

# 13<sup>th</sup> Annual Report

## 2008-09

### one mission

"To be the technology leader  
in the piping industry"

### three core values

Devotion • Dedication • Development

### one strategic aim

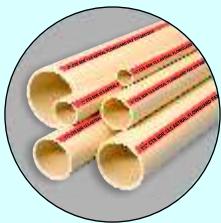
"The endless growth"





## THE BRANDS

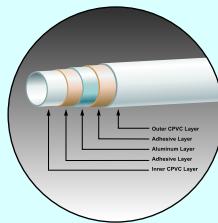
**ASTRAL  
FLOWGUARD™**  
CPVC PLUMBING SYSTEM FOR HOT & COLD WATER



**ASTRAL CORZAN™**  
INDUSTRIAL PIPING SYSTEMS



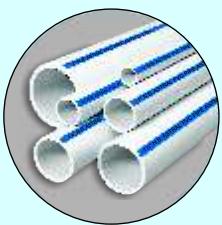
**ASTRAL FLOWGUARD BENDABLE™**  
COMPOSITE PIPE



**ASTRAL  
ClassMaster™**  
FIRE SPRINKLER SYSTEMS



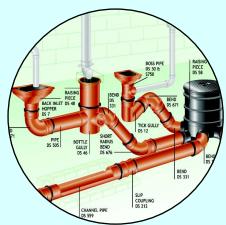
**ASTRAL  
Aquarius®**  
STANDARDS REDEFINED  
CPVC PLUMBING SYSTEM FOR OUTER LOOP LINES



**ASTRAL Aquatek™**  
HIGH IMPACT ABS PIPING SYSTEMS



**ASTRAL UNDER GROUND**  
DRAINAGE SYSTEMS



**ASTRAL DWV™**  
DRAIN WASTE & VENT  
LEAK PROOF SYSTEM



**ASTRAL  
Foamcore™ PVC PIPE**  
FOR DWV & UNDERGROUND SYSTEMS



**ASTRAL ULTRADRRAIN™**  
CONVENTIONAL SYSTEM



**ASTRAL  
AquaSAFE™**



## THE VISION



To cultivate a complete building artefact piping systems to be transformed into better life and to save energy during process.

Astral is also looking forward to introduce such more innovative products required for fluid transportation to help infrastructure growth of our Nation.

## THE CORE TEAM



Sitting left to right

M. M. Vakil  
President

Sandeep P. Engineer  
Managing Director

Hiranand Savlani  
CFO



Ahmedabad Plant



Himachal Pradesh Plant

## COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. K.R. Shenoy Mr. Sandeep P.Engineer Mrs. Jagruti S.Engineer Mr. Pradip N. Desai Mr. Nimish G. Dalal Mr. Kyle A.Thompson	Chairman (Independent Director) Managing Director Executive Director Independent Director Non Executive Director Non Executive Director
PRESIDENT	Mr. M. M. Vakil	
COMPANY SECRETARY	Ms. Monika Pandya	
CHIEF FINANCIAL OFFICER	Mr. Hiranand Savlani	
AUDITORS	Deloitte Haskins & Sells Chartered Accountants 'Heritage', 3rd Floor, Near Gujarat Vidhyapith, Off Ashram Road, Ahmedabad-380 014.	
OUR BANKERS	Corporation Bank Industrial Finance Branch, Ashram Road, Ahmedabad.	
	Standard Chartered Bank Abhijeet- II, Mithakhali Six Road, Ahmedabad.	
REGISTERED OFFICE	901, Parshwa Towers, Opp. Rajpath Club, Sarkhej- Gandhinagar Highway, Ahmedabad-380 054, Gujarat, India.	
FACTORY (GUJARAT UNIT)	Plot No. 1253 & 1264, Village: Santej, Taluka : Kalol, Dist: Gandhinagar, Gujarat, India.	
FACTORY (HIMACHAL UNIT)	Khasra No. # 67-72, Village : Bated, P.O.: Barotiwala, Dist.: Solan, Tehsil: Kasauli, Himachal Pradesh, India.	
REGISTRAR & SHARE TRANSFER AGENTS	Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.	





*where INNOVATION flows*

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## Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 13th Annual Report of the Company together with the audited statements of accounts for the year ended on March 31, 2009.

### 1. FINANCIAL HIGHLIGHTS

The standalone financial results for the year are as follows: (Rs. In Lacs)

Particulars	Financial Year	
	2008-2009	2007-2008
Net Sales/Income from Operations	19,300.12	13,581.52
Other Income	568.75	352.25
Total Income	19,868.87	13,933.77
Total Expenditure	16,807.88	11,843.71
Profit Before Depreciation, Interest, Tax & Exceptional Items	3,060.99	2,090.06
Interest	531.19	268.67
Depreciation	617.49	326.06
Profit Before Exceptional Items	1,912.31	1,495.33
Other Non Operating (Income) Expenses / Exceptional Items	286.78	(447.20)
Profit Before Tax	1,625.53	1,942.53
Provision for Taxation	206.48	235.62
Net Profit for the year	1,419.05	1,706.91

### 2. DIVIDEND

Your Directors are pleased to recommend a dividend of Re 1/- per share for the year 2008-2009, if approved by the shareholders at the Annual General Meeting, the dividend will absorb Rs. 112.38 Lacs and the Dividend Distribution Tax payable by the Company will amount to Rs. 19.10 Lacs.

### 3. FINANCIAL AND OPERATIONAL REVIEW

During the year under review, your Company has made record sales of Rs. 19,300.12 Lacs compared to Rs. 13,582.52 Lacs of the previous year which shows a growth of 42%. The cash profit increased from Rs. 2,032.97 Lacs to Rs. 2,036.54 Lacs. Inspite of very difficult times and severe international economic recession, your Company has maintained its cash profit at the last year's level. Similarly the EBIDTA has increased from Rs. 2,090.06 Lacs to Rs. 3,060.99 Lacs which shows a rise of 46.45% before extraordinary items. However the net profit of the Company has reduced compared to the last year from Rs. 1,706.91 Lacs to Rs. 1,419.05 lacs mainly because of extreme volatility of USD currency resulting in sky rocketing of the cost of imported raw materials for your Company in last quarter. The Dollar has increased from Rs. 40 to Rs. 52 level which has resulted in a loss to the tune of Rs. 733.67 Lacs in foreign currency loan liability and Rs. 610.04 Lacs on account of cost of import of raw material. In aggregate, Company has incurred a loss of Rs. 1,343.71 Lacs due to foreign exchange fluctuation. This has an extremely negative impact on the Net Profits for the period under review.

However, it is heartening to note that the exports have increased from Rs. 152.82 Lacs to Rs. 379.95 Lacs which shows a rise of 149%.

### 4. PROJECT IMPLEMENTATION AND PERFORMANCE REVIEW

We are pleased to inform you that the Project has achieved the completion stage. The entire expanded production capacity as planned has been installed. The additional enhanced capacity has also been installed. The Production team has undertaken the necessary trial runs and some of the products have been pressed into commercial production.

During the year, the Company has added SWR Pipes, Underground Drainage Pipes and Foam core pipes to the bouquet of products. Your Company continues its dedication to the slogan "where innovation flows... "As a result, the Company is preparing itself for offering a bigger bouquet of products to the market by adding



Blazemaster Fire Sprinkler System, SWR Variants, Manholes and Inspection chambers in the product line in the coming year.

The Management is proud to announce the milestones achieved during the year. The Company has successfully procured the approval of NSF (National Sanitary Foundation) for its Flowguard Products. The approval from UL (Underwriting Laboratory) for Blazemaster Pipes has also been received. These approvals further certify the commitment of the Company to producing quality products.

The Management has also continued its contribution towards the social responsibility. The training programmes for Plumbers are being conducted across the country. The Company has also associated itself with an association in Himachal Pradesh which fosters Greenfields and encourages tree plantations and conservation of flora and fauna.

#### **5. CREDIT RATING**

Your Company procured credit rating from CRISIL for Rs. 100 Crores Loan and Crisil has assigned Bank Loan Ratings to various Bank facilities as under:

Sr. No.	Facility	Rating
1.	Cash Credit Limit	A-/ Stable
2.	Long Term Loan	A-/ Stable
3.	Proposed Long Term Bank Facility	A-/ Stable
4.	Letter of Credit	P2+
5.	Bank Guarantee	P2+
6.	Proposed Short Term Bank Facility	P2+

#### **6. JOINT VENTURE AGREEMENT :**

Your directors are pleased to inform you that your Company has now entered into the Global Market by signing Joint Venture agreement with a Kenya Based Group. A new entity has been formed under the name "ASTRAL TECHNOLOGIES LIMITED" and your Company has taken 26% stake in the said JV Company. The new Company is based at Nairobi and has started its trading operations from October – 2008 by purchasing the products from ASTRAL, India. This Joint Venture Company shall be the first step in establishing recognition of our products in East African Territories.

Your directors are of the view that once the awareness of our products increases in that region, it would be prudent to set up a manufacturing facility at Nairobi that will cater the demand for our products in the neighbouring countries also.

#### **7. SUBSIDIARY COMPANY**

During the year your Company acquired 100% shares of "ASTRAL BIOCHEM PRIVATE LIMITED" as a result of which, Astral Biochem became a wholly owned subsidiary company of your Company. The subsidiary company has acquired land admeasuring 67,796 Square Mtrs at GIDC-Dahej Dist: Bharuch and it is looking forward to setting up a project in the coming year.

#### **8. CONSOLIDATED FINANCIAL STATEMENT**

The shareholders may refer to the statement under Section 212 of the Companies Act, 1956 and information on the financial statements of subsidiaries appended to the above Statement under Section 212 of the Companies Act, 1956 in this Annual Report for further information on these subsidiaries.

The consolidated financial statements, in terms of Clause 32 of the Listing Agreement and in terms of Accounting Standards 21 issued by the Institute of Chartered Accountants of India (ICAI) also form part of this Annual Report.

#### **9. MANAGEMENT DISCUSSIONS AND ANALYSIS STATEMENT**

Management Discussion and Analysis Report which is required under the Listing Agreement with the Stock Exchange is given in Annexure – D to the Directors' Report.

#### **10. CORPORATE GOVERNANCE:**

A separate report on Corporate Governance, along with Auditors' Certificate relating thereto is given in Annexure – C to the Directors' Report.

## 11. INSURANCE

The fixed assets and stocks of the Company are adequately insured.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed ;
- (ii) the Directors have selected such accounting policies and have applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period ;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

## 13. DIRECTORS

The Directors, Mr. Nimish G. Dalal and Mr. Kyle A. Thompson are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The requisite particulars in respect of Directors seeking reappointment are given in Annexure C to the Directors' Report.

Mr. Sandeep P. Engineer has been appointed as Managing Director, with revised terms and conditions. His previous appointment has been terminated w.e.f. 31st January, 2009 and he has been freshly appointed as Managing Director of the Company for a term of three years from 01st February, 2009. His overall remuneration shall not exceed Rs. 70,00,000/- per annum or 5% of Net profits whichever is lower. The appointment of Mr. Sandeep P. Engineer as Managing Director, with revised terms and conditions, is being put before the Members for their approval in the forth coming Annual General Meeting.

## 14. AUDITORS

M/s. Deloitte Haskins & Sells, the Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue.

## 15. PARTICULARS OF EMPLOYEES

The list of Employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in Annexure- A to the Directors' Report.

## 16. DISCLOSURE WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Section 217(1)(e) with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure-B to the Report.

## 17. ACKNOWLEDGMENTS

Your Company has successfully maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of the employees have enabled your Company to remain at the forefront of the industry. The Directors place on record their sincere appreciation for significant contributions made by the employees through their dedication, hard work and commitment towards the success and growth of the Company. The Directors wish to thank Specialty Process LLC., U.S.A for the unfailing support extended to the Company throughout the year. The management would like to express its deep appreciation for the support extended by the Corporation Bank and Standard Chartered Bank and other agencies working with the Company.

For and on behalf of the Board

Place: Ahmedabad  
Date: May 28, 2009

K. R. Shenoy  
Chairman



## Annexures' to Directors' Report

### ANNEXURE - A

Statement under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2009

Sr. No.	Name	Age	Qualification	Date of Commencement of Employment	Designation/ Nature of Duties	Experience in Years	Remuneration (Rs.)	Last Employment held with Designation
1	2	3	4	5	6	7	8	9
(A) Employed throughout the year and was in receipt of remuneration which in the aggregate was not less than Rs. 24,00,000/- p.a.								
1.	*Mr. Sandeep P. Engineer	48	B.E.(Chem.)	25.03.1996	Managing Director	25	31,50,000/-	N.A.
2.	Mr. Mayur M. Vakil	52	PGDBM & PGDMM	08.03.2004	President-In-charge of production and marketing of the Company	30	25,75,154/-	Vice President-Supreme Industries Ltd.
(B) Employed for a part of the year and was in receipt of remuneration which in the aggregate was not less than Rs. 2,00,000/- p.m.								
----- Nil -----								

\* Promoter of the Company

#### Notes:

1. The remuneration received include salary and other allowances.
2. Mr. Sandeep P. Engineer holds 17,37,724 equity shares, which constitutes 15.46% of the paid up capital of the Company.
3. Mr. Mayur M. Vakil holds 62,999 equity shares, which constitutes 0.56% of the paid up capital of the Company.

### ANNEXURE - B

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

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is set out hereunder.

##### A. CONSERVATION OF ENERGY

###### (a) Energy Conservation Measure Taken:

Energy conservation continues to be the key focus area of our Company. The Company is making continuous effort for energy conservation. Effective measures have been taken to monitor consumption of energy during the process of manufacture. Company is now going for hi tech machines which save the energy cost of the Company.

###### (b) Additional investment and proposal for reduction of consumption of energy :

Company is continuously buying latest technology machines which will save the energy cost of Company.

## (c) Impact of the above measures:

The impact of the measures taken has been positive.

## (d) Total energy consumption and energy consumption per unit of production:

A. Power & Fuel Consumption	31.3.2009	31.3.2008
1. (a) Electricity		
(i) Purchase Unit	81,40,635	56,74,990
(ii) Total Amount (Rs.)	4,28,53,368	2,41,99,165
(iii) Rate/ Unit (Rs.)	5.26	4.26
(b) Own Generation		
(i) Through Diesel Generation (kWh)-		
LDO (Liter)	74,200	73,000
Total Amount (Rs.)	26,55,030	23,53,044
Average Rate (Rs. / Liter)	35.78	32.23
(ii) Through Steam Turbine Generator Unit		
Unit per Ltr. of fuel	Nil	Nil
Oil/Gas cost per Unit		
2. Coal and Lignite	Nil	Nil
(i) Quantity (Tones)		
(ii) Total cost (Rs.)		
(iii) Average Rate (Rs. / Tones)		
3. Furnace Oil	Nil	Nil
(i) Quantity (Liter)		
(ii) Total Cost (Rs.)		
(iii) Average Rate (Rs. / Liter)		
4 Other/Internal Generation	Nil	Nil

B. Consumption Per Unit of Production	Standard	31.3.2009	31.3.2008
1. Electricity (KWH) (Total production during the year was ..... M.T. previous year .....)	There are many sizes of pipes and fittings hence it is difficult to measure.	-	-
2. Furnace Oil (Liter)	Nil	-	-
3. Coal Lignite	Nil	-	-
4. Other	Nil	-	-

## B. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

Research & Development (R & D):

## 1. Specific areas in which R &amp; D is carried out by the Company

The Company has emphasized on quality maintenance and product enhancement. During the year under review Company had applied for National Sanitation Foundation (NSF), the world renowned Institute of USA for certification of its product and we are happy to inform you that your Company has already received the approvals for few of its products and balance are still under testing by NSF.





## ASTRAL POLY TECHNIK LIMITED

Last year Company had applied for certification of its Blazemaster Fire Sprinkler System i.e. Pipes to UL (Underwriter Laboratories – USA) for testing and Company has already received the approval for the same.

### 2. Benefits derived as a result of the above R & D

The Company's efforts for quality maintenance and product enhancement have resulted in development of products and maintaining of international quality standard for its pipes and fittings. Further Company will be eligible for export of the said approved product to the international market.

### 3. Future plan of action

The Company shall continue to exercise utmost care in maintaining the quality of its products and shall endeavor to upgrade the products and its range.

### 4. Expenditure on R & D

Company is regularly incurring R & D expenses. During the year under review, Company has spent Rs. 25.71 Lacs on R & D expenses and equipment purchased for R & D is shown under the head of Plant & Machineries & Research & Development Expenses. The said expenditures are tabled below:

(Rs. in Lacs)	
Expenditure on R & D	2008-2009
(a) Capital Expenses	18.61
(b) Revenue Expenses	7.10
Total (a+b)	25.71
(c) Total R & D expenditure as a percentage of turnover	0.13 %

### Technology Absorption, Adaptation and Innovation:

The Company is using the latest technology of Extrusion Machine imported from Theysohn Extrusionstechnik GmbH, Austria and for injection moulding Company is using machines of Ferromatik Milacron India Limited.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

#### Total Foreign Exchange Used and Earned

(Rs. in Lacs)

Particulars	31.3.2009	31.3.2008
(a) Total Foreign Exchange Used	9,444.76	4,177.32
(b) Total Foreign Exchange Earned	359.21	145.19

For and on behalf of the Board

Place: Ahmedabad

Date: May 28, 2009

K. R. Shenoy

Chairman

ANNEXURE - C

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

## 1. CORPORATE GOVERNANCE PHILOSOPHY

Your Company believes in adopting the best corporate governance practices, based on the following principles in order to maintain transparency, accountability and ethics:

- Recognition of the respective roles and responsibilities of the management;
- Independent verification and assured integrity of financial reporting;
- Protection of shareholders' right and priority for investor relations; and
- Timely and accurate disclosure on all material matters concerning operations and performance of your Company.

