

15th ANNUAL REPORT 2010-11



TEAMWORK MEANS SUCCESS



THE VISION



'Our aim is to be a leader in the Indian plastic industry while carrying our team along and maintaining world class quality, ethics, and working environments'

OPENING OF ASTRAL CORPORATE HOUSE



Key Highlights

(Rs. In Lacs)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Capacity (In M.T.)	9,074	11,800	25,968	30,867	48,432
Utilisation (In M.T.)	5,090	6,895	11,164	19,411	28,289
Sales	10,169.75	14,452.80	20,524.90	30,452.36	43,676.34
Less : Excise Duty	477.97	871.28	1,198.72	1,433.56	2,593.87
Net Sales	9,691.79	13,581.52	19,326.19	29,018.80	41,082.48
Other Income	57.43	352.26	542.69	223.63	396.85
Total Income	9,749.21	13,933.78	19,868.87	29,242.43	41,479.33
Operating Profit (PBIDT)	1,397.53	2,421.64	3,507.88	4,418.24	5,726.33
Interest	188.37	268.67	531.19	484.21	459.17
Gross Profit	1,209.16	2,152.97	2,976.69	3,934.04	5,267.16
Depreciation	220.24	326.06	617.49	860.43	1,071.92
Profit Before Tax & Exceptional Items	988.92	1,826.91	2,359.20	3,073.60	4,195.24
Exceptional Items (Exchange Gain/(Loss))	87.09	115.63	(733.67)	299.18	24.47
Profit Before Tax	1,076.02	1,942.53	1,625.53	3,372.78	4,219.71
Tax	164.99	234.49	165.02	557.34	795.21
Profit After Tax	911.03	1,708.05	1,460.51	2,815.45	3,424.50
Prior Year Adjustments	-	1.13	41.45	12.64	65.17
Net Profit	911.03	1,706.92	1,419.07	2,802.81	3,359.33
Paid Up Equity Capital	1,123.81	1,123.81	1,123.81	1,123.81	1,123.81
Reserve and Surplus *	5,169.78	6,740.85	8,028.46	10,568.78	13,633.79
Shareholders' Funds	6,293.59	7,864.65	9,152.26	11,692.59	14,757.60
Loans	2,447.63	3,215.52	3,903.35	4,040.06	4,072.47
Deferred Tax Liability (Net)	169.00	169.00	169.00	169.00	169.00
Capital Employed **	9,143.99	9,533.52	12,623.50	15,286.11	17,728.48
Gross Fixed Assets	3,646.72	5,008.53	9,372.32	11,121.16	13,798.70
Capital Work In Progress	107.26	1,715.76	601.15	615.54	1,270.60
Net Fixed Assets ***	2,957.48	3,993.24	7,763.31	8,662.67	10,279.80
Net Current Assets	5,845.41	5,540.12	4,854.92	6,618.17	7,439.16
Book Value (Rs.)	40.41	34.99	40.72	52.02	65.66
Earning Per Equity Share (Rs.) (Face value of Rs.5/- each)	5.85	7.59	6.31	12.47	14.95
Cash Earning Per Equity Share (Rs.) (Face value of Rs.5/- each)	7.26	9.05	9.06	16.30	19.72
Dividend (%)	-	10.00%	10.00%	20.00%	22.50%
ROACE % (PBIDT/Average Capital Employed)	18.60	22.44	26.09	25.50	28.20
PBIDT/Average Capital Employed	22.08	25.93	31.66	31.66	34.69
ROANW(%) (PAT/Average Net Worth)	23.06	24.11	16.68	26.89	25.40
Debt : Equity (Long Term Debt/Total Net Worth)	0.21	0.22	0.42	0.31	0.27
Debt : Equity (Total Debt/Total Net Worth)	0.39	0.41	0.43	0.35	0.28

* Excluding Revaluation Reserves and reducing Miscellaneous Expenditure.

** Excluding Revaluation Reserves, Miscellaneous Expenditure and Capital Work in Progress.

*** Excluding Revaluation Reserves and Capital Work in Progress.

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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

COMPANY SECRETARY Ms. Richa Jain

CHIEF FINANCIAL OFFICER (CFO) Mr. Hiranand A. 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.

IDBI Bank
Opp. Municipal Staff Quarters, Nr. Lal Bungalow,
Off. C.G. Road, Ahmedabad.

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

CORPORATE OFFICE "ASTRAL HOUSE"
207/1, B/h Rajpath Club, Off. S.G. Highway,
Ahmedabad-380 059, 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.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 15th Annual Report of the Company together with the Audited Statements of Accounts for the year ended on March 31, 2011.

