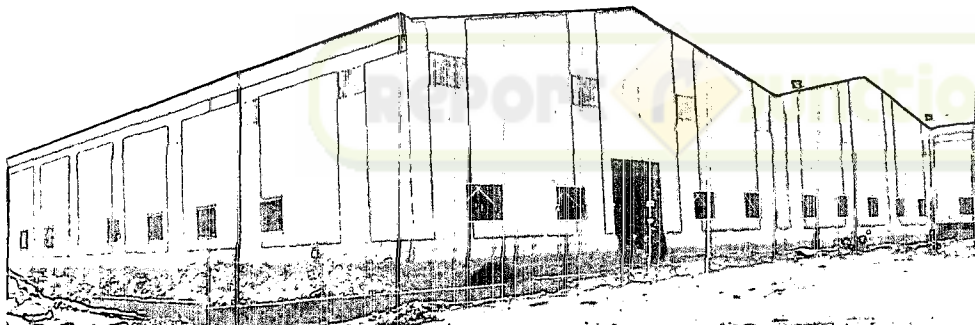
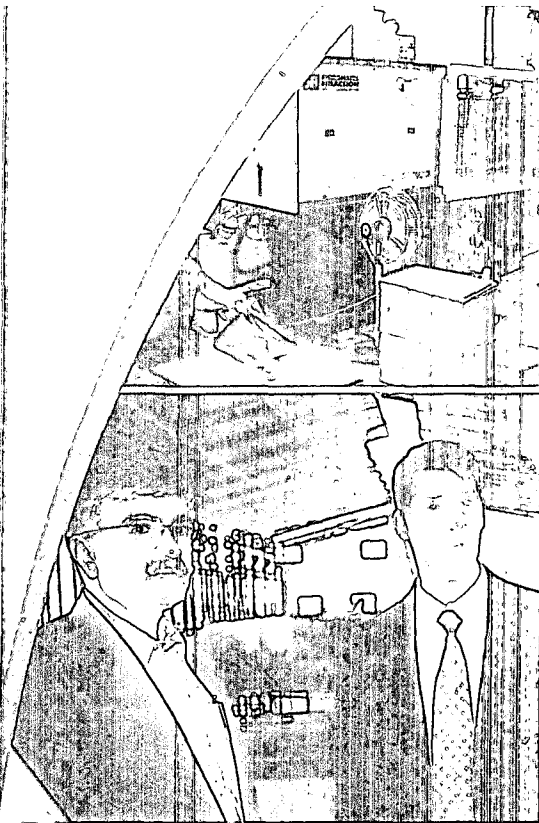


ASTRALTM
where INNOVATION flows

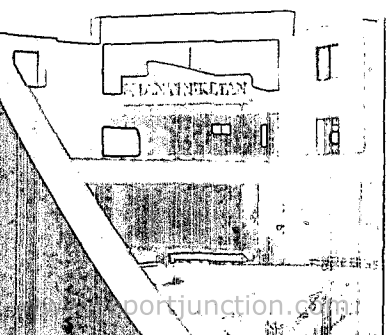
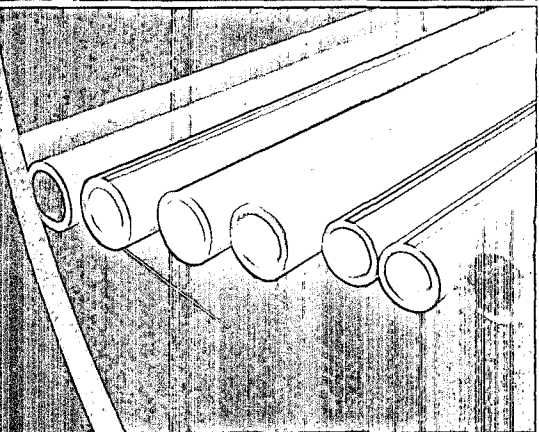
12th ANNUAL REPORT
2007-2008



ideas

growth

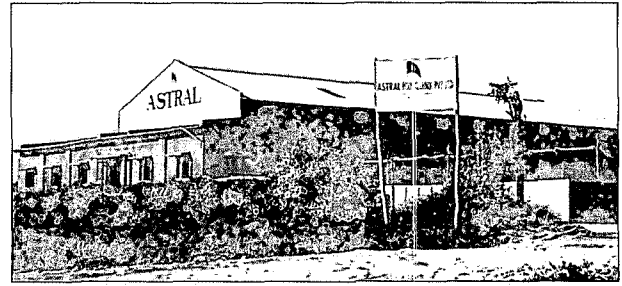
success



JOURNEY AT A GLANCE

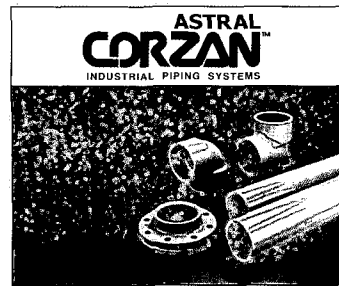
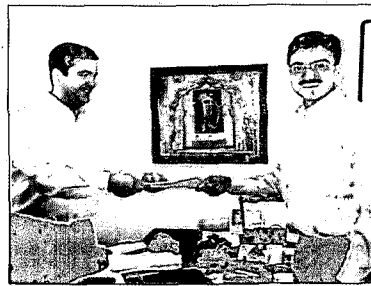
1998

Land acquisition and Astral's 1st Plant at Santej, Ahmedabad.



