



ASTRAL[®]

where INNOVATION flows



TEAM WORK



GROWTH



INNOVATION



EXCELLENCE

18TH ANNUAL REPORT 2013-14

AWARDS & RECOGNITION



“

EY Entrepreneur of The Year Award 2013

”



THE VISION

“

With continuous growth in Indian infrastructure, Astral always introduce new innovative and cost effective products for its share.

Our vision shall always to be one of the leading companies for the products & services to our customers, shareholders and community.

Astral will approach the future with great enthusiasm and optimism.

”

MANUFACTURING FACILITIES

Ahmedabad, Gujarat.



Baddi, Himachal Pradesh.



Hosur, Tamilnadu.



Dholka, Gujarat.



Key Highlights

(₹In Lacs)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Capacity (In M.T.)	30,867	48,432	65,496	77,212	97,164
Utilisation (In M.T.)	19,411	28,289	38,824	49,495	60,400
Sales	30,452.36	43,676.35	62,221.01	89,876.36	1,17,067.23
Less : Excise Duty	1,433.56	2,593.87	4,289.20	7,784.23	9,787.25
Net Sales	29,018.80	41,082.48	57,931.81	82,092.13	1,07,279.98
Other Operating Income	80.40	64.28	189.85	11.64	41.20
Total Income	29,099.20	41,146.76	58,121.66	82,103.77	1,07,321.18
Operating Profit (PBITD)	4,275.01	5,663.42	8,372.83	11,357.13	15,574.81
Non Operating Income	143.23	62.62	199.93	189.41	207.35
Interest	484.21	459.17	655.46	692.46	821.36
Gross Profit	3,934.04	5,266.87	7,917.30	10,854.08	14,960.80
Depreciation	860.43	1,071.92	1,337.75	1,766.60	2,132.85
Profit Before Tax & Exceptional Items	3,073.60	4,194.95	6,579.54	9,087.48	12,827.95
Exceptional Items (Exchange Gain/(Loss))	299.18	24.47	(1,542.97)	(1,296.02)	(2,690.28)
Profit Before Tax	3,372.78	4,219.42	5,036.57	7,791.46	10,137.67
Tax	557.34	794.97	992.62	1,736.00	2,386.68
Profit After Tax	2,815.45	3,424.45	4,043.95	6,055.46	7,750.99
Prior Year Adjustments	12.64	65.17	68.48	103.42	30.48
Net Profit	2,802.81	3,359.28	3,975.46	5,952.04	7,720.51
Paid Up Equity Capital	1,123.81	1,123.81	1,123.81	1,123.81	1,123.81
Reserve and Surplus *	10,568.78	13,633.80	17,315.39	22,939.60	30,232.80
Shareholders' Funds	11,692.59	14,757.60	18,439.20	24,063.41	31,356.61
Loans	4,040.06	3,113.37	6,354.89	6,305.89	7,856.27
Deferred Tax Liability (Net)	169.00	169.00	169.00	875.91	1,306.13
Capital Employed **	15,286.11	17,230.14	23,725.92	30,115.85	40,243.79
Gross Fixed Assets	11,121.16	13,798.71	20,236.72	27,032.03	36,358.91
Capital Work In Progress	615.54	809.84	1,237.18	1,129.37	285.33
Net Fixed Assets ***	8,662.67	10,400.96	15,505.43	20,429.02	27,642.77
Net Current Assets	6,618.17	5,791.00	7,228.58	8,209.63	9,998.61
Book Value (₹)	20.81	26.26	32.82	42.82	55.80
Earning Per Equity Share (₹)	4.99	5.98	7.08	10.59	13.74
Cash Earning Per Equity Share (₹)	6.52	7.89	9.46	13.74	17.54
Dividend (%)	20.00%	22.50%	22.50%	25.00%	32.50%
ROACE % (PBIT/Average Capital Employed)	24.47	28.24	34.35	35.62	38.21
PBITD/Average Capital Employed	30.63	34.83	40.89	42.19	44.27
ROANW(%) (PAT/Average Net Worth)	26.89	25.40	23.95	28.01	27.86
Debt : Equity (Long Term Debt/Total Net Worth)	0.31	0.30	0.48	0.37	0.38
Debt : Equity (Total Debt/Total Net Worth)	0.35	0.21	0.34	0.26	0.25

* 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.