Keeping above in mind, your Company is fully committed to conduct its affairs in a fair and transparent manner and to enhance shareholder value while complying with the applicable rules and regulations. We are in compliance with all the requirements of the corporate governance code, enshrined in Clause 49 of the Listing Agreement.

## 2. BOARD OF DIRECTORS

## Composition

The Board of the Company consists of 6(six) Directors as on March, 31, 2009, out of which 2(two) are Executive Directors and 4(four) are Non-executive Directors. The Chairman of the Board is Non-Executive Independent Director and 1/3 of the Board is independent. The Composition of the Board is in compliance with the requirements of Clause 49 of the Listing Agreement with the stock exchanges. All the Directors have certified to us that they are not members of more than 10(ten) committees and do not act as Chairman of more than 5(five) committees across all the companies in which they are Directors.

The composition of the Board of Directors as on March 31, 2009 is as follows:

Name of the Director	Category	Total No. of Directorship	Total No. of Membership of the Committees of Board		Total No. of Chairmanship of the Committees of Board	
			Membership in Audit/Investor grievance Committee	Membership in other Committee	Chairmanship in Audit/Investor grievance Committee	Chairmanship in other Committee
Mr. K. R. Shenoy	Independent Chairman	1	-	-	2	-
Mr. Sandeep P. Engineer	Managing Director	4	2	-	-	-
Mrs. Jagruti S. Engineer	Executive Director	3	-	-	-	-
Mr. Nimish G. Dalal	Non Executive Director	1	-	-	-	-
Mr. Kyle A. Thompson	Non Executive Director	1	-	-	-	-
Mr. Pradip N. Desai	Independent Director	3	2	-	-	-

## Notes:

1. While considering the total number of directorships, directorships in private companies, and Section 25 companies have also been included. Further memberships in various Committees include all Committees whether mandatory in terms of Listing Agreement or otherwise.

## Details of Board Meetings held during the financial year 2008-09

During the financial year 2008-09, the Board of Directors of your Company met 10 (Ten) times on 05/05/2008, 19/06/2008, 17/07/2008, 25/07/2008, 08/09/2008, 15/10/2008, 03/11/2008, 09/12/2008, 28/01/2009 and 01/03/2009.



Attendance at the Board Meetings and the last Annual General Meeting

The attendance of Directors at Board Meetings held in financial year 2008-09 and the last Annual General Meeting is as under:

Name of Director	No. of Board Meetings Attended	Attendance at the last AGM held on June 19, 2008
Mr. K. R. Shenoy	5	Yes
Mr. Sandeep P. Engineer	10	Yes
Mrs. Jagruti S. Engineer	9	Yes
Mr. Nimish G. Dalal	3	No
Mr. Kyle A. Thompson	2	No
Mr. Pradip N. Desai	7	Yes

Code of conduct for Board & Senior management personnel:

Your Company adopted a Code of Conduct for Board Members & Senior Management Personnel and the declaration from the Managing Director, stating that all the Directors and the Senior Management Personnel of your Company have affirmed compliance with the code of conduct and has been included in this report. The Code has been posted on your Company's website [www.astralcpvc.com](http://www.astralcpvc.com).

Profile of Directors seeking appointment / re-appointment

- (a) Mr. Nimish G. Dalal  
Aged 38 years, holds a Ph.d in bio-molecular engineering from United States of America. He possesses rich experience in research and development of new products in the emerging field of bio-molecular engineering. Presently, he is working as a research scientist in the United States of America, in the field of human medicines. He has been instrumental in developing commercial relations of the Company with Specialty Process LLC.
- (b) Mr. Kyle A. Thompson  
Aged 48 years, is an Associate in Electronics from United States of America. He was earlier a Director in Thompson Plastics Inc., a CPVC manufacturing Company, situated at USA, promoted by his father Mr. Bernard Thompson. Presently he is consultant in CPVC manufacturing Company in United States of America.
- (c) Mr. Sandeep P. Engineer  
Aged 48 Years, is a qualified Chemical Engineer and has been the promoter Director of the Company. He has been pivotal in bringing the Company to its current position and scale. He is also a director on the Board of Astral Technologies Limited (A JV Company), Astral Biochem Private Limited (Subsidiary Company), and Kairav Chemicals Limited.

### 3. COMMITTEES OF BOARD

#### (I) AUDIT COMMITTEE

Terms of Reference

The broad terms of reference of the Audit Committee includes the following as has been mandated in Clause 49 of Listing Agreement and Section 292A of Companies Act, 1956:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Appointment, removal and terms of remuneration of Internal Auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
  2. Changes, if any, in accounting policies and practices and reasons for the same;
  3. Major accounting entries involving estimates based on the exercise of judgment by management;
  4. Significant adjustments made in the financial statements arising out of audit findings;
  5. Compliance with listing and other legal requirements relating to the financial statements;
  6. Disclosure of any related party transactions;
  7. Qualifications in the draft audit report.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
  - Monitoring the use of the proceeds of the initial public offering of the Company.
  - Reviewing with the Management, performance of Statutory and Internal Auditors and adequacy of the internal control systems.
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - Discussions with internal auditors on any significant findings and follow up thereon.
  - Reviewing internal audit reports in relation to internal control weaknesses.
  - Reviewing management letters / letters of internal weaknesses issued by the statutory auditors.
  - Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Discussion with Statutory Auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

The Chief Financial Officer and the representatives of the Statutory Auditors and Internal Auditors were invited to attend the meetings of the audit committee from time to time.

#### Composition, meetings and attendance

The Audit Committee of your Company has been constituted as per the requirements of Clause 49 of listing agreement. The Chairman of the Audit Committee is an independent Director and Two-thirds of the members of the Audit Committee are independent Directors. During the financial year 2008-09, the Audit Committee met 4 (four) times on 05/05/2008, 17/07/2008, 15/10/2008 and 28/01/2009.

The composition of the audit committee as on March 31, 2009 and the attendance of the members in the meetings held during the financial year 2008-09 are as follows:

Name of the Member	Designation	No. of meetings attended
Mr. K. R. Shenoy	Chairman	4
Mr. Sandeep P. Engineer	Member	4
Mr. Pradip N. Desai	Member	3

The Company Secretary of the Company acted as the Secretary to the Audit Committee.

#### (II) INVESTORS' GRIEVANCE COMMITTEE

##### Terms of Reference

The broad terms of reference of the Investors' Grievance Committee is to supervise and ensures the following:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;

## ASTRAL POLY TECHNIK LIMITED

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2. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
3. Issue of duplicate / split / consolidated share certificates;
4. Allotment of shares;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. Reference to statutory and regulatory authorities regarding investor grievances; and
7. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

### Composition, Meetings and Attendance

The Investors' Grievance Committee of your Company consists of 3 (three) directors. The Chairman of the Investors' Grievance Committee is Non-Executive Independent Director. During the Financial year 2008-2009 Investors' Grievance Committee met 4 (four) times 05/05/2008, 17/07/2008, 15/10/2008 and 28/01/2009.

The composition of the Investors' Grievance Committee as on March 31, 2009 and the attendance of the members in the meetings held during the financial year 2008-09 are as follows:

Name of the Member	Designation	No. of meetings attended
Mr. K. R. Shenoy	Chairman	4
Mr. Sandeep P. Engineer	Member	4
Mr. Pradip N. Desai	Member	3

### Name and designation of Compliance Officer

Ms. Monika Pandya, Company Secretary, is the Compliance Officer of the Company.

### Status of Investors' complaints

The status of investors complaints as on March 31, 2009 is as follows :

Number of complaints as on April 01, 2008	NIL
Number of complaints received during the year ended on March 31, 2009	4
Number of complaints resolved up to March 31, 2009	4
Number of complaints pending as on March 31, 2009	NIL

The complaints received were mainly in the nature of non-receipt of allotment of shares in the Initial Public Offer (IPO) of the Company, non-receipt of electronic credit etc. None of the complaints were pending for a period of more than one month.

There were no pending requests for transfer of shares of the Company as on March 31, 2009.

### 4. GENERAL BODY MEETINGS

The details of last three Annual General Meetings of the Company are as follows:

Financial Year	Date Time Venue
2007-2008	June 19, 2008 at 11.00 a.m. at the Rajpath Banquet Hall, Rajpath Club, S.G.Highway, Ahmedabad
2006-2007	July 9, 2007 at 11.00 a.m. at the Rajpath Banquet Hall, Rajpath Club, S.G.Highway, Ahmedabad
2005-2006	August 10, 2006 at 10.30 a.m. at the registered office of the Company

### Details of special resolutions passed

The details of special resolutions passed in last three Annual General Meetings are as follows:

Financial year	Particulars of Special Resolutions passed
2007-2008	NIL
2006-2007	NIL
2005-2006	<ul style="list-style-type: none"> <li>1. Resolution under Section 314(1B) for appointment of Mr. Bipin Mehta who is relative of director, to office or place of profit under the Company.</li> <li>2. Resolution under Section 31 for conversion from Private Limited to Public Limited.</li> <li>3. Resolution under Section 81(1A) for issue of equity shares to the employees of the Company for a sum not exceeding Rs. 45 Lacs.</li> <li>4. Resolution under Section 81(1A) for issue of equity shares to the Business associates of the Company for a sum not exceeding Rs. 252 Lacs.</li> <li>5. Resolution under section 80 &amp; 81 for alteration in the terms and conditions of existing non-cumulative preference shares.</li> </ul>

The Company was not required to pass any resolution by means of Postal ballot during the financial year 2008-2009.

No special resolution is proposed to be conducted through postal ballot at the ensuing Annual General Meeting of the Company.

No Extra Ordinary General Meeting was held during the financial year 2008-2009.

### 5. DISCLOSURES

#### (a) Disclosure on materially significant related party transactions

There were some Related Party transactions during the financial year 2008-09. However the same do not have potential conflict with the interest of the Company at large. The details of Related Party transactions as per Accounting Standard – 18 are included in the notes on accounts of Auditors Report.

#### (b) Details of non-compliance with regard to capital market

The equity shares of the Company got listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) with effect from March 2007. The Company has complied with all the requirements of listing agreement as well as the regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). The Company has complied with Clause 38 of the listing agreement with respect to payment of listing fees to the Exchanges and Annual Custodial Fees to the Depositories for the year 2009-10.

There were no penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter related to Capital Markets, during last year.

#### (c) Disclosure of accounting treatment

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements for the year 2008-09.

#### (d) Board disclosures – risk management

The Board members of the Company have been appraised about the risk assessment and minimization procedures intended to be adopted. The Audit Committee of the Board is also regularly informed about the business risks and the steps taken to mitigate the same. The implementations of the risk assessment and minimization procedures are under progress and the Board members are periodically informed of the status.

#### (e) Proceeds from public issue

The proceeds of the Initial Public Offer (IPO) of the Company are being utilized only for the purpose mentioned in the prospectus and there is no deviation in the application of these funds. For details of deployment of funds please refer to Schedule – 23 "Significant Accounting Policies and Notes on Accounts" of Auditors Report.



## ASTRAL POLY TECHNIK LIMITED

### (f) Details of remuneration and pecuniary benefits to the Directors

(Rs. In Lacs)

Name of the Director	Salary	Perquisites	Sitting Fees	Others	Total
Mr. K. R. Shenoy	2.00	-	-	-	2.00
Mr. Sandeep P. Engineer	31.50	-	-	-	31.50
Mrs. Jagruti S. Engineer	9.00	-	-	-	9.00
Mr. Nimish G. Dalal	-	-	-	-	-
Mr. Kyle A. Thompson	-	-	-	-	-
Mr. Pradip N. Desai	-	-	-	-	-
<b>TOTAL</b>	<b>42.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42.50</b>

#### Notes:

1. There are no pecuniary relationships or transactions of the non-executive directors vis-à-vis Company as mentioned above.
2. In case of Managing Director, the original appointment was terminated w.e.f. January 31, 2009 and fresh appointment had been made w.e.f. February 1, 2009 at the Board Meeting of the Company held on January 28, 2009 on revised terms and conditions for a period of three years with effect from February 1, 2009. Abstract and Memorandum under Section 302 of the Companies Act, 1956 for the appointment of Mr. Sandeep P. Engineer as the Managing Director has already been circulated to the members of the Company and the same is being present for the Members' approval.
3. Mrs. Jagruti S. Engineer was appointed as Executive Director w.e.f. September 1, 2006 for five years at the Annual General Meeting of the Company held on August 10, 2006.
4. The shareholding of Directors as on March 31, 2009 is as under:

#### Details of Shareholding of Directors

Sr. No.	Name of Director	Shareholding	%
1.	Mr. K. R. Shenoy	Nil	Nil
2.	Mr. Sandeep P. Engineer	17,37,724	15.46
3.	Mrs. Jagruti S. Engineer	9,14,341	8.14
4.	Mr. Nimish G. Dalal	6,29,417	5.60
5	Mr. Kyle A. Thompson	Nil	Nil
6.	Mr. Pradip N. Desai	38,571	0.34

### (g) Certification from CEO and CFO

The requisite certification from the Managing Director and Chief Financial Officer required to be given under Clause 49 (V) has been placed before the Board of Directors of the Company and is being reproduced hereunder for your reference.

## CEO and CFO Certification

The Board of Directors  
Astral Poly Technik Limited

We, Mr. Sandeep P. Engineer, Managing Director and Mr. Hiranand Savlani, Chief Financial Officer of the Company hereby certify that:

- (a) We have reviewed the financial Statement and the cash flow statement for the year 2008-2009 and that to the best of our knowledge and belief:
  - (i) these statements does not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are , to best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein ,if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For, Astral Poly Technik Limited

Sandeep P.Engineer  
Managing Director

Place : Ahmedabad  
Date : May 28, 2009

For, Astral Poly Technik Limited

Hiranand Savlani  
Chief Financial Officer

Place : Ahmedabad  
Date : May 28, 2009

- h) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the listing agreement

The Company has complied with all the mandatory requirements as mandated under Clause 49 of listing agreement. A certificate from the Statutory Auditors of the Company to this effect has been included in this report.

- (i) Whistle blower policy  
The Company does not have a whistle blower policy.

## 6. MEANS OF COMMUNICATION TO SHAREHOLDERS

- (a) Quarterly / Annual results

The quarterly / annual results and notices as required under Clause 41 of the listing agreement are normally published in the Leading Daily New Papers in English & Local Language i.e. Gujarati.

- (b) Posting of information on the website of the Company

The annual / quarterly results of the Company, Shareholding pattern, Code of conduct for Board and senior management and the official news releases are posted on its website [www.astralcpcv.com](http://www.astralcpcv.com).





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## ASTRAL POLY TECHNIK LIMITED

### 7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is provided as Annexure - D to the Directors' Report.

### 8. GENERAL SHAREHOLDERS INFORMATION

- (a) Annual General Meeting (Proposed): Thirteenth Annual General Meeting :

Day and date	Monday, July 27, 2009
Time	11.00 a.m.
Venue	The Rajpath Banquet Hall, Rajpath Club, S. G. Highway, Ahmedabad - 380054.

- (b) Financial Year 2009-2010 (tentative schedule) :

Financial year	April 1 to March 31
----------------	---------------------

- (c) Board meetings for approval of quarterly results :

Quarter	Tentative Date of Announcement In Board Meeting [F.Y.:2009-2010]
Ist Quarter Results	July, 2009
II nd Quarter Results	October, 2009
III rd Quarter Results	January, 2010
IV th Quarter Results	April, 2010

Annual results for financial year ended

March 31, 2010 (Audited) : Within 6 months of the close of financial year.

Annual general meeting for the year 2009-10 : In accordance with Section 166 of  
Companies Act, 1956.

- (c) Book Closure date

The Share Transfer book and Register of Members will remain closed from Monday, July 20, 2009 to  
Monday July 27, 2009 (both days inclusive).

- (d) Dividend Payment date

The Dividend for the year ended March 31, 2009 if declared at the meeting, will be paid to the members  
whose names will appear on the Register of Members of the Company at the end of Business Hours on  
July 27, 2009.

- (e) Listing on Stock Exchanges

The equity shares of the Company are listed on the following stock exchanges in India since  
March 20, 2007:

1.	The Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001.
2.	National Stock Exchange Limited (NSE) "Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

The Company has paid Annual Listing fees to the above Stock Exchanges for the Current financial year  
2009-2010.

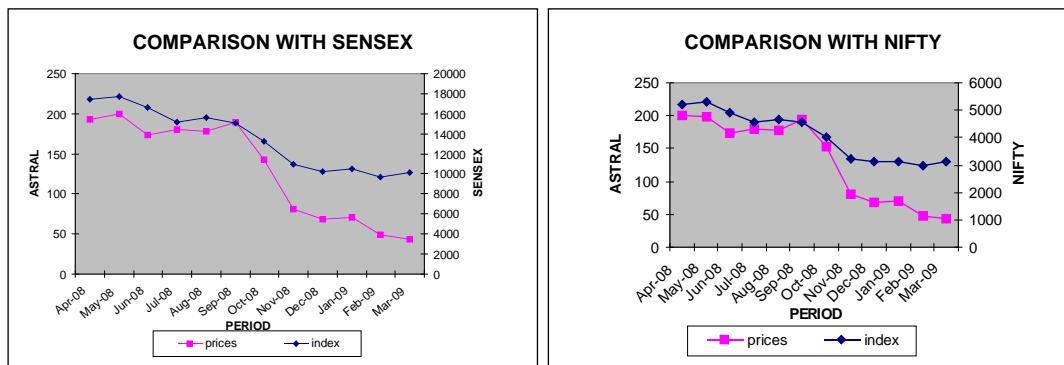
## (f) Stock code

The Bombay Stock Exchange Limited (BSE)	532830
The National Stock Exchange Limited (NSE)	ASTRAL
International Security Identification Number (ISIN) for Equity Shares held in Demat form with NSDL and CDSL	INE006I01012

## (g) Stock Market data

(In Rs.)

