
STAFF BALANCE	110965.60	90.00	110875.60	172527.70	8281.00	164246.70
SALES STAFF BALANCE	250466.00	102257.00	148209.00	265502.15	152379.91	113122.24
KOLKATA						
STAFF BALANCE	21328.95	2032.00	19296.95	22897.65	5706.00	17191.65
SALES STAFF BALANCE	113245.00	197480.00	-84235.00	59081.65	190406.00	-131324.35
TOTAL STAFF	1248730.55	205096.50	1043634.05	1034143.88	641519.81	392624.07
TOTAL SALES STAFF	1346107.49	2002534.59	-656427.10	1068172.15	2309513.40	-1241341.25
NET TOTAL	2594838.04	2207631.09	387206.95	2102316.03	2951033.21	-848717.18
CLASSIFICATION BASED ON SHORT TERM & LONG TERM						
LAPTOP ADV. (A)	565900.00	0.00	565900.00	0.00	0.00	0.00
LONG TERM ADVANCES (B)	570306.45	82006.50	488299.95	346140.12	236852.25	109287.87
TOTAL LONG TERM AMT(A+B)	1136206.45	82006.50	1054199.95	346140.12	236852.25	109287.87
TOTAL SHORT TERM AMOUNT(C)	1458631.59	2125624.59	-666993.00	1756175.91	2714180.96	-958005.05
Less : Salary for Directors	0.00	73144.00			413415.00	
TOTAL NET SHORT TERM AMOUNT(C)	1458631.59	2052480.59	-666993.00	1756175.91	2300765.96	-958005.05
NET BALANCE (A+B-C)	2594838.04	2134487.09	387206.95	2102316.03	2537618.21	-848717.18

Unsecured, considered doubtful	Dr	Cr	Amount	Dr	Cr	Amount
A) Mr. Anoop Dutt Sharma	59474.00	0.00		59474.00	0.00	
B) Mr. Piyush K. Omer	26022.00	0.00		26022.00	0.00	
C) Mr.Kuldeep Srivastava	0.00	4801.00		0.00	0.00	
D) Mr. Yunus Ali	45757.00	0.00		51094.10	0.00	
E) Mr. C.S. Srinath	124434.35	0.00		127572.65	0.00	
Total	255687.35	4801.00	250886.35	264162.75	0.00	264162.75

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RESINOVA CHEMIE LTD. AS ON 31-03-2011

List of Computer Repairs and Maintenance

PARTICULARS	PLACE	AMOUNT (Rs.)	PREVIOUS YEAR
Software Expenses		830,544.17	748,123.25
Consultant Services		8,749.00	16,373.00
Other Computer Expenses		150.00	15,970.00
Web Site Expenses		37,774.00	74,501.00
Computer Stationery		1,550.00	5,440.00
Computer Repairs & Maintenance		155,751.85	34,185.22
Hardware Expenses		228,300.98	142,898.61
TOTAL		1,262,820.00	1,037,491.08

Vehicle Repairs & Maintenance.

PARTICULAR,S	PLACE	AMOUNT (Rs.)	PREVIOUS YEAR
Motor Car Running Exp.		220.00	19,704.00
Other Vehicle Repair & Maintenance		249.00	590.00
Motor car Repairs & Maintenance		59,563.00	22,345.00
TOTAL Rs.		60,032.00	42,639.00

Deposit from customer against C Form

PARTICULAR,S	PLACE	AMOUNT (Rs.)	PREVIOUS YEAR
Sales tax Payable 2007-08	KANPUR	270,826.70	456,015.70
Sales tax Payable 2007-08	DELHI	1,488.00	0.00
Sales tax Payable 2008-09	KANPUR	0.00	43,889.00
Sales tax Payable 2009-10	KANPUR	220,939.00	95,488.00
Sales tax Payable 2009-10	HYDERABAD	36,785.00	0.00
Sales tax Payable 2010-11	KANPUR	45,687.00	2,020.00
Sales tax Payable 2010-11	DELHI	4,392.00	0.00
Sales tax Payable 2011-12	BANGALORE	24,902.00	0.00
Sales tax Payable 2011-12	KANPUR	3,955.00	0.00
Sales tax Payable 2011-12	DELHI	535.00	0.00
TOTAL Rs.		609,509.70	597,412.70
Short Term		365,192.00	507,445.70
Long Tram		244,317.70	89,967.00
Total		609,509.70	597,412.70

Security deposit from Customer

PARTICULAR,S	PLACE	AMOUNT (Rs.)	PREVIOUS YEAR
Security Dep. From Cust. (Sales Tax)	HYDERABAD	245,677.00	278,908.00
Security Dep. From Cust. (Sales Tax)	KOLKATA	589,754.97	554,160.08
TOTAL Rs.		835,431.97	833,068.08
Short Term	HYDERABAD	140,995.00	278,908.00
Short Term	KOLKATA	192,364.95	462,826.69
Long Tram	HYDERABAD	104,682.00	0.00
Long Tram	KOLKATA	397,390.02	91,333.39
		835,431.97	833,068.08