Figures of financial year 2010-11, 2011-12, 2012-13 & 2013-14 are as per Revised Schedule VI.

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COMPANY INFORMATION

CIN : L25200GJ1996PLC029134

E-Mail : co@astralcpvc.com

Tel No. : +91 79 66212000

Website : www.astralcpvc.com

Fax No. : +91 79 66212121

BOARD OF DIRECTORS

K.R. Shenoy
Chairman
(Independent Director)

Sandeep P. Engineer
Managing Director

Jagruti S. Engineer
Executive Director

Pradip N. Desai
Independent Director

Kyle A. Thompson
Non Executive Director

COMPANY SECRETARY

Zankhana V. Trivedi

CHIEF FINANCIAL OFFICER (CFO)

Hiranand A. Savlani

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells,
Chartered Accountants
'Heritage', 3rd Floor,
Near Gujarat Vidhyapith,
Off Ashram Road,
Ahmedabad-380 014,
Gujarat, India.

OUR BANKERS

Corporation Bank
Standard Chartered Bank
HDFC Bank Limited
IDBI Bank Limited
IndusInd Bank

REGISTERED & CORPORATE OFFICE

"ASTRAL HOUSE"
207/1, B/h Rajpath Club,
Off. S.G. Highway,
Ahmedabad-380 059,
Gujarat, India.
Ph.No.: +91 79 66212000
Fax No.: +91 79 66212121

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072
Ph. No.: +91 22 40430200
Fax No.: +91 22 28475207

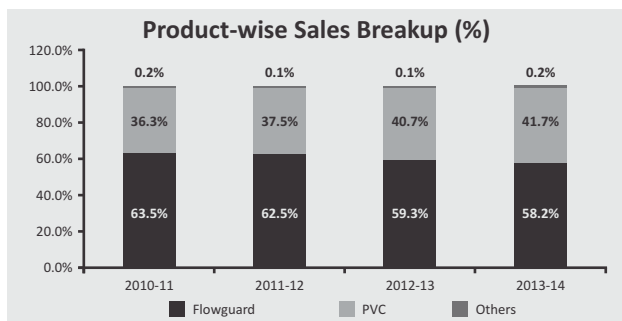
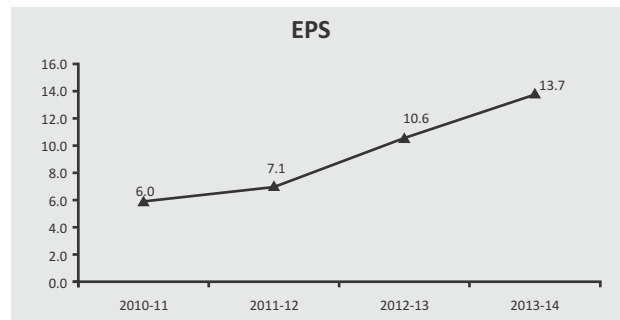
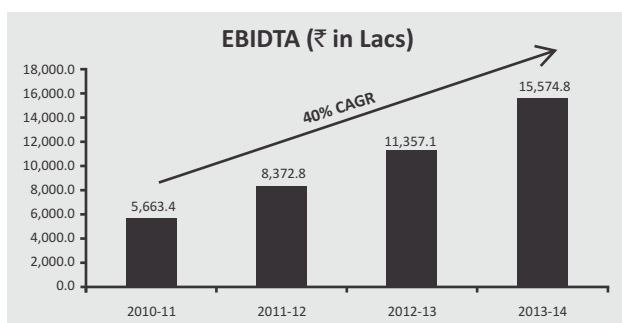
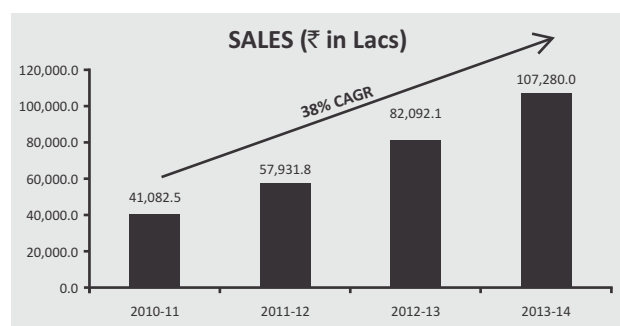
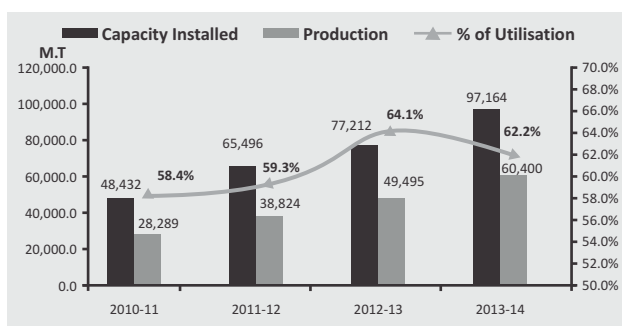
FACTORY LOCATION