MONTH	BSE		NSE	
	High	Low	High	Low
APRIL, 2008	193.05	150.00	199.95	145.00
MAY, 2008	199.90	168.60	198.90	162.10
JUNE, 2008	173.00	130.10	174.00	140.00
JULY, 2008	180.00	133.00	179.95	134.00
AUGUST, 2008	178.00	153.10	177.00	150.00
SEPTEMBER, 2008	189.60	131.10	194.70	122.50
OCTOBER, 2008	143.10	52.00	151.90	55.10
NOVEMBER, 2008	81.55	57.00	80.75	58.90
DECEMBER, 2008	68.00	55.00	68.00	55.00
JANUARY, 2009	71.00	46.85	69.90	44.20
FEBRUARY, 2009	48.95	36.05	48.00	37.80
MARCH, 2009	43.00	30.70	42.50	30.05



(h) Registrar and Share Transfer Agents:

All the work relating to the share registry for shares held in physical form as well as shares held in electronic form (Demat) are being done at one single point at Bigshare Services Private Limited. The detailed address is as under :

**BIGSHARE SERVICES PRIVATE LIMITED**  
 E-2/3, Ansa Industrial Estate,  
 Sakivihar Road, Saki Naka,  
 Andheri (E), Mumbai – 400072  
 Tel: 022-28470652 Fax No. 022-28475207  
 E-mail : ipo@bigshareonline.com  
 Website: www.bigshareonline.com  
 Contact person: Mr. N. V. K. Mohan

(i) Share Transfer System

The shares of Company are compulsorily traded in dematerialized form. Shares received in physical form are transferred within a period of 30 days from the date of lodgment subject to documents being valid and complete in all respects. The request for dematerialization of shares are also processed by the R&T agent within stipulated period and uploaded with the concerned depositories. In terms of Clause 47(c) of the Listing Agreement, Company Secretary in Practice examines the records and processes of share transfers and issue half yearly certificates which is being sent to the stock exchanges.

(j) Distribution of shareholding

The distribution of shareholding of the Company as on March 31, 2009 is as follows :

No.of Equity Shares Held	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Capital
Upto 5,000	4,385	96.86	12,90,939	11.49
5,001-10,000	79	1.75	5,84,030	5.20
10,001-20,000	34	0.75	4,81,244	4.28
20,001-30,000	6	0.13	1,54,225	1.37
30,001-40,000	4	0.09	1,42,772	1.27
40,001-50,000	2	0.04	1,00,000	0.89
50,001-1,00,000	5	0.11	3,61,228	3.21
1,00,001- and above	12	0.27	81,23,618	72.29
Total	4,527	100.00	1,12,38,056	100.00

(k) Shareholding Pattern

The Shareholding Pattern of the Company as on March 31, 2009 is as follows :

Category	No. of Shares	% of Total Capital
Promoters (including persons acting in concert)	71,71,616	63.82
Foreign Institutional Investors	17,365	0.15
Non-resident Indians/Overseas Corporate Bodies	1,97,916	1.76
Mutual Funds, Financial Institutions and Banks	3,94,693	3.52
Private Corporate Bodies	5,25,351	4.67
Resident Indians	29,31,115	26.08
Grand Total	1,12,38,056	100.00

## (I) Shares in Suspense Account:

As per newly inserted clause 5A of the listing agreement regarding unclaimed shares lying in the Escrow account, the said shares lying in the Escrow account maintained by the Registrar in the name of BIGSHARE SERVICES PVT LTD-ESCROW ACCOUNT-ASTRAL POLYTEKNIK LTD-IPO with IDBI Bank having DP ID IN300450 13481768 and voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. The Details of the same is mentioned hereunder:

Sr. No.	Description	No. of Shareholders	No. of Shares
1	Aggregate No. of shareholders & Shares pending as on 01.04.2008	4	1,899
2	No. of shareholders who approached for transfer of shares from suspense account during the year	3	1,849
3	No. of shareholders and shares transferred from suspense account during the year	3	1,849
4	No. of shareholders and shares outstanding at the end of year.	1	50

## (m) Dematerialization of shares and liquidity

As on March 31, 2009, 70.73% of the total Equity Shares are held in dematerialized form with National Securities Depository Ltd [NSDL] and Central Depository Services Limited [CDSL]. The details of which is as under:

Sr. No.	Mode of Holding	No. of Shares	% of Total Capital
1.	NSDL	69,32,472	61.69
2.	CDSL	10,16,423	9.04
3.	Physical	32,89,161	29.27
	TOTAL	1,12,38,056	100.00

## (n) GDRs/ADRs/Warrants or Convertible Instruments outstanding as on the date of this report : Nil

## (o) Plant Location

Gujarat Unit	Himachal Pradesh Unit
Plot No. 1253 & 1264, Village: Santej, Taluka: Kalol, Dist: Gandhinagar, Gujarat, India.	Khasra No. #67-72, Village:Bated, P.O. Barotiwala, Dist: Solan, Tehsil: Kasauli, Himachal Pradesh.

## (p) Address for correspondence

Shareholders' correspondence should be addressed to the Company's Registrar & Share Transfer Agent at the address mentioned above.

Shareholders' may also contact Company Secretary at the Registered Office of the Company for any assistance.

Registered and Corporate Office  
901, Parshwa Towers, Opp. Rajpath Club,  
Sarkhej - Gandhinagar Highway,  
Ahmedabad - 380 054, Gujarat, India.  
Tel. No. : (079) 30112100, Fax No. : (079) 26872214  
Email : info@astralcpcv.com website : www.astralcpcv.com

For and on behalf of the Board

Place: Ahmedabad  
Date: May 28, 2009

K. R. Shenoy  
Chairman

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**ANNEXURE - D****MANAGEMENT DISCUSSION AND ANALYSIS STATEMENTS:****Industry Structure and Developments**

The year 2008-09 was the worst year for the Construction/Infrastructure Industry world wide and in India also. Inspite of this your Company has performed reasonably well during the year 2008-09.

Your Company has continuously maintained its leadership position in CPVC /PVC (Lead Free) pipes and fittings in India and now with JV business in East Africa. Company's brand is getting momentum in International Market also.

The journey doesn't stop here. Now, the Company, as planned, is completing its full range of products for plumbing and has recently launched its SWR Pipes & Fittings, ABS pipes & fittings, Foam Core pipes and is shortly planning to launch Blazemaster Fire Sprinkler System in Indian Market. With this, Company will be in a position to serve better its existing Distribution Net work, which hither to, was dependent on other Company's products and was buying only CPVC products from your Company. Since your Company has a ready distribution network across all the states of the country, it will be easy for your Company to push the sales of its new product with the existing distribution network.

Your Company is also focusing on expanding its distribution network and increasing its Distributor - strength across the country which will increase the awareness of ASTRAL brand within the country.

Though it was a tough year for the market, your Company has increased its top line from Rs.135.81 Crores to Rs.193.00 Crores, recording a robust rise of 42%. Similarly your Company is able to maintain the Cash profit of last year in spite of one way movement of dollar currency which has adversely affected your Company.

Your Company's goal of providing a hygienic solution for transportation of water, which was lacking earlier in this country, will continue with addition of new geographic areas and new product range.

**Opportunities and Threats**

Due to recession in the global markets and India too, our Government is laying greater emphasis on larger infrastructure spending and meeting the growing needs of the housing sector, which offers great opportunity for growth for your Company. The Global economic meltdown, in particular the slow down in the real estate and infrastructure projects, may adversely affect the markets of your Company. However, new product range of your Company will add to the confidence of the existing and also the new distributors of which will lead to increased utilization of installed capacity. Capacity additions can also result in temporary surplus of production over demand, resulting in higher inventory carrying cost which may adversely affect the operations of your Company. However, Directors are hopeful that the larger installed capacity would turn out to be advantageous to your Company when the demand is likely to increase in the second half of the current financial year.

The continuous brand building exercise by your Company amongst the builders, architects, plumbers and consumers has helped it to perform better in the year 2008-09. Your Company will continue its efforts in brand promotional activities in the coming years.

The one way movement of currency during the year exerted considerable pressure on margins of your Company. Despite this, your Company was able to maintain its EBITA margin.

Adverse fluctuations in foreign currency rates have resulted in loss on account of the loans designated in foreign currency and cost of imported raw materials.

Volatility in crude prices will also affect the cost of imported raw materials used by your Company.

**Outlook**

Due to the prevalence of recessionary trends world over and also in India, our Government will focus more on infrastructure development, increasing outlay to revive rural economy and continuing tax benefits on housing finance. Though there will be a temporary set back in demand for your Company's products from the infrastructure and housing segments, with the stimulus package implemented by the Government, it is expected that the demand will again emerge during the second half of the current financial year. The adverse

impact of these developments in the economy is mitigated to a great extent because of your Company's strong distribution network across all the states and its focus on replacement demand. The rural segment of the country is showing strong signs of revival which has supported your Company to maintain its growth momentum. Your Directors foresee that the coming years will hold good business prospects for your Company as it has added a number of new products to its existing portfolio which will generate sizeable new demand from different segments of domestic market.

Your Directors also foresee that the newly elected Government will spend more on education and health care which will lead to creation of new infrastructure by way of schools, colleges and hospitals in the country. This will indirectly increase the demand for your Company's products.

Your Company continues its endeavor of increasing its operational efficiency, thereby building sustainable competitiveness. The main thrust of the Company is on product innovation and diversification. All efforts are made to reduce the cost of production, to make our products more competitive in the Indian market. Our alliance with Specialty Process LLC, U.S.A., continues to play a significant role in the growth of the Company and helps your Company in introduction of new products and in achieving larger market share.

To keep the products more competitive, your Company has continued the expansion of its Himachal Pradesh unit where the benefit of tax incentives is available. Your Company is continuously increasing its strong distribution network across all the states. As indicated earlier, your Company adds new product lines such as underground pipes and fittings, ABS pipes and fittings, SWR pipes and fittings, Foam Core pipes and CPVC Blazemaster pipes and fittings. Diversified products will help your Company to increase its presence in all segments of construction sector, utilizing fully its existing channels of distribution. This is expected to have a favorable impact on the top line and the bottom line of your Company.

As reported last year, your Company has entered the overseas markets and started exporting its products to Nepal, Bangladesh and Srilanka by appointing local distributors in the respective countries. In Kenya, your Company has entered into a joint venture with 26% stake with a local group. Your Company's foray into the overseas markets was mainly instrumental in driving the export growth of your Company, increasing the export sales by 149% during the year under review. In the coming years also, your Company foresees a sizeable upward trend in the export sales to these countries. Since the production capacity added in phase II of expansion (including the additional capacity), became operational only in the last quarter in a phased manner, your Company could utilize the same only partially. But during the current year, Company expects to substantially increase capacity utilization which is expected to contribute sizably to its top line and it's bottom line.

#### Risk and Concerns

##### Foreign Exchange Risk

Being significantly dependent on imports & loans in foreign currency, the Company is exposed to the risk of fluctuation in exchange rate of foreign currency. Appropriate decisions are taken for hedging the exposure from time to time based on the market scenario.

##### Raw Material Prices

Since significant part of the raw material is imported, any increase in the import price or fluctuation in currency may affect the margins of the Company. Further, the price of raw material is to some extent, linked to International crude price, which may affect the price of raw material. But your Company has been successfully managing this risk for the past several years. Whenever the revision in raw material prices is on the higher side, it is passed on to the customers.

#### Internal Control and their adequacy

The Company has an adequate system of Internal Control system and procedures commensurate with the size of the Company and its nature of business. The independent Internal Auditors continuously review the adequacy and effectiveness of the internal control systems having regard to the size and operations of the Company which provides reasonable assurance of adequacy and effectiveness, control, governance and risk management procedure to Audit Committee. The recommendations of Internal Auditors and the Audit Committee are followed up effectively for implementation.



**Financial Performance**

An overview of the financial performance is given in the Directors' Report. The Audit Committee constituted by the Board of Directors periodically reviews the financial performance and reporting systems.

**Human Resources**

The Company continues to maintain constructive relationship with its employees with a positive environment so as to improve efficiency. Industrial relations at your Company's plants was cordial. Your Company places great value on the commitment, competence and vigor shown by its employees in all aspects of business. Your Company confirms its commitment to take initiative to further align its HR policies in order to meet the growing needs of the business.

Your Company has employee focus in the sense that it provides fulfillment, stretch and opportunity for development of its employees at all levels. It is because of the considerable skill and motivation of the employees, that your Company is able to deliver performance satisfaction. Your Board would like to express its sincere appreciation and gratitude to all employees on behalf of the stakeholders of your Company, who benefit from their hard work.

**Cautionary Statement**

Some of the statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations.

Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operations include changes in economic conditions, affecting demand supply and price conditions in the domestic and overseas markets in which the Company operates, change in the Government regulations, tax laws and other statutes or other incidental factors.

The Company assumes no responsibility in respect of forward looking statements which may be amended or modified in future

For and on behalf of the Board

Place: Ahmedabad

Date: May 28, 2009

K. R. Shenoy

Chairman

## DECLARATION

The Members,  
Astral Poly Technik Limited

I, Sandeep P. Engineer, Managing Director of Astral Poly Technik Limited hereby declare that, as of March 31, 2009, all the Board Members and Senior Management have affirmed compliance with the Code of Conduct laid down by the Company.

For, Astral Poly Technik Limited

Place : Ahmedabad  
Date : May 28, 2009

Sandeep P. Engineer  
Managing Director





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## ASTRAL POLY TECHNIK LIMITED

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### Auditors' Certificate on Corporate Governance

To  
The Members,  
Astral Poly Technik Limited

We have examined the compliance of the conditions of Corporate Governance by Astral Poly Technik Limited for the year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For Deloitte Haskins and Sells  
*Chartered Accountants*

Place : Ahmedabad  
Date : May 28, 2009

(Gaurav J Shah)  
Partner  
Membership No. 35701

## Auditors' Report

To  
 The Members,  
 Astral Poly Technik Limited

1. We have audited the attached Balance Sheet of Astral Poly Technik Limited as at March 31, 2009 and also the Profit and Loss Account and the 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those 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 a 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.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub – section (3C) of Section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 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, the said accounts, read with significant accounting policies and notes thereon, 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 the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
    - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Deloitte Haskins and Sells  
*Chartered Accountants*

(Gaurav J Shah)  
 Partner  
 Membership No. 35701

Place : Ahmedabad  
 Date : May 28, 2009



## Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- 1 The nature of the Company's activities during the year is such that the requirements of clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company.
- 2 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) According to the information and explanations given to us, the Company has followed a programme of physical verification of major fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We have been informed that no material discrepancies were noticed on such verification.  
(c) The Company has not disposed off a substantial part of the fixed assets during the year.
- 3 (a) As informed to us, the inventories, except in transit, have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- 4 (a) The Company has granted unsecured loan to a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 299.75 lacs and the year end balance of the loan was Rs. 299.75 lacs.  
(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been granted to the Company listed in the register maintained under section 301 are not, *prima facie* prejudicial to the interest of the Company.  
(c) The Company is regular in repaying the principal amount, when demanded and is regular in payment of interest.  
(d) There are no overdue amounts during the year and hence the question of taking reasonable steps for recovery of principal amount and interest does not arise.  
(e) The Company has obtained interest free unsecured loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 0.50 lacs and the year end balance of such loan was Rs. Nil.  
(f) There are no other terms and conditions stipulated in respect of the loan.  
(g) As regards, the loan obtained as above, terms of repayment have not been stipulated.
- 5 In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for sale of goods. During the course of the audit, we have not observed any continuing failure to correct material weaknesses in such internal control system.
- 6 (a) According to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into 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 explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lacs in respect of such parties during the year have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.