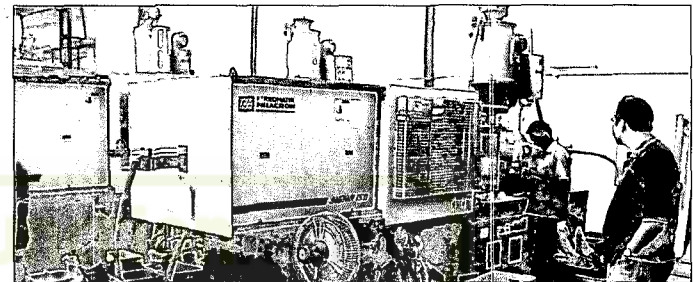
1999

1st agreement with BF Goodrich to manufacture CPVC products in India.



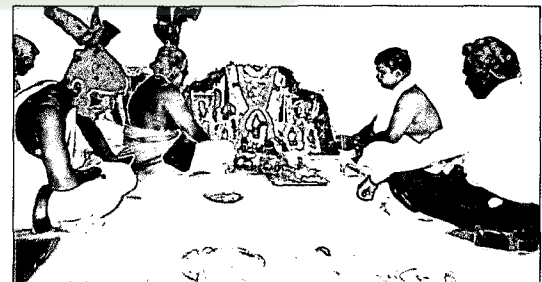
2001

Commenced manufacturing of CPVC fittings



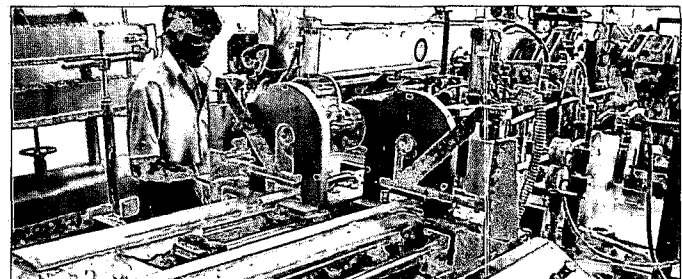
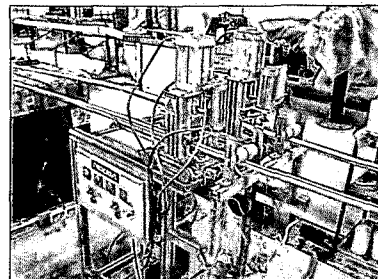
2002

Opening of branch offices in Delhi, Mumbai and Bangalore.



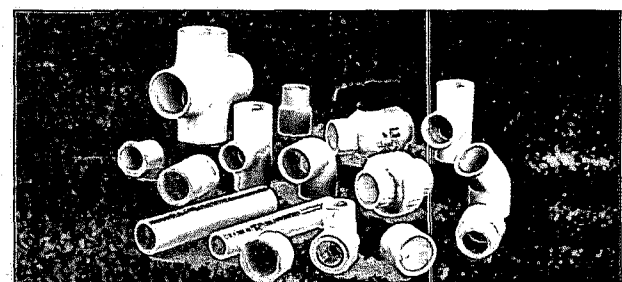
2003

- ISO 9001 : 2000 Certification
- Expansion of manufacturing facilities.