1. FINANCIAL HIGHLIGHTS

The standalone Financial Results for the year are as follows:

(Rs. In Lacs)

Particulars	Financial Year	
	2010-11	2009-10
Net Sales/Income from Operations	41,082.47	29,018.80
Other Operating Income	64.23	80.40
Total Income	41,146.70	29,099.20
Total Expenditure	35,752.99	24,824.19
Profit Before Depreciation, Interest and Tax	5,393.71	4,275.01
Interest	459.17	484.21
Depreciation	1,071.92	860.43
Profit Before Exceptional Items	3,862.62	2,930.37
Other Non Operating (Income) Expenses/Exceptional Items	(357.09)	(442.41)
Profit Before Tax	4,219.71	3,372.78
Provision for Taxation (Including prior year adjustments)	860.38	569.98
Net Profit for the year	3,359.33	2,802.80

2. DIVIDEND

Your Directors are pleased to recommend a final Dividend of Re 0.625/- per Equity Share of Rs. 5/- each for the Financial Year 2010-2011, if approved by the Shareholders at the Annual General Meeting, in addition to the Interim Dividend of Re. 0.50/- per Share. The Dividend will absorb Rs. 140.48 Lacs in addition to the Interim Dividend of Rs. 112.38 Lacs paid during the year and the Dividend Distribution Tax payable by the Company will amount to Rs. 22.79 Lacs in addition to the Tax of Rs. 18.66 Lacs already paid on Interim Dividend.

3. FINANCIAL AND OPERATIONAL REVIEW

During the year under review, your Company has continued its growth momentum, and has crossed a landmark figure of Rs. 451.00 Crores in Sales (Gross). Net sales amounted to Rs. 410.82 Crores as compared to Rs. 290.19 Crores in the previous year, recording a growth of 42%. The EBITDA has increased by 26% from Rs. 42.75 Crores to Rs. 53.94 Crores and Net Profit has increased by 20% from Rs. 28.03 Crores to Rs. 33.59 Crores. Export Sales of your Company has also increased from Rs. 544.40 Lacs to Rs. 656.76 Lacs recording a rise of 21%.

4. PROJECT IMPLEMENTATION AND PERFORMANCE REVIEW

We are happy to inform you that due to continuous increase in the demand for the Company's Products, the Company has increased its capacity from 30,867 M.T. to 48,432 M.T. showing an increase of 57 % involving a Capex out flow of Rs.27 Crores. Further we are happy to inform you that during the year under review your Company was able to utilize its capacity to the tune of 28,289 M.T. which is 92% of the capacity as at the end of the last year.

As usual, our business was at its peak in the last quarter and we were able to utilize the new capacity which the Company added in the last quarter. The utilization in the last quarter was 9,867 M.T. as against the new quarterly capacity of 12,108 M.T. with an implicit utilization rate of 81%.

As indicated in our earlier Reports, your Company has launched a few new Products like SWR, Under Ground, Foam Core pipes & Fitting along with the Manholes in the Indian market which have evoked good response. Your Company has introduced these new Products in the selected segments of the market. Your Company proposes to gradually extend the market coverage of these Products in the days ahead. This has also

contributed a lot to capacity utilization during the year under review and will further help us to improve capacity utilization once we open all the Products on PAN India basis.

During the year under review, the Company's Joint Venture unit "ASTRAL TECHNOLOGIES LIMITED" in Kenya has also started production and your Company expects that it would contribute to the growth of revenue of your Company in the year 2011-12.

5. CREDIT RATING

During the year under review, the Company has been able to maintain the following Credit Ratings from CRISIL for its various Bank facilities.:

Sr. No.	Facility	Rating
1	Cash Credit Limit	A/Stable
2	Long Term Loan	A/Stable
3	Letter of Credit	P1
4	Bank Guarantee	P1

6. INVESTMENT IN JOINT VENTURE COMPANY IN KENYA

During the current year, the Company has further invested Rs.111.36 Lacs in Kenyan Joint Venture Company "ASTRAL TECHNOLOGIES LIMITED". Hence the Company's total investment in Kenyan JV is Rs.193.02 Lacs.

Since the Company has already started production during the current year, the revenue growth will be seen from current year onwards.

7. SUBSIDIARY COMPANIES

Astral Biochem Private Limited: During the year under review, there was no activity in the said Subsidiary Company.

Advanced Adhesives Limited: During the year under review, your Company has acquired 85% stake in the said Subsidiary which will start production of Solvent Cement used for joining the pipes and fittings.

At present the Solvent Cement is imported by your Company from IPS Corporation, a USA based Company. Advanced Adhesives Limited has entered into an agreement with IPS Corporation for manufacturing Solvent Cement in India. Machinery has already been installed and production is expected to commence in Q3.

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 Subsidiary Companies appended to the above statement under Section 212 of the Companies Act, 1956 in this Annual Report, for further information on the Subsidiaries.

The Consolidated Financial Statements, in terms of Clause 32 of the Listing Agreement and in terms of Accounting Standard 21 issued by the Institute of Chartered Accountants of India (ICAI) also form part of this Annual Report.

9. MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Management Discussion and Analysis Statement which is required under the Listing Agreement with the Stock Exchanges 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

Mr. Nimish G. Dalal and Mr. Kyle A. Thompson, the Directors of the Company 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 Corporate Governance Report which is given in Annexure C to the Directors' Report.

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 provided 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 provided in the Annexure-B to the Report.

17. ACKNOWLEDGMENTS:

Your Company has maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinted 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 technical and financial support extended to the Company throughout the journey of the Company. The Management would like to express its deep appreciation for the support extended by Corporation Bank, Standard Chartered Bank, IDBI Bank and other agencies working with the Company.

For, Astral Poly Technik Limited

For, Astral Poly Technik Limited

Sandeep P. Engineer
Managing Director

Jagruti S. Engineer
Executive Director

Place: Ahmedabad
Date: May 20, 2011