- 7 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public during the year, accordingly, the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to deposits accepted from the public are not applicable. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 8 In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 9 As explained, the Central Government has not prescribed maintenance of records for any of the products of the Company under section 209 (1) (d) of the Companies Act, 1956.
- 10 (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, service tax, excise duty, cess and other material statutory dues applicable to it during the year. There were no arrears as at March 31, 2009 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty, service tax and cess which have not been deposited on March 31, 2009 on account of any dispute.
- 11 The Company does not have any accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- 12 According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or banks. The Company has not issued any debentures.
- 13 The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 14 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 15 In our opinion and according to the information and explanations given to us, on an overall basis, the term loans availed by the Company have been, *prima facie*, applied by the Company for the purposes for which they were obtained.
- 16 According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used for long-term investments during the year.
- 17 According to the records of the Company and the information and explanations provided by the management, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 18 During the year, no debentures have been issued by the Company and hence the question of creating securities or charges thereof does not arise.
- 19 During the year, the Company has not raised money by way of Public Issue.
- 20 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Deloitte Haskins and Sells  
Chartered Accountants

(Gaurav J Shah)  
Partner  
Membership No. 35701



ASTRAL POLY TECHNIK LIMITED

Balance Sheet As At 31st March, 2009

(Rs. In Lacs)

Particulars	Schedule	As At 31.03.2009	As At 31.03.2008
SOURCES OF FUNDS :			
SHARE HOLDERS' FUNDS			
Share Capital	1	1,123.81	1,123.81
Reserves & Surplus	2	8,149.65	6,862.08
LOAN FUNDS			
Secured Loans	3	6,231.66	2,823.37
Unsecured Loans	4	8.73	392.15
DEFERRED TAX LIABILITY			
	Total	169.00	169.00
		<u>15,682.85</u>	<u>11,370.41</u>
APPLICATION OF FUNDS :			
FIXED ASSETS	5		
Gross Block		9,372.32	5,008.53
Less : Depreciation		1,487.87	894.15
Net Block		7,884.45	4,114.38
Capital Work-in-Progress		601.15	1,715.76
		8,485.60	5,830.14
INVESTMENTS	6	5.23	0.07
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	4,953.79	2,649.12
Sundry Debtors	8	4,128.41	3,290.13
Cash and Bank Balances	9	219.42	2,588.31
Loans and Advances	10	1,894.34	412.77
		11,195.96	8,940.33
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	2,851.21	2,219.44
Provisions	12	1,152.78	1,180.78
		4,003.99	3,400.22
NET CURRENT ASSETS			
Miscellaneous Expenditure	13	0.05	0.09
	Total	7,191.97	5,540.11
Significant Accounting Policies & Notes on Accounts	23	<u>15,682.85</u>	<u>11,370.41</u>

As per our report of even date

For and on behalf of the Board

For, Deloitte Haskins & Sells  
*Chartered Accountants*

(Sandeep P. Engineer) (Jagruti S. Engineer)  
Managing Director Director

(Gaurav J. Shah)  
Partner  
Membership No.: 35701  
Place : Ahmedabad  
Date : May 28, 2009

(Monika H. Pandya)  
Company Secretary  
Place : Ahmedabad  
Date : May 28, 2009

# Profit & Loss Account For The Year Ended On 31st March, 2009

(Rs. In Lacs)

Particulars	Schedule	2008 - 09	2007 - 08
<b>I N C O M E</b>			
Net Sales	14	19,300.12	13,581.52
Other Income	15	568.75	352.25
Increase (Decrease) in Stock	16	853.18	98.41
	Total	20,722.05	14,032.18
<b>E X P E N D I T U R E</b>			
Material Consumed	17	14,037.44	8,822.25
Manufacturing Expenses	18	863.67	511.32
Personnel Costs	19	656.19	542.80
Administrative Expenses	20	386.85	280.49
Selling and General Expenses	21	2,003.69	1,338.06
Interest and Finance Charges	22	531.19	268.67
Depreciation		617.49	326.06
	Total	19,096.52	12,089.65
<b>PROFIT BEFORE TAX</b>		1,625.53	1,942.53
Provision For Tax			
Current Tax		149.05	220.09
Wealth Tax		0.32	0.25
Fringe Benefit Tax		15.66	14.15
Short provision of income tax in earlier years		41.45	1.13
<b>PROFIT AFTER TAX</b>		1,419.05	1,706.91
Earlier year liability for Employee Benefit		-	3.28
Balance of Profit Brought Forward		2,810.21	1,238.06
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		4,229.26	2,941.69
<b>APPROPRIATIONS</b>			
Proposed Dividend on Equity Shares		112.38	112.38
Corporate Dividend Tax		19.10	19.10
<b>BALANCE CARRIED TO THE BALANCE SHEET</b>		4,097.78	2,810.21
Earnings Per Share (In Rs.) - Basic & Diluted (Face Value of Rs. 10/- each) (Refer Note : 9 of Schedule 23)		12.63	15.19
Significant Accounting Policies & Notes on Accounts	23		

As per our report of even date

For and on behalf of the Board

For, Deloitte Haskins & Sells  
*Chartered Accountants*(Sandeep P. Engineer) (Jagruti S. Engineer)  
Managing Director Director(Gaurav J. Shah)  
Partner  
Membership No.: 35701  
Place : Ahmedabad  
Date : May 28, 2009(Monika H. Pandya)  
Company Secretary  
Place : Ahmedabad  
Date : May 28, 2009



Cash flow statement for the year ended on 31st March, 2009

(Rs. In Lacs)

Sr. No.	Particulars	2008 - 09	2007 - 08
A	Cash flow from Operating Activities Net Profit before tax and Extraordinary items Adjustments for : Depreciation Interest charges paid Provision for Doubtful debts Unrealised foreign exchange Loss/(Profit) on sale of fixed assets Preliminary Expenses written off Prior Year Adjustments (Net) Dividend Income Interest Received Operating profit before Working Capital Changes Adjustments for : Increase/(Decrease) in Inventory Increase in Trade & Other Receivables Increase/(Decrease) in Trade Payables Cash generated from Operations	1,625.53 617.49 531.19 20.00 126.01 3.61 0.05 (310.03) (0.40) (104.30) 2,509.15 (2,304.67) (1,554.77) 867.92 (482.37) (174.20) (656.57)	1,942.53 326.06 268.67 15.00 11.29 - 0.12 (3.28) - (299.90) 2,260.49 (707.07) (1,373.22) 1,088.59 1,268.79 (250.33) 1,018.46
B	Cash flow from Investing Activities Purchase of Fixed Assets Proceeds from the sales of fixed assets Capital work-in-progress Increase/(Decrease) in Loans & Advances Interest received Dividend Income Increase in Investment in subsidiary and joint venture Net Cash used in Investing Activities	(4,414.55) 24.19 1,114.60 (779.81) 104.30 0.40 (5.16) (3,956.03)	(1,361.87) 0.06 (1,529.44) - 299.90 - - (2,591.35)
C	Cash flow from Financing Activities Miscellaneous expenditure incurred for increase in Capital Dividend paid Interest Net proceeds from Borrowings Net Cash flow from Financing Activities NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	- (131.48) (531.19) 2,906.34 2,243.67 (2,368.93)  2,588.31 0.04 219.42	(1.22) - (268.67) 763.25 493.36 (1,079.53)  3,667.84 (0.00) 2,588.31
	Cash and Cash Equivalents at the beginning of the year Effect of Foreign Exchange rate changes Cash and Cash Equivalents at the end of the year		

- Note : 1. Cash and Cash Equivalents represent Cash and Bank Balances. (refer schedule 9)  
 2. Fixed Deposits of Rs. 57.79 lacs are pledged with a bank towards letters of Credit/Bank Guarantees.  
 3. The previous year's figures have been regrouped wherever necessary.  
 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 and on behalf of the Board

For, Deloitte Haskins & Sells  
Chartered Accountants

(Sandeep P. Engineer) (Jagruti S. Engineer)  
Managing Director Director

(Gaurav J. Shah)  
Partner  
Membership No.: 35701  
Place : Ahmedabad  
Date : May 28, 2009

(Monika H. Pandya)  
Company Secretary  
Place : Ahmedabad  
Date : May 28, 2009

## Schedules to the Financial Statements

Particulars	(Rs. In Lacs)	
	As At 31.03.2009	As At 31.03.2008
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
AUTHORISED		
1,50,00,000 Equity Shares of Rs.10/- each	1,500.00	1,500.00
	<u>1,500.00</u>	<u>1,500.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,12,38,056 Equity Shares of Rs. 10/- each fully paid up	1,123.81	1,123.81
(Of the above, 42,16,354 Equity Shares were allotted as fully paid-up bonus shares by capitalisation of surplus in the Profit and Loss Account)		
Total	<u>1,123.81</u>	<u>1,123.81</u>
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>		
CAPITAL RESERVE		
Balance as per last Balance Sheet (Refer Note : 13 of Schedule 23)	40.00	40.00
REVALUATION RESERVE		
Balance as per last Balance Sheet	121.14	121.14
SECURITIES PREMIUM ACCOUNT		
Balance as per last Balance Sheet	3,890.73	4,232.76
Less : Initial Public Offer Expenses	-	342.03
	<u>3,890.73</u>	<u>3,890.73</u>
PROFIT & LOSS ACCOUNT		
Total	<u>4,097.78</u>	<u>2,810.21</u>
	<u>8,149.65</u>	<u>6,862.08</u>
<b>SCHEDULE - 3 : SECURED LOANS</b>		
From Banks		
a) Term Loans (Refer Note 1 below)		
i) In Rupee	3,750.70	1,384.89
ii) In Foreign Currency	114.26	317.07
b) Cash Credit/Buyer's Credit (Refer Note 1 below)		
i) In Rupee	-	42.43
ii) In Foreign Currency	2,337.06	1,040.35
c) Vehicle Loans (Refer Note 2 below)		
	29.64	38.63
Notes: 1. Secured by way of first pari-passu charge, both present and future, in respect of all the fixed assets and current assets of the Company and further secured by personal guarantees of Directors.		
2. Secured by way of hypothecation of respective motor vehicles purchased.		
Total	<u>6,231.66</u>	<u>2,823.37</u>
<b>SCHEDULE - 4 : UNSECURED LOANS</b>		
Short Term		
a) From Banks	-	382.92
b) From Others		
From a Shareholder	-	0.50
Trade Deposits	8.73	8.73
Total	<u>8.73</u>	<u>392.15</u>



## Schedules to the Financial Statements

**SCHEDULE - 5 : FIXED ASSETS**

(Rs. In Lacs)

Sr. No.	Assets	Gross Block			Depreciation			Net Block	
		As On 01.04.2008	Additions	Deductions / Adjustments	As On 31.03.2009	As On 01.04.2008	For The Year	Deductions / Adjustments	As On 31.03.2009
1	Land	368.08	62.57	-	430.65	-	-	-	430.65
2	Buildings *	792.26	1,508.41	-	2,300.67	51.20	50.02	-	101.22
3	Plant & Machinery	3,629.17	2,731.66	51.14	6,309.69	797.86	545.12	23.60	1,319.38
4	Furniture & Fixtures	99.17	100.04	-	199.21	16.69	9.83	-	26.52
5	Vehicles	119.85	12.68	0.43	132.10	28.40	12.52	0.17	40.75
Total		5,008.53	4,415.36	51.57	9,372.32	894.15	617.49	23.77	1,487.87
Capital Work In Progress (Includes Advances)									601.15
		5,008.53	4,415.36	51.57	9,372.32	894.15	617.49	23.77	1,487.87
Previous Year		3,646.72	1,361.87	0.06	5,008.53	568.09	326.06	-	894.15
									5,830.14
									3,264.95

\* Note : Includes Rs. 750/- being face value of 15 number of shares of Rs. 50/- each held in Kant Apartment Co-operative Housing Society Limited

(Rs. In Lacs)

Particulars	As At 31.03.2009	As At 31.03.2008
<b>SCHEDULE - 6 : INVESTMENTS</b> (At Cost)		
Long Term Investment - Trade		
a) Quoted		
22 Nos. (P.Y. : 22 Nos.) of Equity Shares of Rs. 10/- Each in Parsvnath Developers Limited (Market Value as on 31.03.2009 Rs. 0.01 lacs (P.Y. : Rs. 0.05 lacs))	0.07	0.07
b) Unquoted		
Investment in Astral Technologies Limited, Kenya (520 Nos. (P.Y. : Nil) of Equity Shares of KSHS 50/- each.)	0.16	-
In Wholly Owned Subsidiary Company		
a) Unquoted		
Investment in Astral Biochem Private Limited (50,000 Nos. (P.Y. : Nil) of Equity Shares of Rs. 10/- each.)	5.00	-
Investments purchased and sold during the year :		
40,00,000 units of Rs. 10/- each of IDFC Floating Rate Fund - LT - Inst Plan B - Daily Dividend Plan		
Total	5.23	0.07

**SCHEDULE - 7 : INVENTORIES**

Raw Materials	1,818.41	912.61
Goods Traded In	1,287.81	742.12
Finished Goods	1,847.57	994.39
Total	4,953.79	2,649.12

**SCHEDULE - 8 : SUNDRY DEBTORS (Unsecured)**

Outstanding over six months		
Considered good	102.92	84.56
Considered doubtful	32.46	15.00
Less : Provision	32.46	15.00
	102.92	84.56
Others - Considered good	4,025.49	3,205.57
Total	4,128.41	3,290.13

## Schedules to the Financial Statements

	(Rs. In Lacs)	
Particulars	As At 31.03.2009	As At 31.03.2008
<b>SCHEDULE - 9 : CASH AND BANK BALANCES</b>		
Cash on Hand	3.16	2.77
Balances with Scheduled banks		
In Current Accounts	158.47	83.94
In Fixed Deposits	57.79	2,501.60
(Includes Rs. 57.79 lacs (P.Y. : Rs. 47.17 lacs) under Bank Lien for Letters of Credit and Bank Guarantees)		
Total	219.42	2,588.31
<b>SCHEDULE - 10 : LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received	480.46	160.82
Balance with Excise Authority	953.44	251.95
Advance to Subsidiary - Astral Biochem Private Limited	460.44	-
(Maximum Balance outstanding during the year Rs. 511.27 lacs (P.Y. :Nil)		
Total	1,894.34	412.77
<b>SCHEDULE - 11 : CURRENT LIABILITIES</b>		
Sundry Creditors	1,345.77	1,578.34
Acceptances	1,435.90	614.62
Advance from Debtors	42.80	14.64
Interest accrued but not due	26.74	11.84
Total	2,851.21	2,219.44
<b>SCHEDULE - 12 : PROVISIONS</b>		
For Taxation (Net off of Advance Tax and TDS)	49.53	17.40
For Fringe Benefit Tax	1.94	1.85
For Wealth Tax	0.32	0.25
For Proposed Dividend	112.38	112.38
For Tax on Dividend	19.10	19.10
For Provision For Expenses	963.53	1,027.63
For Employee Benefit Schemes	5.98	2.17
Total	1,152.78	1,180.78
	4,003.99	3,400.22
<b>SCHEDULE - 13 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Expenditure	0.05	0.09
Total	0.05	0.09
	(Rs. In Lacs)	
Particulars	2008-09	2007-08
<b>SCHEDULE - 14 : SALES</b>		
Domestic Sales	20,118.89	14,299.98
Less : Excise Duty	1,198.72	871.28
Net Domestic Sales	18,920.17	13,428.70
Export Sales	379.95	152.82
Total	19,300.12	13,581.52
<b>SCHEDULE - 15 : OTHER INCOME</b>		
Excess Provision of expenses in earlier year now written back	310.03	-
Interest Received (Gross)	104.30	299.90
{Tax deducted at source from Interest Rs. 26.38 lacs (P.Y. : Rs. 67.47 lacs )}		
Miscellaneous Income	154.42	52.35
Total	568.75	352.25

**ASTRAL** where INNOVATION flows



## Schedules to the Financial Statements

(Rs. In Lacs)

Particulars	2008-09	2007-08
<b>SCHEDULE - 16 : INCREASE / (DECREASE) IN STOCK</b>		
Closing Stock of Finished Goods	1,847.57	994.39
Less :		
Opening Stock of Finished Goods	994.39	895.98
Total	853.18	98.41
<b>SCHEDULE - 17 : MATERIAL CONSUMED</b>		
Opening Stock	1,654.73	1,046.07
Add : Purchases	15,488.93	9,430.91
Less : Closing Stock	17,143.66	10,476.98
Total	3,106.22	1,654.73
	14,037.44	8,822.25
<b>SCHEDULE - 18 : MANUFACTURING EXPENSES</b>		
Factory Stores and Other Expenses	97.34	45.19
Excise Duty on Finished Goods	27.01	0.81
Freight Inward & Loading and unloading Charges	105.34	21.99
Power and Fuel	455.08	270.44
Repairs and Maintenance		
Plant and Machinery	152.64	137.24
Building	19.16	24.04
Research and Development Expenses	7.10	11.61
Total	863.67	511.32
<b>SCHEDULE -19 : PERSONNEL COSTS</b>		
Salaries, Wages and Bonus	579.16	490.43
Contributions to Provident Fund, Gratuity and Other Funds	54.54	34.42
Staff Welfare Expenses	22.49	17.95
Total	656.19	542.80
<b>SCHEDULE -20 : ADMINISTRATIVE EXPENSES</b>		
Electricity Expenses	9.96	6.50
Rent Expenses	42.71	29.33
Repairs and Maintenance	16.90	12.64
Insurance	8.22	3.46
Audit Fees	4.99	4.79
Miscellaneous Expenses	58.63	31.46
Computer Expenses	15.80	12.96
Traveling, Conveyance and Vehicle Expenses	104.43	91.32
Loss on sale of Assets (Net)	3.61	-
Telephone Expenses	28.77	28.93
Printing and Stationery	18.48	20.26
Security Service Charges	28.39	17.82
Legal and Professional Fees	45.26	14.75
Donation Expenses	0.70	6.27
Total	386.85	280.49

## Schedules to the Financial Statements

Particulars	(Rs. In Lacs)	
	2008-09	2007-08
<b>SCHEDULE -21 : SELLING AND GENERAL EXPENSES</b>		
Discount on Sales	462.58	720.65
Advertisement Expenses	15.00	15.30
Commission	133.37	181.02
Packing Expenses	232.25	144.74
Free Sample Expenses	14.54	12.58
Postage and Courier Charges	14.34	16.84
Sales Promotion Expenses	135.62	149.38
Traveling Expenses	79.31	77.92
Provision for Bad and Doubtful Debts	20.00	15.00
Foreign Exchange fluctuation (Gain) / Loss	733.67	(115.63)
Freight & Carting Expenses	162.96	120.14
Preliminary Expenses Written Off	0.05	0.12
<b>Total</b>	<b>2,003.69</b>	<b>1,338.06</b>
<b>SCHEDULE - 22 : INTEREST AND FINANCE CHARGES</b>		
Interest to Banks		
On Term Loans	286.11	127.99
On Working Capital Loans	154.41	109.74
Bank and Finance Charges	90.65	29.89
Other Interest	0.02	1.05
<b>Total</b>	<b>531.19</b>	<b>268.67</b>

## SCHEDULE – 23

### Significant accounting policies and notes on accounts

#### A. SIGNIFICANT ACCOUNTING POLICIES :-

##### 1. Basis of Preparation of Financial Statements

The financial statements have been prepared on a going concern basis under the historical cost convention, except in case of certain fixed assets which are re-valued, on accrual basis of accounting in accordance with the generally accepted accounting principles and applicable provisions of the Companies Act, 1956. Except where otherwise stated, the accounting principles are consistently applied.