2004

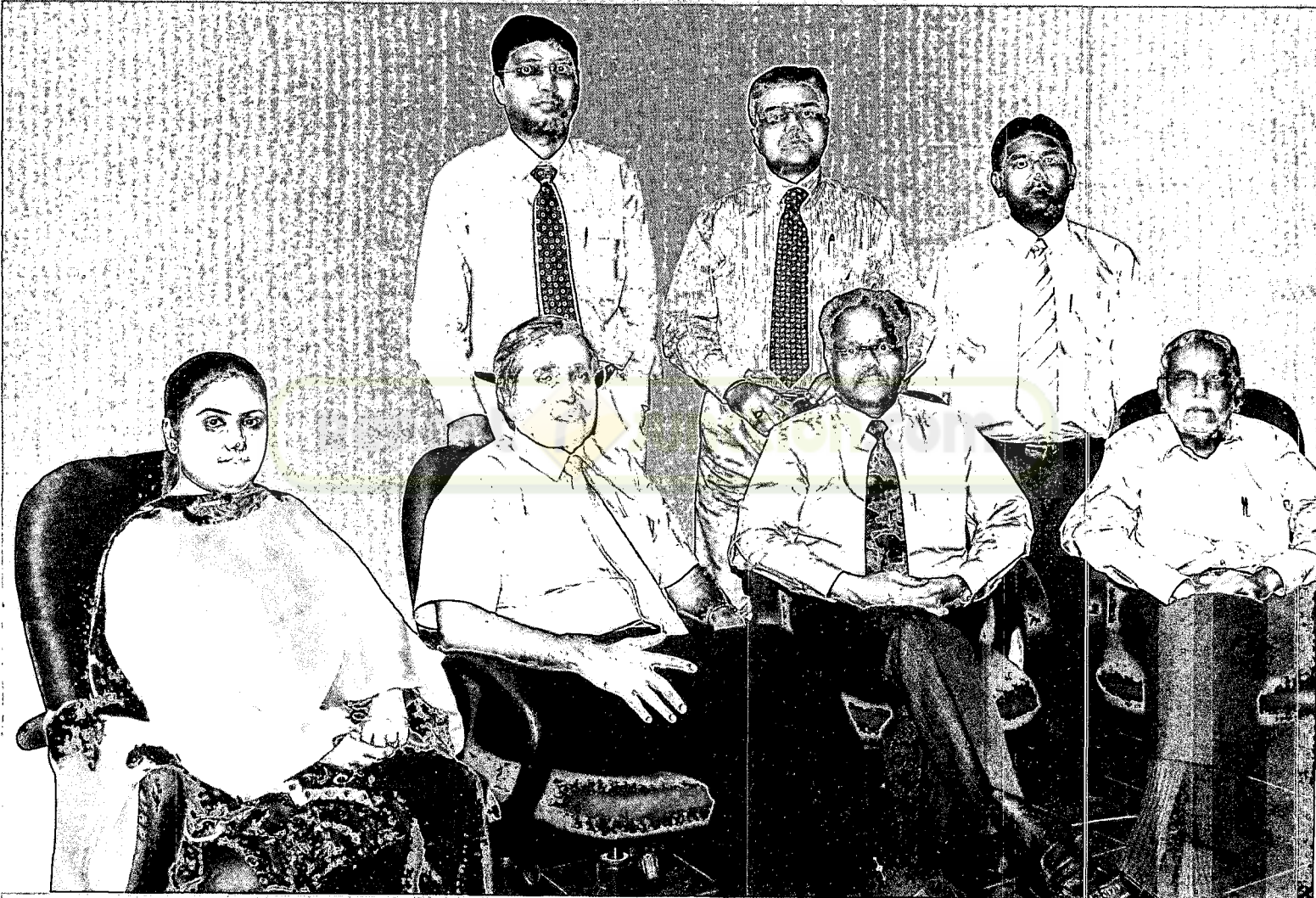
Commenced manufacturing of lead free PVC piping systems in India.





To grow economically, uplift the standards of living of employees,
better return on investments and a responsible entity in the society.

MANAGEMENT TEAM



(Standing left to right)

M. M. Vakil
President

Sandeep P. Engineer
Managing Director

Hiranand Savlani
Chief Financial Officer

(Sitting left to right)

Jagruti S. Engineer
Executive Director

Pradeep N. Desai
Independent Director

K. R. Shenoy
Chairman (Independent Director)

Bipin Mehta
General Manager (Administration)

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. K. R. Shenoy	Chairman (Independent Director)
	Mr. Sandeep P. Engineer	Managing Director
	Mrs. Jagruti S. Engineer	Executive Director
	Mr. Nimish G. Dalal	Non Executive Director
	Mr. Kyle A. Thompson	Non Executive Director
	Mr. Pradip N. Desai	Independent 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, 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, 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 - 400072.

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Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 12th Annual Report of the Company together with the audited statements of accounts for the year ended on March 31, 2008.

1. FINANCIAL HIGHLIGHTS

The financial results for the year are as follows:

(Rs. In Lacs)

Particulars	Financial Year	
	2007-2008	2006-2007
Net Sales/Income from Operations	13,581.52	9,691.79
Other Income	467.89	123.80
Total Income	14,049.41	9,815.59
Total Expenditure	11,512.15	8,329.69
Profit Before Depreciation, Interest and Tax	2,537.26	1,485.90
Interest	268.67	188.37
Depreciation	326.06	220.12
Profit Before Tax	1,942.53	1,077.41
Provision for Taxation	235.62	166.39
Net Profit for the year	1,706.91	911.02

2. DIVIDEND

Your Directors are pleased to recommend a dividend of Re 1/- per share for the year 2007-2008, 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. OPERATING RESULTS AND BUSINESS