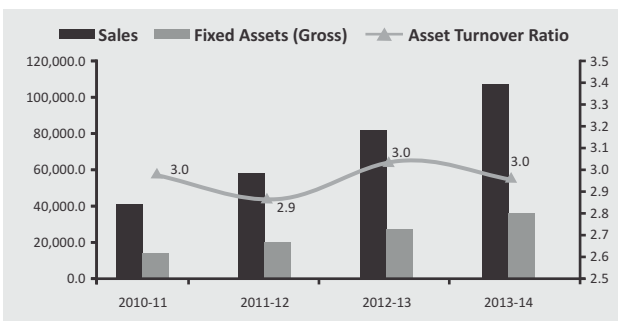
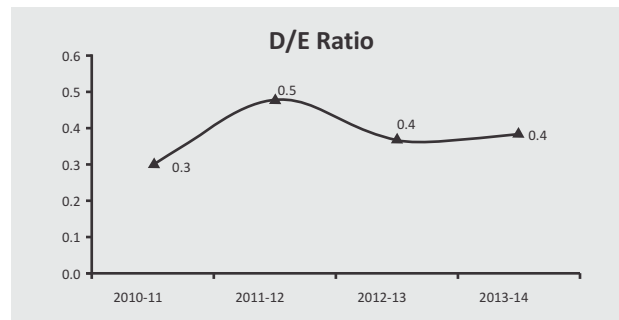
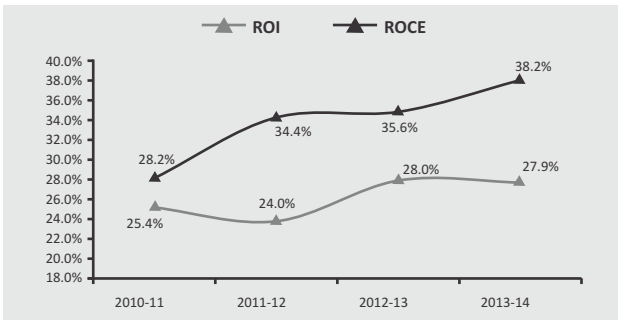
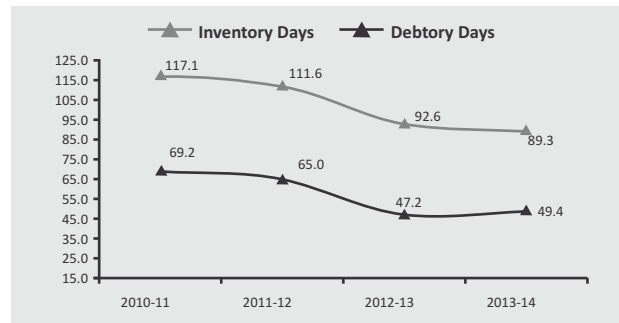
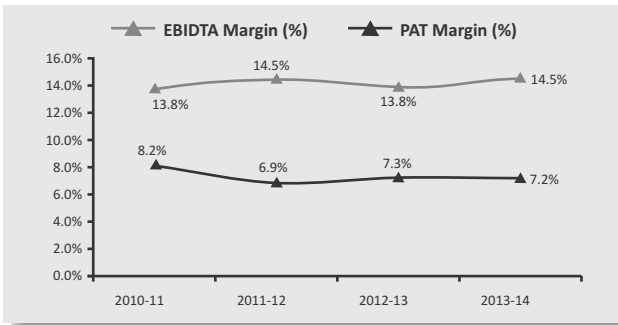
1. Santej (Gujarat)
2. Dholka (Gujarat)
3. Baddi (Himachal Pradesh)
4. Hosur (Tamilnadu)