##### 2. Use of Estimates

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP), requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

##### 3. Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of freight, duties, taxes & incidental expenses related to acquisition/installation, adjusted by revaluation of Land in 2004-05.

##### 4. Lease

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





5. Impairment of Assets

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

6. 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.

7. Investments

Long Term investments are stated at cost less provision for diminution in value other than temporary, if any.

8. Inventories

Inventories are valued at lower of cost and net realizable value. 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.

9. Revenue Recognition

Sales are recognized on transfer of significant risks and rewards of ownership to the buyer. Sales are net of trade discounts but exclude Excise duty and Sales Tax.

10. 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 unutilisable is charged to the Profit and Loss Account for the year.

11. 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.

Any income or expenses on account of exchange difference either on settlement or on translation are recognised in the Profit and Loss Account.

12. Borrowing costs

Borrowing costs relating to (i) funds borrowed for qualifying assets are capitalised up to the date the assets are put to use, and (ii) funds borrowed for other purposes are charged to the Profit and Loss Account.

13. 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.

14. Research & Development Expenditure

Research and Development expenses of revenue nature are charged to the Profit and Loss Account and the expenditure on capital assets is added to the fixed assets.

**15. Employee Benefits**

Contributions to Provident Fund, a defined contribution scheme, is made to a government administered Provident Fund and is charged to the Profit and Loss account as incurred. The Company has no further obligations beyond its monthly contributions to this fund. 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 the independent actuaries. Termination benefits are recognised as expense as and when incurred.

Short Term employee benefits are recognized as an expenses at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

**16. Amortization of Miscellaneous Expenditure**

Preliminaries Expenses are being written off equally over a period of ten years.

Share issue expenses are deducted from the balance of Securities Premium Account as per the permission of Section 78 of the Companies Act, 1956.

**17. 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.

**B. NOTES ON ACCOUNTS :-**

**1. Contingent Liabilities not provided for :**

(Rs. In Lacs)

Sr. No.	Particulars	As at 31.03.2009	As at 31.03.2008
1	Bank Guarantees	34.01	31.44
2	Letters of Credit	389.30	265.97
3	Export Obligations under EPCG Scheme (Duty Involved)	26.27	35.69
4	Capital Contracts remaining to be executed	362.05	3,478.12

**2. Interest in Joint Venture :**

During the year, the Company has acquired 26% ownership interest in joint venture company, Astral Technology Limited ('ATL'), incorporated in Kenya and its proportionate share in the assets, liabilities, income and expenses etc. in the said joint venture company is given below:

Particulars	Rs. In Lacs
Net Fixed Assets	1.34
Net Current Assets	17.71
Loans/Borrowings	20.18
Income	8.37
Expenses (including Depreciation and taxation)	8.30
Contingent liabilities	-
Capital Commitments (estimated amount of contracts remaining to be executed)	-

**3. 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**

Contribution to Defined Contribution Plan, recognised is charged off the year are as under:

Employer's Contribution to Provident Fund                    Rs. 29.52 Lacs

**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 recognised in the financial statements are as under:

**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 gratuity plan as required under AS 15 [Revised]:**

- a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(Rs. In Lacs)

Particulars	2008-09	2007-08
Obligations at the beginning of the year	19.18	14.77
Current service cost	8.23	5.78
Interest cost	1.52	1.19
Actuarial (gain) / loss	4.27	(1.32)
Benefits paid	(1.05)	(1.24)
Obligations at the end of the year	32.15	19.18

- b. Reconciliation of opening and closing balances of the fair value of plan assets:

(Rs. In Lacs)

Particulars	2008-09	2007-08
Plan assets at the beginning of the year, at fair value	17.02	12.96
Expected return on plan assets	1.94	1.35
Actuarial gain / (loss)	(0.12)	(0.07)
Contributions	8.39	4.02
Benefits paid	(1.05)	(1.24)
Plan assets at the end of the year, at fair value	26.18	17.02

- c. Reconciliation of the present value of the defined benefit obligation & fair value of plan assets :

(Rs. In Lacs)

Particulars	2008-09	2007-08
Obligations at the end of the year	32.15	19.18
Plan assets at the end of the year, at fair value	26.18	17.02
Liability recognised in Balance sheet as on 31-Mar-09	5.97	2.16

## d. Gratuity cost for the year :

(Rs. In Lacs)

Particulars	2008-09	2007-08
Current service cost	8.23	5.78
Interest cost	1.52	1.19
Expected return on plan assets	(1.94)	(1.35)
Net Actuarial (gain)/Loss	4.39	(1.25)
Net gratuity cost	12.20	4.37

## 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

Discount Rate	7.91%
Expected return on plan assets	9.00%
Annual Increase in Salary Costs	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.

The Liability for Leave Encashment and compensated absences as at year end is Rs. 25.59 lacs (P.Y.:Rs. 16.97 lacs)

4. Accumulated Depreciation upto March 31, 2009 (Schedule '5' ) includes impairment loss on Plant & Machinery – Rs. 96.20 lacs (P.Y.:Rs. 96.20 lacs).

## 5. Auditors' remuneration

(Rs. In Lacs)

Sr. No.	Particulars	2008-09	2007-08
a.	For Statutory Audit	4.00	4.00
b.	Service Tax	0.53	0.55
c.	For Other Services	0.98	0.48
	Total	5.51	5.03

## 6. Managerial Remuneration

(Rs. In Lacs)

Particulars	2008-09(*)	2007-08
Remuneration	33.00	33.00
Allowances	9.50	9.00
Total	42.50	42.00

\* Includes Rs. 1.50 Lacs which is subject to approval in the ensuing AGM.

Commission is not payable to the directors and hence the computation of net profit under section 349 of the Companies Act, 1956 has not been given.



**ASTRAL POLY TECHNIK LIMITED**


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7. Related Party Disclosures  
(As identified by Management)
1. Name of the party and relationships
    - a) Companies and firms in which Directors/Directors' Relatives exercise control / significant influence:
 

Kairav Chemicals Limited
Saumya Polymers Private Limited
Astral Biochem Private Limited
Astral Technologies Limited
    - b) Key management personnel
 

Mr. Sandeep P. Engineer
Mrs. Jagruti S. Engineer
Mr. K.R. Shenoy
    - c) Relatives of key management personnel
 

Sandeep P. Engineer HUF
Mr. Bipin R. Mehta
Mrs. Rekha B. Mehta
Mrs. Hansa P. Engineer

2. Transactions carried out with related parties referred in (1) above, in ordinary course of business:  
(Rs. In Lacs)

Particulars	Related Referred in 1 (a) above	Related Referred in 1 (b) above	Related Referred in 1 (c) above	Total
Part I : Volume of Transactions				
Unsecured Loans Given	780.71	-	-	780.71
	(342.65)	-	-	(342.65)
Subscription to Share Capital	5.16	-	-	5.16
	-	-	-	-
Purchase of Goods / Assets	1,125.62	-	-	1,125.62
	(100.55)	(187.00)	-	(287.55)
Sale of Goods / Assets	401.75	-	-	401.75
	(0.64)	-	-	(0.64)
Rent Received	3.24	-	-	3.24
	(3.00)	-	-	(3.00)
Dividend Paid	15.76	26.52	0.66	42.94
	-	-	-	-
Interest on Loans / FDs	5.36	-	-	5.36
	(12.68)	-	-	(12.68)
Remuneration *	-	42.50	13.00	55.50
	-	(42.00)	(13.00)	(55.00)
Rent Paid	-	-	4.20	4.20
	-	-	(4.20)	(4.20)

\* Includes Rs. 1.50 Lacs which is subject to approval in the ensuing AGM.

(Rs. In Lacs)

Particulars	Related Referred in 1 (a) above	Related Referred in 1 (b) above	Related Referred in 1 (c) above	Total
Part II : Balance at the end of the period				
a) Unsecured Loans Given				
Kairav Chemicals Limited	299.75	-	-	299.75
	-	-	-	-
Astral Biochem Private Limited	460.44	-	-	460.44
	-	-	-	-
Astral Technologies Limited	20.52	-	-	20.52
	-	-	-	-
b) Subscription to Share Capital				
Astral Biochem Private Limited	5.00	-	-	5.00
	-	-	-	-
Astral Technologies Limited	0.16	-	-	0.16
	-	-	-	-
c) Purchase of Goods/Assets				
Kairav Chemicals Limited	114.53	-	-	114.53
	-	-	-	-
Advances for Capital Goods	-	187.00	-	187.00
	-	(187.00)	-	(187.00)
d) Sale of Goods / Assets				
Astral Technologies Limited	80.49	-	-	80.49
	-	-	-	-
e) Interest on Loans / FDs				
Kairav Chemicals Limited	4.15	-	-	4.15
	-	-	-	-
f) Current Liabilities				
Mr. Sandeep P.Engineer	-	2.23	-	2.23
	-	(1.68)	-	(1.68)
Mrs. Jagruti S.Engineer	-	0.75	-	0.75
	-	(0.59)	-	(0.59)
Mr. K. R. Shenoy	-	0.50	-	0.50
	-	(0.35)	-	(0.35)
Mr. Bipin R. Mehta	-	-	1.00	1.00
	-	-	(1.00)	(1.00)

Figures in brackets are in respect of the previous year.



8. Segment Reporting

Following the Accounting Standard-17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company has identified the following reportable Segments:

a) Primary Segment Information (Geographical) :

(Rs. In Lacs)

Particulars	2008-09			2007-08		
	Unit at Gujarat	Unit at Himachal Pradesh	Total	Unit at Gujarat	Unit at Himachal Pradesh	Total
SEGMENT REVENUE						
Sales	12,168.32	7,131.80	19,300.12	7,706.09	5,875.43	13,581.52
TOTAL REVENUE	12,168.32	7,131.80	19,300.12	7,706.09	5,875.43	13,581.52
SEGMENT RESULTS						
Cost	13,020.69	4,691.46	17,712.15	7,537.43	4,185.14	11,722.57
Profit Before Tax & Interest	(852.37)	2,440.34	1,587.97	168.66	1,690.29	1,858.95
Other Income	424.14	144.61	568.75	341.48	10.77	352.25
Interest Expenses	62.75	27.92	90.67	17.95	13.00	30.95
Unallocable Expenses			440.52			237.72
Provision for Tax (Including Deferred Tax and Fringe Benefit Tax)			206.48			235.62
Net Profit			1,419.05			1,706.91
OTHER INFORMATION						
Segment Assets (Gross)	16,204.73	3,482.11	19,686.84	11,809.81	2,960.82	14,770.63
Segment Liabilities	3,276.35	727.64	4,003.99	2,742.20	658.02	3,400.22
Depreciation	341.68	275.81	617.49	140.02	186.04	326.06
Capital Expenditure	522.27	78.88	601.15	1,621.04	94.72	1,715.76
Including CWIP						



## b) Secondary Segment Information (Business) :

(Rs. In Lacs)

Particulars	2008-09			2007-08		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
SEGMENT REVENUE						
External Sales	16,756.59	3,243.73	20,000.32 (700.20)	11,835.07	2,318.85	14,153.92 (572.40)
TOTAL REVENUE	16,756.59	3,243.73	19,300.12	11,835.07	2,318.85	13,581.52
SEGMENT RESULTS						
Cost	11,428.43	2,009.45	13,437.88 3,705.52	7,621.01	1,688.80	9,309.81 2,060.51
Unallocable Exps						
Profit Before Tax & Interest	5,328.16	1,234.28	2,156.72 531.19	4,214.06	630.05	2,211.20 268.67
Interest Expenses						
Provision for Tax (Including Deferred Tax and Fringe Benefit Tax)			206.48			235.62
Net Profit			1,419.05			1,706.91
OTHER INFORMATION						
Segment Assets	12,388.31	1,287.81	13,676.12 6,010.72	6,423.70	742.13	7,165.83 7,604.80
Un-allocable Assets			19,686.84			14,770.63
TOTAL ASSETS						
Segment Liabilities	926.92	117.37	1,044.29 2,959.70	1,196.01	127.56	1,323.57 2,076.65
Un-allocable Liabilities			4,003.99			3,400.22
TOTAL LIABILITIES						
Depreciation	578.03	-	578.03 39.46	297.52	-	297.52 28.54
Un-allocable Depreciation			617.49			326.06
TOTAL DEPRECIATION						
Capital Expenditure			601.15			1,715.76
Including CWIP						

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

## 9. Earnings Per Share

(Rs. In Lacs)

Particulars	As at 31.03.2009	As at 31.03.2008
Profit after tax and exceptional / non- recurring item as per Profit & Loss account (Rs. in Lacs)	1,419.05	1,706.91
Profit after taxation available for Equity Share Holder (Rs. in Lacs)	1,419.05	1,706.91
Weighted Average No. of Equity Shares	1,12,38,056	1,12,38,056
Basic & Diluted Earnings Per Share (In Rs.)	12.63	15.19

## 10. Out of the total proceeds of Rs. 3,416.66 lacs from the public issue of shares an amount of Rs. 1,300.00 lacs has remained unutilized as on 31.03.2008 and the same is invested as under:





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## ASTRAL POLY TECHNIK LIMITED

(Rs. In Lacs)

Particulars	Rs.
a. Balance in Fixed Deposits with Scheduled Banks as on 01.04.2008	1,300.00
b. Utilised upto 31.03.2009	1,300.00
c. Balance in Fixed Deposits with Scheduled Banks	Nil

### 11. Derivative Instruments

The Company uses foreign currency forward contracts 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 for speculative purposes.

Outstanding Forward Exchange Contracts entered into by the Company :

As at	No. of Contracts	US \$ Equivalent (Lacs)	INR Equivalent (Lacs)
March 31, 2009	3	10.00	507.50
March 31, 2008	--	--	--

Expenditure on account of premium on forward exchange contracts to be recognized in the profit and loss of subsequent accounting period aggregates to Rs. 1.35 Lacs (P.Y.: Rs. Nil)

12. A sum of Rs. 13.98 lacs (credit) [P.Y. : Rs. Nil] is included under Material Consumed representing Prior Period Items.
13. The plant and machineries and equipments located at the Company's Himachal Pradesh unit Costing Rs. 277.33 lacs carry first charge in favour of the Government of Himachal Pradesh for a period of five years effective from the year 2005-06 during which the company was granted a cash subsidy of Rs. 30.00 lacs for the investments made by the company in the state.
14. The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosures relating to their outstanding amount and interest have not been made.
15. Balances of sundry debtors, loans and advances and sundry creditors are subject to confirmation and reconciliation thereof.
16. Information pursuant to provision of paragraphs 3 & 4 of part II, schedule VI of the Companies Act, 1956:

#### [A] Opening and Closing Stock of goods manufactured :-

(Rs. In Lacs)

Sr. No.	Product	Unit	Closing Stock		Opening Stock	
			Qty.	Rs.	Qty.	Rs.
1	Pipes	Mtrs.	1,636,295	1,078.77	899,862	388.57
2	Fittings	Pcs.	5,225,783	625.71	5,642,055	509.49
3	Others	Mtrs./ Pcs.	1,955,391	50.61	960,988	18.32

#### [B] Opening and Closing Stock of goods traded :-

(Rs. In Lacs)

Sr. No.	Product	Unit	Closing Stock		Opening Stock	
			Qty.	Rs.	Qty.	Rs.
1	Fittings	Pcs.	1,331,395	677.24	861,722	448.89
2	Pipes	Pcs.	159,903	355.35	41,455	61.43
3	Adhesive	Tins	200,489	164.98	216,958	147.08
4	Others	Pcs.	72,248	77.69	78,765	84.71

## [C] Consumption of Raw Materials :-

(Rs. In Lacs)

Sr. No.	Product	Unit	2008-2009		2007-2008	
			Qty.	Rs.	Qty.	Rs.
1	Resin	Kgs.	9,973,215	9,718.18	6,862,714	5,958.11
2	Others	Kgs.	48,945	87.80	32,441	56.55
3	Brass Fittings	Pcs.	7,933,113	1,515.65	6,375,798	1,193.44

## [D] Production and Sales of goods manufactured during the year :-

INSTALLED CAPACITY			2008-2009		2007-2008	
Sr. No.	Product	Unit	2008-2009		2007-2008	
			Prodn. in Qty	Sales in Qty.	Prodn. in Qty	Sales in Qty.
1	Pipes	Mtrs.	22,982,102	22,245,669	15,975,443	15,773,388
2	Fittings	Pcs.	42,127,176	42,543,448	24,206,768	22,594,570
3	Others	Mtrs./ Pcs.	4,607,186	3,612,783	2,243,552	1,661,586

## [E] Purchase and Sales of goods traded during the year :-

Sr. No.	Product	Unit	2008-2009		2007-2008	
			Purchase in Qty	Sales in Qty.	Purchase in Qty	Sales in Qty.
1	Fittings	Pcs.	2,985,784	2,516,111	2,235,920	2,153,178
2	Pipes	Pcs.	160,337	41,929	57,628	16,391
3	Adhesive	Tins	1,396,688	1,413,157	1,226,297	1,131,050
4	Others	Pcs.	5,854	12,371	66,331	21,020

## 17. Earning and Expenses in Foreign currency and CIF value of Imports :

## a) CIF Value of Imports (Rs. In Lacs)

Particulars	2008-2009	2007-2008
Capital Goods	568.17	123.55
Resin, Pipes & Fittings	7,619.54	4,410.29

## b) Expenditure in foreign currency (Rs. In Lacs)

Particulars	2008-2009	2007-2008
Interest	125.36	11.84
Traveling	29.60	36.19
Others	---	0.43