We are pleased to inform you that the last year was an excellent year for your Company. Your Company has achieved Net Sales of **Rs. 13,581.52 Lacs** compared to **Rs. 9,691.79 Lacs** previous year which shows a growth of **40%**. The Cash Profit increased from **Rs. 1,131.25 Lacs** to **Rs. 2,032.97 Lacs** which shows a rise of **80%**. Inspite of competition from GI market and other polymer products, your Company has maintained its growth momentum. Similarly, Net Profit of the Company has increased from **Rs. 911.02 Lacs** to **Rs. 1,706.91 Lacs** which shows a robust rise of **87%**. The substantial increase in profitability is mainly due to increase in sales volume, interest income from unutilized IPO funds and forex gain.

Following the aggressive market penetration strategy and capitalizing on the favourable market factors, the Company is continuously increasing its production capacities. During the year, your Company has increased its production capacity under Phase-II of Expansion from **9,074 MT** to **11,800 MT**. Further, to take advantage of Government Policies and to strengthen its distribution network in the North East and to increase the bottom line, the management of your Company has continued its expansion activity for manufacturing various sizes of Fittings at Himachal Pradesh.

To increase the awareness of CPVC material, Lead Free PVC material and various new products which Company is planning to launch shortly, management of your Company is continuously sponsoring the training programs for Plumbers and sponsoring various Architect Meets and Builders Meets in various parts of the Country.

4. PROJECT EXPANSION

We are pleased to inform you that the expansion activities under the Phase – II are going on with full swing and as per projection. Considering the last years' performance, the capacity utilization and the demand for "ASTRAL" products in the market, management had decided to increase the production capacity up to **25,968 MT** per annum instead of originally planned upto **18,479 MT** per annum. The entire expansion program is expected to be completed by August 2008.

ASTRAL POLY TECHNIK LIMITED

We are planning to carry out commercial production under expansion project by September 2008. This will allow your Company to manufacture the new products range with full new capacity.

Due to upward revision of installed production capacity and enlargement of production facilities, there has been delay of 3 (Three) months in implementation of expansion project. However, the same would allow the Company to augment its production in uninterrupted manner in the years to come. The upward revision in expansion of production capacities, the Company has undertaken approximate additional capital cost of Rs.29 Crores. The additional capital cost shall be met with partly through strong internal cash accruals from operations and partly through long term debt from Banks. Your Company enjoys a very favorable Debt Equity Ratio to raise additional Debt to meet with the additional capital requirements. This will not require the Company to dilute any further equity to meet with additional capital cost.

5. AWARDS / RECOGNITION

Last year your Company has received the prestigious **"National Excellence Award for SME"** Instituted by Corporation Bank and in its journey towards achieving excellence, this year also your Company has been awarded **"Best Stall Design"** award at Plumbex India 2008 an International Exhibition on Plumbing and Allied Products, organized at Mumbai in February 2008, in which there were 80 exhibitors products, displayed from 19 Countries and more than 4000 quality footfalls. This shows the commitment of the Management in the business & strong brand prominence of **"ASTRAL"**.

6. 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.

7. CORPORATE GOVERNANCE

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

8. INSURANCE

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

9. 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 on a going concern basis.

10. DIRECTORS

Mr. K. R. Shenoy and Mr. Pradip N. Desai 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.

11. 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.

ANNUAL REPORT 2007-08**12. 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.

13. 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 provided in the Annexure-B to the Report.

14. ACKNOWLEDGMENTS

The Directors wish to place on record their appreciation for the devoted services of the workers, staff and the officers who have largely contributed to the smooth functioning of the Company. The Directors wish to thank Specialty Process LLC., U.S.A for the untiring technical and financial 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 5, 2008

K. R. Shenoy

Chairman

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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, 2008

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	47	B.E.(Chem.)	25.03.1996	Managing Director	23	30,00,000/-	N.A.
(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.

ASTRAL POLY TECHNIK LIMITED**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 :**

The Company is making continuous efforts for energy conservation. Effective measures have been taken to monitor consumption of energy during the process of manufacture.

(b) Additional investment and proposal for reduction of consumption of energy : NIL**(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		31.3.2008	31.3.2007
1. (a) Electricity			
(i) Purchase Unit		56,74,990	36,21,817
(ii) Total Amount (Rs.)		2,41,99,165	1,60,50,871
(iii) Rate/ Unit (Rs.)		4.26	4.43
(b) Own Generation			
(i) Through Diesel Generation (kWh)-			
LDO (Liter)		73,000	63,516
Total Amount (Rs.)		23,53,044	22,33,811
Average Rate (Rs. / Liter)		32.23	35.17
(ii) Through Steam Turbine Generator			
Unit		Nil	Nil
Unit per Ltr. of fuel			
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