Interest Paid other

PARTICULARS		CURRENT YEAR AMOUNT Rs.	PREVIOUS YEAR AMOUNT Rs.
Interest on Service tax		220.00	416.00
Interest on EPF & ESI		2,337.00	13,403.00
Interest on Excise duty		15,512.00	4,511.00
Interest on Custome duty		826.00	7,029.00
Interest on Sales tax		0.00	333.00
TOTAL Rs.		18,895.00	25,692.00
Interest debited agst Security		3,641.00	5,713.00
TOTAL Rs.		3,641.00	5,713.00
Interest on transcont invest Finance		30,000.00	30,000.00

RMPandey

GENERAL INFORMATION

1. Our Company was incorporated on March 25, 1996 as a private limited company, in the name of 'Astral Poly Technik Private Limited', and was registered with the Registrar of Companies, Gujarat. The name of our company was changed to 'Astral Poly Technik Limited' and a fresh certificate of incorporation dated September 29, 2006 was issued. The registered and corporate office of our Company is located at "Astral House", 207/1, B/h Rajpath Club, off S.G. Highway, Ahmedabad, 380 059, Gujarat, India. Our Corporate Identity Number is L25200GJ1996PLC029134.

2. The authorized share capital of our Company is ₹ 150 million, divided into 150,000,000 Equity Shares of ₹ 1 each. Our issued, subscribed and paid up equity share capital is ₹ 112,380,560 divided into 112,380,560 Equity Shares of ₹ 1 each.

3. This Issue was authorized and approved by our Board of Directors on July 18, 2014 and approved by our shareholders through a resolution passed dated August 25, 2014.

4. Our Company has received in-principle approvals under Clause 24(a) of the Listing Agreements to list the Equity Shares on the NSE and the BSE on December 3, 2014 and December 3, 2014, respectively.

5. Copies of the Memorandum of Association and Articles of Association will be available for inspection during usual business hours on any weekday between 10.00 A.M. to 1.00 P.M. (except public holidays) at our Registered & Corporate Office.

6. Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

7. Except as disclosed in this Placement Document, there has been no material change in our consolidated financial condition since March 31, 2014, the date of the latest audited financial statements, prepared in accordance with Indian GAAP, included herein.

8. Except as disclosed in this Placement Document, there are no material legal or arbitration proceedings against or affecting our Company or its assets or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which are or might be material in the context of the Issue.

9. Our Company's statutory auditor, Deloitte Haskins & Sells, Chartered Accountants, has audited our consolidated financial statements as of and for the years ended March 31, 2014, 2013 and 2012, and have has applied limited procedures in accordance with professional standard in India with respect to our unaudited consolidated reviewed interim financial statements as of and for the six month period ended September 30, 2014 and have consented to inclusion of their report in this Placement Document.

10. Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the Listing Agreements, SCRA and SCRR.

11. The Floor Price for the Issue is ₹ 423.70, calculated in accordance with Chapter VIII of the SEBI ICDR Regulations, as certified by the Auditors.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII read with Schedule XVIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, have been complied with. Further, all the relevant provisions of the Securities and Exchange Board of India Act, 1992, as amended (including all rules, regulations and guidelines issued thereunder), have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED BY:

Sd/- **Mr. Sandeep Engineer**	**Sd/-** **Ms. Jagruti Engineer**

SIGNED BY THE CHIEF FINANCIAL OFFICER
Sd/- **Mr. Hiranand Savlani**

Date: December 8, 2014
Place: Ahmedabad

DECLARATION

We, the Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

_________________________	__________________
Mr. Sandeep Engineer, Director	*Ms. Jagruti Engineer, Director*

I am authorized by the Securities Committee, a committee of the Board of Directors of the Company, by resolution dated December 3, 2014 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

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Amishkumar P. Shah, Company Secretary and Compliance Officer

Date: December 8, 2014

Place: Ahmedabad

ASTRAL POLY TECHNIK LIMITED

Registered & Corporate Office

"Astral House", 207/1, B/h Rajpath Club
off S.G. Highway
Ahmedabad, 380 059, Gujarat, India
Website: www.astralcpvc.com

Contact Person: Mr. Amishkumar P. Shah, Compliance Officer
Address of Compliance Officer: "Astral House", 207/1, B/h Rajpath Club
off S.G. Highway
Ahmedabad, 380 059, Gujarat, India
E-mail: co@astralcpvc.com
Phone: +91 79 6621 2000; **Fax**: +91 79 6621 2121

GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS

Ambit Corporate Finance Private Limited

Ambit House
449, Senapati Bapat Marg
Lower Parel
Mumbai 400 013, India

Kotak Mahindra Capital Company Limited

27 BKC, 1st Floor
Plot No. C-27, G Block
Bandra Kurla Complex, Bandra East
Mumbai 400 013, India

DOMESTIC LEGAL COUNSEL TO THE ISSUE

Amarchand & Mangaldas & Suresh A. Shroff & Co.

301-302, Parshwanath E-Square
Corporate Road, Prahladnagar
Ahmedabad 380 015, India

Amarchand Towers
216, Okhla Industrial Phase III
New Delhi 110 020, India

INTERNATIONAL LEGAL COUNSEL TO THE GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS

Squire Patton Boggs Singapore LLP

10 Collyer Quay
#03-01/02 Ocean Financial Centre
Singapore 049315

AUDITORS TO THE COMPANY

Deloitte Haskins & Sells, Chartered Accountants
"Heritage", 3rd Floor
Near Gujarat Vidhyapith
Off Ashram Road
Ahmedabad 380 014, India