## c) Earnings in foreign currency (Rs. In Lacs)

Particulars	2008-2009	2007-2008
Value of Export Sales	359.21	145.19

## 18. Previous years figures have been regrouped, rearranged and reclassified wherever necessary.

As per our report of even date

For and on behalf of the Board

For, Deloitte Haskins & Sells  
Chartered Accountants(Sandeep P. Engineer) (Jagruti S. Engineer)  
Managing Director Director(Gaurav J. Shah)  
Partner  
Membership No.: 35701  
Place : Ahmedabad  
Date : May 28, 2009(Monika H. Pandya)  
Company Secretary  
Place : Ahmedabad  
Date : May 28, 2009



*where INNOVATION flows*

## ASTRAL POLY TECHNIK LIMITED

### STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. Registration details

Registration No.	L25200GJ1996PLC029134	State Code	04
Balance Sheet Date	31st March, 2009		

#### II. Capital raised during the year (Amount Rs. in thousands)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Issue
NIL	NIL

#### III. Position of mobilisation and deployment of funds ( Amount Rs. In thousands)

SOURCES OF FUNDS	Total Liabilities	Total Assets
	1568285	1568285
Paid-up Capital	112381	Reserves & Surplus
Secured Loans	623166	Unsecured Loans
APPLICATION OF FUNDS	Net fixed assets	Investments
	848560	Misc. expenditure
	Net Current assets	
	719197	5
	Accumulated losses	
	NIL	

#### IV. Performance of Company (Amount Rs. in thousands)

Turnover & Other Income	Total expenditure
2072205	1909652
Profit before tax	Profit after tax
162553	141905
Earning per share	Dividend rate %
12.63	10 %

#### V. Generic names of three principal products of the Company (As per monetary terms)

Item code no. (ITC code)	39173990
Product description	Pipes
Item code no. (ITC code)	39174000
Product description	Fittings

## Auditors' Report On Consolidated Financial Statements

To  
 The Board of Directors  
 Astral Poly Technik Limited

1. We have audited the attached Consolidated Balance Sheet of Astral Poly Technik Limited ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at March 31, 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those 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 a 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. a. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 465.55 lacs as at March 31, 2009, total revenue of Rs. Nil and cash flows amounting to Rs. 0.56 lacs for the period then ended as considered in the Consolidated Financial Statements. These financial statements and other financial information of the subsidiary have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the reports of the other auditors.  
 b. We did not audit the financial statements of the joint venture, whose financial statements reflect the Group's share of total assets of Rs. 44.41 lacs as at December 31, 2008, total revenue of Rs. 8.37 lacs and cash flows amounting to Rs. 5.63 lacs for the period then ended as considered in the Consolidated Financial Statements. These financial statements and other financial information of the joint venture have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the joint venture, are based solely on the report of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of AS 21, "Consolidated Financial Statements" and AS 27, "Financial Reporting of Interests in Joint Ventures" as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit as aforesaid and on consideration of reports of other auditors on the separate financial statements and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009;
  - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins and Sells  
 Chartered Accountants

(Gaurav J Shah)  
 Partner  
 Membership No. 35701



ASTRAL POLY TECHNIK LIMITED

Consolidated Balance Sheet As At 31st March, 2009

(Rs. In Lacs)

Particulars	Schedule	As At 31.03.2009
SOURCES OF FUNDS :		
SHARE HOLDERS' FUNDS		
Share Capital	1	1,123.81
Reserves & Surplus	2	8,132.53
LOAN FUNDS		
Secured Loans	3	6,231.66
Unsecured Loans	4	8.73
DEFERRED TAX LIABILITY (NET) (Refer Note : 12 of Schedule 23)		168.64
	Total	15,665.37
APPLICATION OF FUNDS :		
FIXED ASSETS	5	
Gross Block		9,808.41
Less : Depreciation		1,488.02
Net Block		8,320.39
Capital Work-in-Progress		631.45
		8,951.84
GOODWILL ON CONSOLIDATION		0.07
INVESTMENTS	6	0.07
CURRENT ASSETS, LOANS & ADVANCES		
Inventories	7	4,980.21
Sundry Debtors	8	4,093.55
Cash and Bank Balances	9	225.61
Loans and Advances	10	1,418.85
		10,718.22
LESS : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities	11	2,852.10
Provisions	12	1,152.78
		4,004.88
NET CURRENT ASSETS		6,713.34
Miscellaneous Expenditure	13	0.05
	Total	15,665.37
Significant Accounting Policies & Notes on Accounts	23	

As per our report of even date

For and on behalf of the Board

For, Deloitte Haskins & Sells  
*Chartered Accountants*

(Sandeep P. Engineer) (Jagruti S. Engineer)  
Managing Director Director

(Gaurav J. Shah)  
Partner  
Membership No.: 35701  
Place : Ahmedabad  
Date : May 28, 2009

(Monika H. Pandya)  
Company Secretary  
Place : Ahmedabad  
Date : May 28, 2009

**Consolidated Profit & Loss Account For The Year Ended  
On 31st March, 2009**

(Rs. In Lacs)

Particulars	Schedule	2008 - 09
<b>I N C O M E</b>		
Net Sales	14	19,266.31
Other Income	15	568.75
Increase (Decrease) in Stock	16	853.18
	Total	<b>20,688.24</b>
<b>E X P E N D I T U R E</b>		
Material Consumed	17	14,019.15
Manufacturing Expenses	18	863.67
Personnel Costs	19	657.42
Administrative Expenses	20	387.37
Selling and General Expenses	21	2,005.40
Interest and Finance Charges	22	531.20
Depreciation		617.64
	Total	<b>19,081.85</b>
<b>PROFIT BEFORE TAX</b>		<b>1,606.39</b>
Provision For Tax		
Current Tax		149.05
Deferred Tax		(0.36)
Wealth Tax		0.32
Fringe Benefit Tax		15.66
Short provision of income tax in earlier years		41.45
<b>PROFIT AFTER TAX</b>		<b>1,400.27</b>
Balance of Profit Brought Forward		<b>2,810.21</b>
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		<b>4,210.48</b>
<b>APPROPRIATIONS</b>		
Proposed Dividend on Equity Shares		112.38
Corporate Dividend Tax		19.10
<b>BALANCE CARRIED TO THE BALANCE SHEET</b>		<b>4,079.00</b>
Earnings Per Share (In Rs.) - Basic & Diluted (Face Value of Rs. 10/- each) (Refer Note : 8 of Schedule 23)		<b>12.46</b>
Significant Accounting Policies & Notes on Accounts	23	

As per our report of even date

For and on behalf of the Board

For, Deloitte Haskins & Sells  
*Chartered Accountants*(Sandeep P. Engineer) (Jagruti S. Engineer)  
Managing Director Director(Gaurav J. Shah)  
Partner  
Membership No.: 35701  
Place : Ahmedabad  
Date : May 28, 2009(Monika H. Pandya)  
Company Secretary  
Place : Ahmedabad  
Date : May 28, 2009



**Consolidated Cash flow statement for the year ended  
on 31st March, 2009**

(Rs. In Lacs)

Sr. No.	Particulars	2008 - 09
A	Cash flow from Operating Activities Net Profit before tax and Extraordinary items Adjustments for : Depreciation Interest Provision for Doubtful debts Unrealised foreign exchange Loss/(Profit) on sale of fixed assets Preliminary Expenses written off Dividend Income Prior Year Adjustments Interest Received Operating profit before Working Capital Changes Adjustments for : Increase/(Decrease) in Inventory Increase in Trade & Other Receivables Increase/(Decrease) in Trade Payables Cash generated from Operations	1,606.39 617.64 531.20 20.00 126.01 3.61 0.05 (0.40) (310.03) (104.30) 2,490.17 (2,331.09) (1,523.26) 868.81 (495.37) (174.20) (669.57)
B	Cash flow from Investing Activities Purchase of Fixed Assets Proceeds from the sales of fixed assets Capital work-in-progress Increase/(Decrease) in Loans & Advances Interest received Dividend Income Pre-operative Expenses FCTR on consolidation Net Cash used in Investing Activities	(4,850.64) 24.19 1,084.31 (300.97) 104.30 0.40 (0.09) 1.66 (3,936.84)
C	Cash flow from Financing Activities Dividend paid Interest Proceeds from Long Term Borrowings Net Cash flow from Financing Activities NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(131.48) (531.20) 2,906.35 2,243.67 (2,362.74)
	Cash and Cash Equivalents - as at the Opening Effect of Foreign Exchange rate changes Cash and Cash Equivalents - as at the Closing	2,588.31 0.04 225.61

- Note : 1. Cash and Cash Equivalents represent Cash and Bank Balances. (refer schedule 9)  
 2. Fixed Deposits of Rs. 57.79 lacs are pledged with a bank towards letters of Credit/Bank Guarantees.  
 3. 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 and on behalf of the Board

For, Deloitte Haskins & Sells  
*Chartered Accountants*

(Sandeep P. Engineer) (Jagruti S. Engineer)  
Managing Director Director

(Gaurav J. Shah)  
Partner  
Membership No.: 35701  
Place : Ahmedabad  
Date : May 28, 2009

(Monika H. Pandya)  
Company Secretary  
Place : Ahmedabad  
Date : May 28, 2009

## Schedules to the Consolidated Financial Statements

Particulars	(Rs. In Lacs)															
	As At 31.03.2009															
<b>SCHEDULE - 1 : SHARE CAPITAL</b>																
AUTHORISED																
1,50,00,000 Equity Shares of Rs.10/- each								1,500.00								
								1,500.00								
<b>ISSUED, SUBSCRIBED AND PAID UP</b>																
1,12,38,056 Equity Shares of Rs. 10/- each fully paid up								1,123.81								
(Of the above 42,16,354 Equity Shares were allotted as fully paid-up bonus shares by capitalisation of surplus in the Profit and Loss Account)																
							Total	1,123.81								
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>																
Capital Reserve (Refer Note : 11 of Schedule 23)								40.00								
Revaluation Reserve								121.14								
Securities Premium Account								3,890.73								
Profit & Loss Account								4,079.00								
Foreign Currency Translation Reserve								1.66								
							Total	8,132.53								
<b>SCHEDULE - 3 : SECURED LOANS</b>																
From Banks																
a) Term Loans (Refer Note 1 below)																
i) In Rupee								3,750.70								
ii) In Foreign Currency								114.26								
b) Cash Credit (Refer Note 1 below)																
i) In Rupee								-								
ii) In Foreign Currency								2,337.06								
c) Vehicle Loans (Refer Note 2 below)								29.64								
Notes: 1. Secured by way of first pari-passu charge, both present and future, in respect of all the fixed assets and current assets of the Company and further secured by personal guarantees of Directors.																
2. Secured by way of hypothecation of respective motor vehicles purchased.																
							Total	6,231.66								
<b>SCHEDULE - 4 : UNSECURED LOANS</b>																
Short Term																
a) From Others																
Trade Deposits								8.73								
							Total	8.73								
<b>SCHEDULE - 5 : FIXED ASSETS (CONSOLIDATED)</b>																
Sr. No.	Assets	Gross Block				Depreciation			(Rs. In Lacs)							
		As On 01.04.2008	Additions	Deductions / Adjustments	As On 31.03.2009	As On 01.04.2008	For The Year	Deductions / Adjustments		As On 31.03.2009	As On 31.03.2009					
1	Land and Land Development	368.08	497.17	-	865.25	-	-	-	865.25							
2	Buildings *	792.26	1,508.41	-	2,300.67	51.20	50.02	-	101.22 2,199.45							
3	Plant & Machinery	3,629.17	2,731.98	51.14	6,310.01	797.86	545.16	23.60	1,319.42 4,990.59							
4	Furniture & Fixtures	99.17	100.13	-	199.30	16.69	9.83	-	26.52 172.78							
5	Vehicles	119.85	13.76	0.43	133.18	28.40	12.63	0.17	40.86 92.32							
	Total	5,008.53	4,851.45	51.57	9,808.41	894.15	617.64	23.77	1,488.02 8,320.39							
	Capital Work In Progress** (Includes Advances)								631.45							
		5,008.53	4,851.45	51.57	9,808.41	894.15	617.64	23.77	1,488.02 8,951.84							

Note : \* Includes Rs. 750/- being face value of 15 number of shares of Rs. 50/- each held in Kant Apartment Co-operative Housing Society Limited.

\*\* Capital Work in Progress includes Rs. 1.79 Lacs on account of Pre-Operative Expenses.

**ASTRAL** where INNOVATION flows





## Schedules to the Consolidated Financial Statements

Particulars	(Rs. In Lacs)
	As At 31.03.2009
<b>SCHEDULE - 6 : INVESTMENTS (At Cost)</b>	
Trade & Quoted	
22 Nos. of Equity Shares of Rs. 10/ Each in Parsvnath Developers Limited (Market Value as on 31.03.2009 Rs. 0.05 lacs)	0.07
Investments purchased and sold during the year :	
40,00,000 units of Rs. 10/- each of IDFC Floating Rate Fund-LT-Inst Plan B-Daily Dividend Plan	
	Total
	<b>0.07</b>
<b>SCHEDULE - 7 : INVENTORIES</b>	
Raw Materials	1,818.41
Goods Traded In	1,314.23
Finished Goods	1,847.57
	Total
	<b>4,980.21</b>
<b>SCHEDULE - 8 : SUNDAY DEBTORS (Unsecured)</b>	
Outstanding over six months	
Considered good	102.92
Considered doubtful	32.46
Less : Provision	32.46
	102.92
Others - Considered good	3,990.63
	Total
	<b>4,093.55</b>
<b>SCHEDULE - 9 : CASH AND BANK BALANCES</b>	
Cash on Hand	3.32
Balances with Scheduled banks	
In Current Accounts	164.50
In Fixed Deposits	57.79
(Includes Rs. 57.79 lacs under Bank Lien for Letters of Credit and Bank Guarantees)	
	Total
	<b>225.61</b>
<b>SCHEDULE - 10 : LOANS AND ADVANCES</b>	
(Unsecured Considered Good)	
Advances recoverable in cash or in kind or for value to be received	465.40
Balance with Excise Authority	953.45
	Total
	<b>1,418.85</b>
<b>SCHEDULE - 11 : CURRENT LIABILITIES</b>	
Sundry Creditors	1,346.66
Acceptances	1,435.90
Advance from Debtors	42.80
Interest accrued but not due	26.74
	Total
	<b>2,852.10</b>
<b>SCHEDULE - 12 : PROVISIONS</b>	
For Taxation (Net off of Advance Tax and TDS)	49.53
For Fringe Benefit Tax	1.94
For Wealth Tax	0.32
For Proposed Dividend	112.38
For Tax on Dividend	19.10
For Provision For Expenses	963.53
For Employee Benefit Schemes	5.98
	Total
	<b>1,152.78</b>
	<b>4,004.88</b>
<b>SCHEDULE - 13 : MISCELLANEOUS EXPENDITURE</b>	
(To the extent not written off or adjusted)	
Preliminary Expenditure	0.05
	Total
	<b>0.05</b>

## Schedules to the Consolidated Financial Statements

Particulars	(Rs. In Lacs)
	2008-09
<b>SCHEDULE - 14 : SALES</b>	
Domestic Sales	20,127.25
Less : Excise Duty	1,198.72
Net Domestic Sales	<u>18,928.53</u>
Export Sales	337.78
Total	<u><u>19,266.31</u></u>
<b>SCHEDULE - 15 : OTHER INCOME</b>	
Excess Provision of expenses in earlier year now written back	310.03
Interest Received (Gross)	104.30
{Tax deducted at source from Interest Rs. 26.38 lacs}	154.42
Miscellaneous Income	568.75
Total	<u><u>568.75</u></u>
<b>SCHEDULE - 16 : INCREASE / (DECREASE) IN STOCK</b>	
Closing Stock of Finished Goods	1,847.57
Less :	
Opening Stock of Finished Goods	994.39
Total	<u>853.18</u>
<b>SCHEDULE - 17 : MATERIAL CONSUMED</b>	
Opening Stock	1,654.73
Add : Purchases	15,497.06
Less : Closing Stock	17,151.79
	3,132.64
Total	<u><u>14,019.15</u></u>
<b>SCHEDULE - 18 : MANUFACTURING EXPENSES</b>	
Factory Stores and Other Expenses	97.34
Excise Duty on Finished Goods	27.01
Freight Inward Charges	105.34
Power and Fuel	455.08
Repairs and Maintenance	
Plant and Machinery	152.64
Building	19.16
Research and Development Expenses	7.10
Total	<u><u>863.67</u></u>
<b>SCHEDULE -19 : PERSONNEL COSTS</b>	
Salaries, Wages and Bonus	580.39
Contributions to Provident Fund, Gratuity and Other Funds	54.54
Staff Welfare Expenses	22.49
Total	<u><u>657.42</u></u>





## Schedules to the Consolidated Financial Statements

(Rs. In Lacs)

Particulars	2008-09
<b>SCHEDULE -20 : ADMINISTRATIVE EXPENSES</b>	
Electricity Expenses	9.96
Rent Expenses	42.71
Repairs and Maintenance	17.06
Insurance	8.22
Audit Fees	4.99
Miscellaneous Expenses	58.69
Computer Expenses	15.80
Traveling, Conveyance and Vehicle Expenses	104.52
Loss on Sale of Assets	3.61
Telephone Expenses	28.78
Printing and Stationery	18.54
Security Service Charges	28.39
Legal and Professional Fees	45.40
Donation Expenses	0.70
Total	387.37
<b>SCHEDULE -21 : SELLING AND GENERAL EXPENSES</b>	
Discount on Sales	462.58
Advertisement Expenses	16.49
Commission	133.37
Packing Expenses	232.25
Free Sample Expenses	14.54
Postage and Courier Charges	14.34
Sales Promotion Expenses	135.62
Traveling Expenses	79.53
Provision for Bad and Doubtful Debts	20.00
Foreign Exchange Fluctuation (Gain) / Loss	733.67
Freight & Carting Expenses	162.96
Preliminary Expenses Written Off	0.05
Total	2,005.40
<b>SCHEDULE - 22 : INTEREST AND FINANCE CHARGES</b>	
Interest to Banks	
On Term Loans	286.11
On Working Capital Loans	154.41
Bank and Finance Charges	90.66
Other Interest	0.02
Total	531.20

## SCHEDULE – 23

### Significant accounting policies to the consolidated financial statements

#### A. SIGNIFICANT ACCOUNTING POLICIES :-

##### 1. 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 subsidiaries, 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 Ventures 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 subsidiary used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2009 and in case of joint venture the financial statements used in the consolidation are drawn up to 31st December, 2008.
- 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.