BRANCH OFFICES

1. New Delhi
2. Mumbai (Maharashtra)
3. Secunderabad (Telangana)
4. Chennai (Tamilnadu)
5. Bangalore (Karnataka)
6. Jaipur (Rajasthan)
7. Lucknow (Uttar Pradesh)

Key Financial Highlights 2013-14





Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the **18th Annual Report** of the Company together with the Audited Statements of Accounts for the year ended on 31st March, 2014.

1. FINANCIAL HIGHLIGHTS

The Standalone Financial Results for the year ended on 31st March, 2014 are as follows: (₹ In Lacs)

Particulars	Financial Year	
	2013-14	2012-13
Net Sales/Income from Operations	1,07,279.98	82,092.13
Other Operating Income	41.20	11.64
Total Income	1,07,321.18	82,103.77
Total Expenditure	91,746.37	70,746.64
Profit Before Depreciation, Interest and Tax	15,574.81	11,357.13
Finance Cost	821.36	692.46
Depreciation	2,132.85	1,766.60
Profit Before Exceptional Items	12,620.60	8,898.07
Other Non-Operating (Income) Expenses/Exceptional Items	2,482.93	1,106.61
Profit Before Tax	10,137.67	7,791.46
Provision for Taxation (Including Prior Year Adjustment)	2,417.16	1,839.42
Net Profit for the year	7,720.51	5,952.04

2. DIVIDEND

- During the year under review, Interim Dividend of ₹ 0.25 per share was declared and paid.
- The Board of Directors of the Company has recommended a Final Dividend of ₹ 0.40 per share for the FY 2013-2014 subject to the approval of the members at the ensuing Annual General Meeting. The Final Dividend, if approved, will be paid to the eligible members within the period stipulated by the Companies Act, 2013.
- The Final Dividend will absorb ₹ 224.76 Lacs in addition to the Interim Dividend of ₹ 140.48 Lacs paid during the year under review and the Dividend Distribution Tax payable on Final Dividend by the Company will amount to ₹ 38.20 Lacs in addition to the Dividend Distribution Tax of ₹ 23.87 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 land mark figure of ₹ **1,170.67** Crore in Sales (Gross).
- Net Sales has increased by **31%** from ₹ **820.92** Crore to ₹ **1,072.80** Crore.
- The EBIDTA has increased by **37%** from ₹ **113.57** Crore to ₹ **155.75** Crore.
- Net Profit has increased by **30%** from ₹ **59.52** Crore to ₹ **77.21** Crore.
- Export Sales has increased by **153.84%** from ₹ **7.54** Crore to ₹ **19.14** Crore.
- Earnings per share (basic) amounted to ₹ **10.59** per Share in previous year has increased to ₹ **13.74** per Share in Current year.

