

13th Annual Report

2008-09

one mission

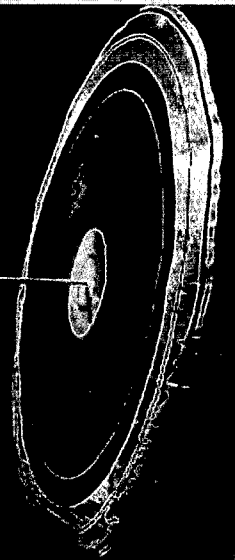
"To be the technology leader
in the piping industry"

three core values

Devotion • Dedication • Development

one strategic aim

"The endless growth"



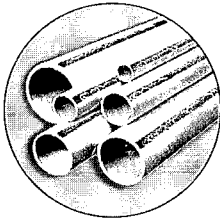
ASTRAL[®]
where INNOVATION flows



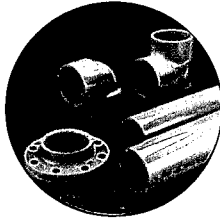
ASTRAL
where *INNOVATION* flows

THE BRANDS

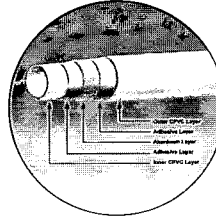
**ASTRAL
FLOWGUARD™**
CPVC PLUMBING SYSTEM FOR HOT & COLD WATER



**ASTRAL
CORZAN™**
INDUSTRIAL PIPING SYSTEMS



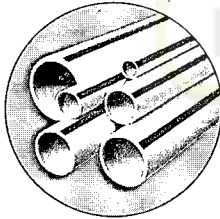
**FLOWGUARD™
BENDABLE**
COMPOSITE PVT



**ASTRAL
BlazeMaster™**
FINE SPRINKLER SYSTEMS



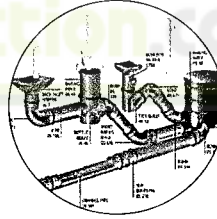
**ASTRAL
AQUARIUS™**
STANDARDS REDEFINED
UPVC PLUMBING SYSTEM FOR OUTER LOOP LINES



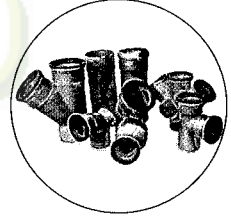
**ASTRAL
Aquatek™**
HIGH IMPACT ABS PIPING SYSTEMS



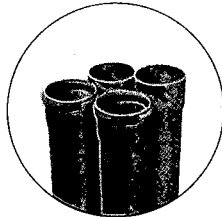
**ASTRAL
UNDER
GROUND**
DRAINAGE SYSTEMS



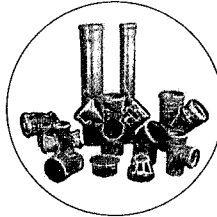
**ASTRAL
DWV™**
DRAIN WASTE & VENT
LEAK PROOF SYSTEM



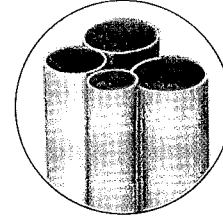
**ASTRAL
Foamcore™**
PVC PIPE
FOR DWV & UNDERGROUND SYSTEMS



**ASTRAL
ULTRADRAIN™**
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

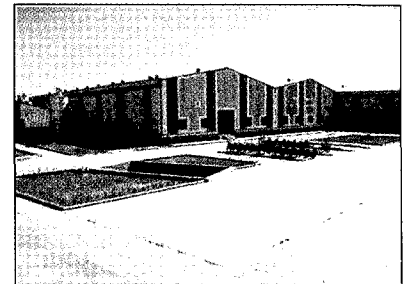


Sitting left to right

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	Chairman (Independent Director)
	Mr. Sandeep P. Engineer	Managing Director
	Mrs. Jagruti S. Engineer	Executive Director
	Mr. Pradip N. Desai	Independent Director
	Mr. Nimish G. Dalal	Non Executive Director
	Mr. Kyle A. Thompson	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.	



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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**. In spite 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

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ASTRAL POLY TECHNIK LIMITED

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

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ASTRAL POLY TECHNIK LIMITED**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.