##### 2. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

##### 3. Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Standalone Financial Statements of Astral Poly Technik Limited.

#### B. NOTES ON ACCOUNTS TO CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :-

##### 1. The list of subsidiary 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 2008-09	Country of Incorporation
Subsidiary		
Astral Biochem Private Limited (w.e.f. 19th July, 2008)	100%	India
Joint Venture		
Astral Technologies Limited (w.e.f. 22nd July, 2008)	26%	Kenya

The audited financial statements of Astral Technologies Limited (Kenya) up to 31st December, 2008 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, 2009 to 31st March, 2009 in respect of the joint venture having financial year ended on 31st December, 2008. There is no change in Company's interest in the joint venture from 1st January, 2009 till 31st March, 2009.

Figures pertaining to the subsidiary company and the joint venture have been reclassified wherever necessary to bring them in line with the Company's financial statements.



## ASTRAL POLY TECHNIK LIMITED

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In view of the above named companies becoming subsidiary/joint venture of the company during the year, these consolidated financial statements have been prepared for the first time and hence there are no previous year figures.

2. Contingent Liabilities not provided for :

(Rs. In Lacs)

Sr. No.	Particulars	As at 31.03.2009
1	Bank Guarantees	34.01
2	Letters of Credit	389.30
3	Export Obligations under EPCG Scheme (Duty Involved)	26.27
4	Capital Contracts remaining to be executed	362.05

3. Employee Benefits:

The disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006 is given below:

**Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised is charged off the year are as under:

Employer's Contribution to Provident Fund                    Rs. 29.52 Lacs

**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 recognised in the financial statements are as under:

**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 gratuity plan as required under AS 15 [Revised]**

a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(Rs. In Lacs)

Particulars	2008-09
Obligations at the beginning of the year	19.18
Current service cost	8.23
Interest cost	1.52
Actuarial (gain) / loss	4.27
Benefits paid	(1.05)
Obligations at the end of the year	32.15

b. Reconciliation of opening and closing balances of the fair value of plan assets :

(Rs. In Lacs)

Particulars	2008-09
Plan assets at the beginning of the year, at fair value	17.02
Expected return on plan assets	1.94
Actuarial gain / (loss)	(0.12)
Contributions	8.39
Benefits paid	(1.05)
Plan assets at the end of the year, at fair value	26.18

- c. Reconciliation of the present value of the defined benefit obligation & fair value of plan assets :  
(Rs. In Lacs)

Particulars	2008-09
Obligations at the end of the year	32.15
Plan assets at the end of the year, at fair value	26.18
Liability recognised in Balance sheet as on 31-Mar-09	5.97

- d. Gratuity cost for the year :  
(Rs. In Lacs)

Particulars	2008-09
Current service cost	8.23
Interest cost	1.52
Expected return on plan assets	(1.94)
Net Actuarial (gain)/Loss	4.39
Net gratuity cost	12.20

- 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 :

Discount Rate	7.91%
Expected return on plan assets	9.00%
Annual Increase in Salary Costs	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.

The Liability for Leave Encashment and compensated absences as at year end is Rs. 25.59 lacs

4. Segment Information :

Following the Accounting Standard-17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company has identified the following reportable Segments :



ASTRAL POLY TECHNIK LIMITED

a) Consolidated Primary Segment Information (Geographical) : (Rs. In Lacs)

Particulars	2008-09				
	Unit at Gujarat	Unit at Himachal Pradesh	Others	Eliminations	Total
SEGMENT REVENUE					
Sales	12,168.32	7,131.80	8.37	42.18	19,266.31
TOTAL REVENUE	12,168.32	7,131.80	8.37	42.18	19,266.31
SEGMENT RESULTS					
Cost	13,020.69	4,691.46	8.64	23.32	17,697.47
Profit Before Tax & Interest	(852.37)	2,440.34	(0.27)	18.86	1,568.84
Other Income	424.14	144.61	-	-	568.75
Interest Expenses	62.75	27.92	0.01	-	90.68
Unallocable Expenses					440.52
Provision for Tax (Including Deferred Tax and Fringe Benefit Tax)					206.12
Net Profit					1,400.27
OTHER INFORMATION					
Segment Assets (Gross)	16,199.57	3,482.11	509.60	521.03	19,670.25
Segment Liabilities	3,276.35	727.64	25.11	24.22	4,004.88
Depreciation	341.68	275.81	0.15	-	617.64
Capital Expenditure	522.27	78.88	30.30	-	631.45
Including CWIP					

b) Consolidated Secondary Segment Information (Business) : (Rs. In Lacs)

Particulars	2008-09				
	Manufacturing	Trading	Others	Eliminations	Total
SEGMENT REVENUE					
External Sales	16,756.59	3,252.10	-	42.18	19,966.51 (700.20)
Unallocable Duties, Tax & Recoveries					
TOTAL REVENUE	16,756.59	3,252.10	-	42.18	19,266.31
SEGMENT RESULTS					
Cost	11,428.43	2,014.50	-	23.33	13,419.60
Unallocable Exps					3,709.12
Profit Before Tax & Interest	5,328.16	1,237.60	-	18.85	2,137.59
Interest Expenses					531.20
Provision for Tax (Including Deferred Tax and Fringe Benefit Tax)					206.12
Net Profit					1,400.27
OTHER INFORMATION					
Segment Assets	12,388.31	1,331.86	465.55	521.03	13,664.69
Un-allocable Assets					6,005.56
TOTAL ASSETS					19,670.25
Segment Liabilities	926.92	142.36	0.11	24.22	1,045.17
Un-allocable Liabilities					2,959.71
TOTAL LIABILITIES	578.03	-	-	-	4,004.88
Depreciation					578.03
Un-allocable Depreciation					39.61
TOTAL DEPRECIATION					617.64
Capital Expenditure					631.45
Including CWIP					

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

5. Related party disclosures as required by Accounting Standard 18, " Related Party Disclosures", issued by the Institute of Chartered Accountants of India are given below.

- a) Companies and firms in which Directors/Directors' Relatives exercise control / significant influence:

Kairav Chemicals Limited
Saumya Polymers Private Limited
Plumbware Limited

- b) Key management personnel

Mr. Sandeep P.Engineer
Mrs. Jagruti S.Engineer
Mr. K.R. Shenoy

- c) Relatives of key management personnel

Sandeep P.Engineer HUF
Mr. Bipin R.Mehta
Mrs. Rekha B.Mehta
Mrs. Hansa P.Engineer

(Rs. In Lacs)

Particulars	Related Referred in 1 (a) above	Related Referred in 1 (b) above	Related Referred in 1 (c) above	Total
Part I : Volume of Transactions				
Unsecured Loans Given	299.75	-	-	299.75
Purchase of Goods / Assets	1,125.62	-	-	1,125.62
Sale of Goods / Assets	241.96	-	-	241.96
Rent Received	3.24	-	-	3.24
Dividend Paid	15.76	26.52	0.66	42.94
Interest on Loans / FDs	5.36	-	-	5.36
Remuneration *	-	42.50	13.00	55.50
Rent Paid	-	-	4.20	4.20

\* Includes Rs. 1.50 Lacs which is subject to approval in the ensuing AGM.





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## ASTRAL POLY TECHNIK LIMITED

(Rs. In Lacs)

Particulars	Related Referred in 1 (a) above	Related Referred in 1 (b) above	Related Referred in 1 (c) above	Total
Part II : Balance at the end of the period				
a) Unsecured Loans Given				
Kairav Chemicals Limited	299.75	-	-	299.75
b) Purchase of Goods/Assets				
Kairav Chemicals Limited	114.53	-	-	114.53
Advances for Capital Goods	-	187.00	-	187.00
c) Interest on Loans / FDs				
Kairav Chemicals Limited	4.15	-	-	4.15
d) Sale of Goods / Assets				
Plumbware Limited	1.70	-	-	1.70
e) Current Liabilities				
Mr. Sandeep P. Engineer	-	2.23	-	2.23
Mrs. Jagruti S. Engineer	-	0.75	-	0.75
Mr. K. R. Shenoy	-	0.50	-	0.50
Mr. Bipin R. Mehta	-	-	1.00	1.00

6. Accumulated Depreciation upto March 31, 2009 (Schedule '5') includes impairment loss on Plant & Machinery – Rs. 96.20 lacs.

### 7. Managerial Remuneration

(Rs. In Lacs)

Particulars	2008-09
Remuneration	33.00
Allowances	9.50
Total	*42.50

\* Includes Rs. 1.50 Lacs is subject to approval in the ensuing AGM.

Commission is not payable to the directors and hence the computation of net profit under section 349 of the Companies Act, 1956 has not been given.

### 8. Earnings Per Share

(Rs. In Lacs)

Particulars	As at 31.03.2009
Profit after tax and exceptional / non- recurring item as per Profit & Loss account	1,400.27
Profit after taxation available for Equity Share Holder	1,400.27
Weighted Average No. of Equity Shares	1,12,38,056
Basic & Diluted Earnings Per Share (In Rs.)	12.46

9. A sum of Rs. 13.98 lacs (credit) is included under Material Consumed representing Prior Period Items.
10. The Company uses foreign currency forward contracts 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 for speculative purposes.

Outstanding Forward Exchange Contracts entered into by the Company :

As at	No. of Contracts	US \$ Equivalent (Lacs)	INR Equivalent (Lacs)
March 31, 2009	3	10.00	507.50

Expenditure on account of premium on forward exchange contracts to be recognized in the profit and loss of subsequent accounting period aggregates to Rs. 1.35 Lacs.

11. The plant and machineries and equipments located at the company's Himachal Pradesh unit Costing Rs. 277.33 lacs carry first charge in favour of the Government of Himachal Pradesh for a period of five years effective from the year 2005-06 during which the company was granted a cash subsidy of Rs. 30.00 lacs for the investments made by the company in the state.
12. The Deferred Tax Liability/Asset comprises of tax effect of timing differences on account of

(Rs. In Lacs)

Particulars	As At 31-03-2009
Deferred Tax Liability	
Difference between book and tax depreciation	169.00
Total	169.00
Deferred Tax Asset	
Other Deferred Tax (Assets)/Liabilities	(0.36)
Total	(0.36)
Deferred Tax Liability (Net)	168.64

13. Figures pertaining to the subsidiary company and joint venture have been reclassified wherever necessary to bring them in line with the Company's financial statements.

As per our report of even date

For and on behalf of the Board

For, Deloitte Haskins & Sells  
*Chartered Accountants*

(Sandeep P. Engineer) (Jagruti S. Engineer)  
Managing Director Director

(Gaurav J. Shah)  
Partner  
Membership No.: 35701  
Place : Ahmedabad  
Date : May 28, 2009

(Monika H. Pandya)  
Company Secretary  
Place : Ahmedabad  
Date : May 28, 2009





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## ASTRAL BIOCHEM PRIVATE LIMITED

### 1st ANNUAL REPORT

2008-2009

### COMPANY INFORMATION

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#### BOARD OF DIRECTORS

Mr. Sandeep P.Engineer	Director
Mrs. Jagruti S.Engineer	Director
Mrs. Hansaben P.Engineer	Director

#### AUDITORS

N. Gamadia & Co.  
Chartered Accountants  
410, 'Shail', Opp. Navrangpura Telephone Exchange,  
Off C.G. Road, Ellisbridge,  
Ahmedabad-380 006.

#### BANKERS

Corporation Bank  
Industrial Finance Branch, Ashram Road, Ahmedabad.

#### REGISTERED OFFICE

901, Parshwa Towers, Opp. Rajpath Club,  
Sarkhej-Gandhinagar Highway,  
Ahmedabad-380 054, Gujrat, India.

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## Directors' Report

Dear Shareholders,

The Board of Directors of your company have the pleasure in presenting the First Annual Report together with the Audited Statement of Accounts of your company for the period ended on 31st March, 2009.

**OPERATIONS:**

This being the First Year of Incorporation, Company has not commenced any business activity . However the company has acquired the Land admeasuring 67,796 Square Mtrs at GIDC-Dahej Dist: Bharuch and is looking forward for setting up the project in the coming years.

**DIRECTORS:**

During the year, Mrs. Hansaben P. Engineer, has been appointed as an Additional Director on 15th October, 2008 and her office is liable to terminate at the ensuing Annual General Meeting. Your Directors recommend her reappointment as regular director.

Mrs. Jagruti S. Engineer retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

**AUDITORS :**

The retiring auditors of the Company, M/s. N. Gamadia & Co., have provided their consent to act as the Statutory Auditor of the Company for the forth-coming year and have also provided the certificate to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. The reappointment of the auditors is recommended.

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed ;
- (ii) the directors have selected such accounting policies and have applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis

**PERSONNEL:**

Information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 regarding employees is not applicable as none of the employees of the company is in receipt of remuneration which is more than the sum specified by the prevalent law.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO:**

The particulars of Section 217(1) (e) with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not provided as the Company has not started any manufacturing activity.

**ACKNOWLEDGMENTS :**

The Directors would like to express their deep appreciation for the support extended by agencies working with the Company and wish to place on record their appreciation for the services of the all who have contributed to the functioning of the Company.

By the Order of the Board of Directors



## Auditors' Report

To,  
The Members,  
ASTRAL BIOCHEM PRIVATE LIMITED  
Ahmedabad

We have audited the attached Balance Sheet of ASTRAL BIOCHEM PRIVATE LIMITED, as at 31st March, 2009 and also the Statement of Expenditure and Cash Flow Statement for the period 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 conducted our audit in accordance with auditing standards generally accepted in India. Those 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 a 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.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) 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.
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Statement of Expenditure and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Statement of Expenditure and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the Directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with schedules and notes thereon and 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:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
  - (b) in the case of the Statement of Expenditure prepared, of the expenditure incurred for the period ended on that date, and
  - (c) in the case of Cash Flow Statement, of the Cash Flows for the period ended on that date.

For, N. Gamadia & Co.  
*Chartered Accountants*

(Nilesh Gupta)  
Partner  
Membership No.: 100426

## Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date to the members of ASTRAL BIOCHEM PRIVATE LIMITED.

1. a. The Company has maintained proper records showing full particulars of Fixed Assets purchased during the period.
- b. As the Company's project is in start up phase, expenditure incurred during the period are shown as Pre-operative expenses awaiting capitalization under the Capital work-in -progress.
- c. During the year, Company has not disposed of any substantial/major part of Fixed Assets.
2. As the company has not purchased and sold goods during the year nor is there any opening stocks, requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
3. a. According to the information and explanations given to us, company has not granted any loan to parties covered in the register maintained under section 301 of the Companies Act, 1956. However, Company has taken loan from one party listed in the Register maintained under Section 301 of the Companies Act, 1956 and the maximum amount involved during the year was Rs. 460.44 lacs and the year-end balance was Rs. 460.44 lacs.
- b. According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions on which above loans have been taken from the parties listed in the registers maintained under Section 301 are not, *prima facie*, prejudicial to the interest of the Company.
- c. According to the information and explanations given to us, the Company is regular in repaying the principal amounts as stipulated and is regular in payment of interest.
- d. There is no overdue amount of loan taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to information and explanation given to us, we report that the company's activity do not include purchase of inventory and sale of goods. In our opinion and according to information and explanation given to us, we report that there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls with regards to purchase of fixed assets.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,
  - a. Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
  - b. According to the information and explanations given to us, where each of such transactions is in excess of Rs. 5 lakhs in respect of any party, in our opinion, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956 and Rules there under are not applicable to the Company.
7. In our opinion and in accordance with the information and explanation given to us, the aggregate of the paid up capital and free reserve did not exceed Rupees fifty lakhs nor did the turnover exceed Rupees five crores. Hence, no comment on the Internal Audit System is required.
8. The requirement of maintenance of cost records as prescribed by the Central Government under Section 209(1) (d) is not applicable to the company.
9. a. According to the records of the Company and information and explanations given to us, the Company



has been regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Service Tax, Cess and other statutory dues applicable to it.

- b. According to the records of the company, there are no dues of Income tax, Service tax, cess etc. which have not been deposited on account of any dispute.
- 10. The Company was incorporated on 17th July, 2008. Since a period of five years has not elapsed since the date of incorporation as at Balance Sheet date, hence, no comment under this clause is required.
- 11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not borrowed from the financial institutions, banks or issued debenture, hence, reporting requirement under this clause does not arise.
- 12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the company hence clause (xiii) of para 4 is not applicable.
- 14. As per records of the company and the information and explanation given to us by the management, company is not dealing in shares, securities, and debentures and other investment.
- 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- 16. According to the information and explanations given to us, the Company has not availed any term loans. Hence, Comments under this clause are not applicable.
- 17. According to the records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment and vice versa.
- 18. The Company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956, during the year and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise.
- 19. The Company has not issued any Debentures hence question of creation of Securities does not arise.
- 20. The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- 21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For, N. Gamadia & Co.  
*Chartered Accountants*

(Nilesh Gupta)  
Partner  
Membership No.: 100426

Place : Ahmedabad  
Date : April 5, 2009

## Balance Sheet As On 31st March, 2009

(Rs. In Lacs)

Particulars	Schedule	2008-09
<b>SOURCES OF FUNDS :</b>		
<b>SHARE HOLDERS' FUNDS</b>		
Share Capital	1	5.00
Reserves & Surplus		-
<b>LOAN FUNDS</b>		
Secured Loans		-
Unsecured Loans	2	460.44
<b>DEFERRED TAX LIABILITY</b>		-
	Total	<b>465.44</b>
<b>APPLICATION OF FUNDS :</b>		
<b>FIXED ASSETS</b>	3	
Gross Block		434.60
Less : Depreciation		-
Net Block		434.60
Capital Work-in-Progress		1.80
		<b>436.40</b>
<b>INVESTMENTS</b>		-
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Cash and Bank Balances	4	0.56
Inventories		-
Sundry Debtors		-
Loans and Advances	5	28.50
		<b>29.06</b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>		
Current Liabilities & Provisions	6	0.11
		<b>0.11</b>
<b>NET CURRENT ASSETS</b>		
Miscellaneous Expenditure	7	28.95
		<b>0.09</b>
		<b>465.44</b>
Significant Accounting Policies & Notes on Accounts	10	

As per our report of even date

For and on behalf of the Board

For, N. Gamadia & Co.  
Chartered Accountants(Sandeep P. Engineer) (Jagruti S. Engineer)  
Director Director(Nilesh Gupta)  
Partner  
Membership No.: 100426  
Place : Ahmedabad  
Date : April 5, 2009Place : Ahmedabad  
Date : April 5, 2009



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ASTRAL BIOCHEM PRIVATE LIMITED

Statement of Expenditure for the Period Ended on 31st March, 2009  
(Rs. In Lacs)

Particulars	Schedule	2008-09
Administrative Expenses	8	1.88
Financial Expenses	9	0.01
Total		1.89
Tr. to Preliminary Expenses		0.09
Tr. to Pre-Operative Expenses (CWIP in fixed Assets)		1.80
Significant Accounting Policies & Notes on Accounts	10	

As per our report of even date

For and on behalf of the Board

For, N. Gamadia & Co.  
*Chartered Accountants*

(Sandeep P. Engineer) (Jagruti S. Engineer)  
Director Director

(Nilesh Gupta)  
Partner  
Membership No.: 100426  
Place : Ahmedabad  
Date : April 5, 2009

Place : Ahmedabad  
Date : April 5, 2009

## Cash flow statement for the year ended on 31st March, 2009

(Rs. In Lacs)

Sr. No.	Particulars	2008 - 09
A	Cash flow from Operating Activities Net Profit before tax and Extraordinary items Adjustments for : Add.: Depreciation Interest Taxation  Less : Interest received  Operating profit before working Capital Changes Adjustment for : Increase/(Decrease) in Trade Payables (Increase) in Trade & Other Receivables Cash generated from operations  Interest Income tax Net Cash from Operating Activities (A)	-
B	Cash flow from Investing Activities  Purchase of Fixed Assets Capital work-in-progress Advances for Capital Goods Interest received  Net Cash used in Investing Activities (B)	(434.60) (1.69) (28.50)  (464.79)
C	Cash flow from Financing Activities Equity Share Capital Preliminary Expenses Dividend Tax paid Proceeds from Long Term Borrowings (Decrease)/ increase in Short Term Loans  Net Cash flow from Financing Activities (C)  NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	5.00 (0.09)  460.44  465.35  0.56
	Cash and Cash Equivalents - as at 31-03-08 (Opening Balance) Cash and Cash Equivalents - as at 31-03-09 (Closing Balance)	- 0.56

As per our report of even date

For and on behalf of the Board

For, N. Gamadia & Co.  
*Chartered Accountants*

(Sandeep P. Engineer) (Jagruti S. Engineer)  
 Director Director

(Nilesh Gupta)  
 Partner  
 Membership No.: 100426  
 Place : Ahmedabad  
 Date : April 5, 2009

Place : Ahmedabad  
 Date : April 5, 2009





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## ASTRAL BIOCHEM PRIVATE LIMITED

### Schedules to the Financial Statements

									(Rs. In Lacs)
Particulars									As At 31.03.2009
<b>SCHEDULE - 1 : SHARE CAPITAL</b>									
AUTHORISED SHARE CAPITAL :									
50,000 Equity Shares of Rs.10/- each									5.00
									<u>5.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>									
50,000 Equity Shares of Rs.10/- each fully paid up									5.00
									<u>5.00</u>
Total									5.00
<b>SCHEDULE - 2 : UNSECURED LOANS</b>									
Inter corporate loans - Holding company									
Astral Poly Technik Limited									460.44
									<u>460.44</u>
<b>SCHEDULE - 3 : FIXED ASSETS</b>									(Rs. In Lacs)
Sr. No.	Assets	Gross Block				Depreciation			Net Block
		As On 01.04.2008	Additions	Deductions / Adjustments	As On 31.03.2009	As On 01.04.2008	For The Year	Deductions / Adjustments	
1	Land	-	426.59	-	426.59	-	-	-	426.59
2	Land Development	-	8.01	-	8.01	-	-	-	8.01
	Total	-	434.60	-	434.60	-	-	-	434.60
3	Capital Work In Progress Pre-Operative Expenses	-	1.80	-	1.80	-	-	-	1.80
	Grand Total	-	436.40	-	436.40	-	-	-	436.40
									(Rs. In Lacs)
Particulars									As At 31.03.2009
<b>SCHEDULE - 4 : CASH AND BANK BALANCE</b>									
Cash on hand									-
<b>BALANCE WITH BANKS :</b>									
With Scheduled Banks :									
In current A/c with Corporation Bank :									0.56
Corporation Bank - IFB Curr. A/c.									
									<u>0.56</u>
<b>SCHEDULE - 5 : LOANS AND ADVANCES</b>									
(Advances Considered Good, Unsecured unless otherwise Stated recoverable in cash or in kind or for the value to be received)									
Advances For Capital Goods									28.50
									<u>28.50</u>
<b>SCHEDULE - 6 : CURRENT LIABILITIES AND PROVISIONS</b>									
Sundry Creditors for expenses									0.11
									<u>0.11</u>
<b>SCHEDULE - 7 : MISCELLANEOUS EXPENDITURE</b>									
(To the extent not written off or adjusted)									
Preliminary expenses not written off									0.09
									<u>0.09</u>
Total									0.09

## Schedules to the Financial Statements

Particulars	(Rs. In Lacs)
	2008-09
<b>SCHEDULE - 8 : ADMINISTRATIVE EXPENSES</b>	
Director's foreign traveling expenses	0.51
Foreign traveling expenses	1.17
Professional fees	0.11
Legal Expenses	0.06
Printing & stationery	0.03
Total	<hr/> <hr/> 1.88 <hr/> <hr/>
<b>SCHEDULE - 9 : FINANCIAL EXPENSES</b>	
Interest on TDS	0.01
Total	<hr/> <hr/> 0.01 <hr/> <hr/>

## SCHEDULE – 10

Significant accounting policies and notes to accounts forming part of the Balance Sheet & Statement of Expenditure

### A. ACCOUNTING POLICIES :

#### (1) Accounting Policies :

- (a) The Company generally follows the Mercantile System of Accounting and recognizes Income & Expenditure on accrual Basis, except otherwise stated.
- (b) The financial statements are prepared on historical cost basis and following the generally accepted accounting principles.

#### (2) Fixed Assets :

Fixed Assets are stated at historical costs less accumulated depreciation. All costs relating to acquisition and installation of fixed assets, if any, till the assets get ready for their intended use are capitalized.

#### (3) Taxation:

Provisions for Income-tax and Fringe Benefit Tax are made in accordance with the tax provisions of the Indian Income Tax Act, 1961 applicable to the relevant assessment year.

Deferred tax liabilities/Assets is recognized subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

#### (4) Miscellaneous Expenditure

Preliminary Expenses will be written off equally over a period of Five Years starting from the year in which company commences its operating activity.

### B. NOTES TO THE ACCOUNTS :

1. This being the first year of the company and since no commercial activities are undertaken, hence Profit & Loss Account is not prepared and instead a Statement of Expenditure for the period is prepared.
2. This is the first year of the company and hence requirement of disclosing previous year figures are not applicable.
3. Entire Share Capital of the Company is acquired by Astral Poly Technik Limited and hence Company is wholly owned subsidiary of the said company since 19th July, 2008.



## ASTRAL BIOCHEM PRIVATE LIMITED

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4. The Expenditure are transferred to Pre-operative Expenditure & Preliminary Expenditure Account according to their nature, and will be Capitalized/Amortized respectively after commencement of commercial operation.
5. Details of Auditors' Remuneration:

Particulars	(Rs. In Lacs)
For Statutory Audit	0.10
For Service Tax	0.01
Total	0.11

6. Foreign Traveling expenses include Directors' Foreign Traveling of Rs. 0.50 Lacs.
7. As there are no employees employed by the company during the year, provision for Fringe Benefit Tax has not been made.
8. There is no contingent liability not provided for in the books except otherwise stated.
9. Related Party Disclosure:
  - 1) Relationship
    - a) Enterprise over which Key Management Personnel and their relatives exercise significant influence.
      - (i) Astral Poly Technik Limited
      - (ii) Kairav Chemicals Limited
      - (iii) Saumya Polymers Private Limited
    - b) Key Management Personnel
      - (i) Mr. Sandeep P.Engineer
      - (ii) Mrs.Jagruti S.Engineer
    - c) Relatives of Key Management Personnel
      - (i) Sandeep P.Engineer HUF
      - (ii) Mrs. Rekha B. Mehta
      - (iii) Mrs. Hansa P.Engineer
      - (iv) Mr. Bipin R.Mehta
  - 2) Transactions

(Rs. in Lacs)			
Nature of Transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
Equity Share Capital	5.00	-	-
Inter Corporate Loan	460.44	-	-

10. As the company has not started its operations, Accounting Standards, other than those for which disclosure is made in the notes above, are not applicable to the company.

As per our report of even date

For and on behalf of the Board

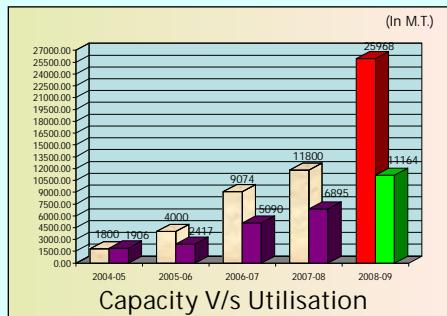
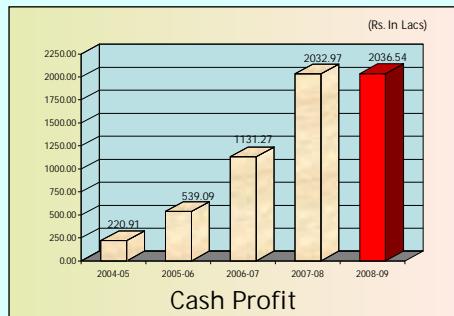
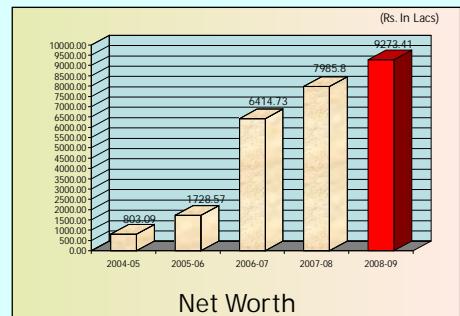
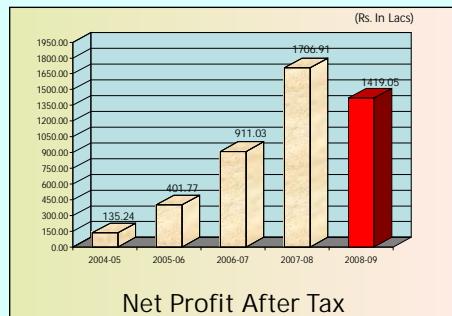
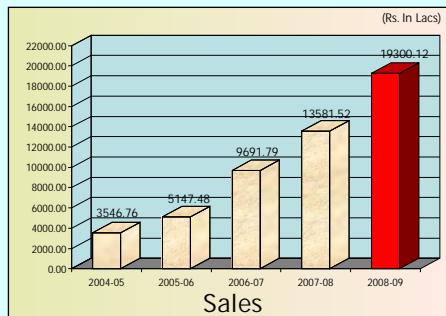
For, N. Gamadia & Co.  
*Chartered Accountants*

(Sandeep P. Engineer) (Jagruti S. Engineer)  
Director Director

(Nilesh Gupta)  
Partner  
Membership No.: 100426  
Place : Ahmedabad  
Date : April 5, 2009

Place : Ahmedabad  
Date : April 5, 2009

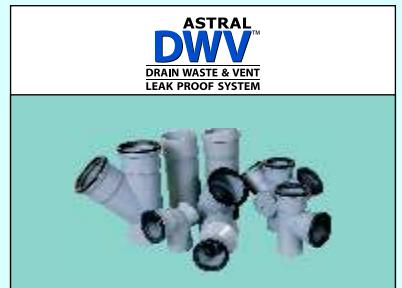
## PERFORMANCE HIGHLIGHTS, 2008-09



## MILESTONES ACHIEVED IN 2008-09

During the year the company has introduced new product lines such as

- Astral Ultradrain - Soil Waste Rain water system.
- Astral DWV – Drain Waste & Vent System.
- Astral Foam Core pipes – For low pressure applications.
- Astral Aquasafe – smaller diameter pipe range for SWR.



Growth of Astral from 1999 to 2009



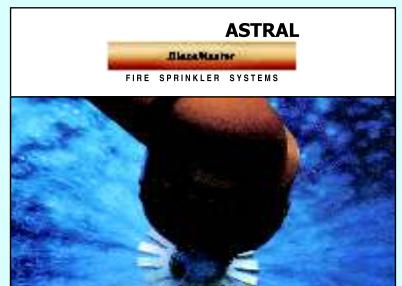
Full line production facilities at Ahmedabad & Himachal Pradesh



During the Year Company has added 40 more Distributors In Astral Family and now the strength is 200 Distributors across the country. Similarly dealers have also increased sizably within the distributor network.

Received UL Approval for Blazemaster Pipes

Received ISI Approval for Astral Ultradrain Pipes



## BRANDING AND MARKETING ACTIVITIES

Exhibition stall at  
PlastIndia-2009 - New Delhi



Introduction of  
various products at  
PlastIndia - 2009 Exhibition



Advertisements in leading  
plumbing magazine

**ASTRAL**  
**Foamcore™**  
PVC PIPE  
FOR DWV & UNDERGROUND SYSTEMS

**FOAMCORE uPVC PIPES**



"Foamcore" uPVC pipes are suitable for residential and commercial drain, waste & vent piping systems for both underground and above ground applications with top quality raw materials and state-of-the-art processing technology. ASTRAL Foamcore pipes meet all industrial standards in addition to our own rigorous control standards.

**WHAT IS FOAMCORE PIPES ?**

Foamcore pipe is basically normal PVC pipe, having outer and inner layers of conventional PVC and middle layer of foam PVC. Outer and inner layers are designed to take the load and middle layer of foamed PVC gives rigidity and maintains the shape of the pipe under load. It reduces total weight of pipe and makes it light when compared to solid wall PVC pipes "stress free" in working conditions.

**UNIQUE FEATURES AND BENEFITS :**

- LIGHT WEIGHT & STRONG • EASY TO INSTALL • NOISE FREE • COST SAVING • LONGER SERVICE LIFE
- Apart from above mentioned unique features and benefits, ASTRAL Foamcore pipes have conventional benefits of PVC pipe like chemical and corrosion resistance, non-toxicity, non conductor, non flammable and environmental friendliness.

**AVAILABLE SIZES :**  
• 75 mm, 100 mm, 125 mm, 150 mm, 200 mm, 250 mm & 315 mm

ASTRAL Foamcore Pipes are fully compatible with all drainage and sewerage products available in the Indian market.

**RINGFIT PIPES**      **SELFIT PIPES**



**Introducing**

**ULTRADRRAIN™**  
CONVENTIONAL SYSTEM

**FOR SOIL WASTE & RAIN WATER**

Astral ULTRADRRAIN uPVC pipes and fittings are cost effective, easy to install and are made for life time trouble free service. Astral ULTRADRRAIN pipes and fittings are available in range of 75 mm, 110 mm and 160 mm. The entire range is manufactured as per internationally accepted quality standards and specifications.

**ULTRADRRAIN uPVC PIPES**

**RINGFIT PIPES** - (Type A & Type B)



Ringfit pipes are socketed on automatic online socketing machine with very high degree of accuracy. The socketed pipe give inside profile. The rubber ring ensures trouble free water tight joint. The side profile of the pipe is plain and the other end is self socketed with an integral groove to hold the rubber gasket. When joined with a rubber ring, the joint formed is a trouble free, water tight one, ready to take care of thermal expansion / contraction.

**SELFIT PIPES** - (Type A & Type B)



Selfit pipes are socketed on automatic socketing machine with self socket length (without groove). Such pipes will be joined with solvent cement. One end of the pipe is plain and the other end is self socketed on high precision automatic machines for high degree of accurate diameters. The pipes when joined using solvent cement, form a permanent water tight joint.

**MINI TRAP**      **MULTIFLOOR TRAP**      **P-TRAP**

**AVAILABLE SIZES :**  
75 mm, 110 mm and 160 mm

Subject to installation and usage of the product as per directions.

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**POLY TECHNIK LIMITED**

**ASTRAL®**  
where INNOVATION flows

If undelivered please return to :



## ASTRAL POLY TECHNIK LIMITED

**Registered & Corporate Office :**

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