4. PROJECT IMPLEMENTATION AND PERFORMANCE REVIEW

- During the year under review, your Company has increased its installed capacity by **26%** from **77,212** M.T. to **97,164** M.T. by creating an additional Capacity at its Hosur manufacturing Unit involving a Capex outflow of ₹ **21.59** Crore. The Company has utilized its capacity to the tune of **60,400** M.T. as against the last year's figure of **49,495** M.T. which shows a growth of **22%**.
- During the year under review, your Company has commenced the Commercial production and sales at its new manufacturing facility at Hosur, Tamilnadu.

- During the year under review, the Company has incurred a Capital Expenditure to the tune of ₹ 24.28 Crore towards the purchase of Land situated at Hosur and Dholka and balance ₹ 69.42 Crore towards the Plant & Machinery, Factory Building and Other Capital Expenditure.
- During the year under review, the Company has launched **Agri Pipe Products** in Domestic Market.
- During the year under review, “**The Bureau of Indian Standards**” (BIS) has granted BIS Certification Marks Licence No. CM/L-2865777 as per IS 16088:2012 to your Company's new Product Blaze Master for Fire sprinkler system. Your Company is the first Licensee Company in India to be allotted the Licence for its Product “**BlazeMaster**” for the Fire sprinkler system using CPVC Polymer.

5. SUBDIVISION OF EQUITY SHARES

During the year under review, your Company has subdivided its Equity Shares bearing the face value of ₹ 5/- (Rupees Five only) each into fully paid up Equity Shares bearing the face value of ₹ 2/- (Rupees Two only) each fully paid.

6. CREDIT RATING

During the year under review, your Company has been able to maintain its Credit Rating with CRISIL even under difficult environment of the Indian Economy.

Sr. No.	Facility	Rating
1	Cash Credit Limit	A+/Stable
2	Long Term Loan	A+/Stable
3	Letter of Credit	A1
4	Bank Guarantee	A1

7. INVESTMENT IN JOINT VENTURE COMPANY IN KENYA

During the year under review, **Astral Technologies Limited**, a Joint Venture Company of your Company in Kenya has changed its name to “**Astral Pipes Limited**” vide Certificate of change of name dated 19th August, 2013 issued by the Registrar of Companies, Nairobi, Kenya.

Further, during the year under review, the Kenya Joint Venture Company “**Astral Pipes Limited**” has increased its capacity from 3,000 M.T. to 6,000 M.T..

8. 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, Income from operations amounted to ₹ 2,298.53 Lacs as compared to ₹ 1,238.48 Lacs in the Previous Year. The Net Profit amounted to ₹ 255.40 Lacs as compared to ₹ 243.91 Lacs reported in the Previous Year.

9. CONSOLIDATED FINANCIAL STATEMENTS

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.

10. 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.

11. CORPORATE GOVERNANCE

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

12. INSURANCE

The Fixed Assets and Stocks of the Company are adequately insured.

13. FIXED DEPOSITS

Your Company has not accepted any Fixed Deposits as defined under Section 58A of the Companies Act, 1956 or Section 73 of the Companies Act, 2013 and rules framed thereunder.

14. 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.

15. DIRECTOR RETIRING BY ROTATION

Pursuant to Article 157 of the Articles of Association of the Company, Mr. Kyle Thompson is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The requisite particulars in respect of Director seeking reappointment are furnished in Corporate Governance Report which is given in **Annexure-C** to the Directors' Report.

16. RE-APPOINTMENT OF STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, the Statutory Auditors of the Company hold Office as Statutory Auditors till the conclusion of the ensuing Annual General Meeting as per the Provisions of the Companies Act, 1956.

Statutory Auditors have given their certificate under Section 139 (1) of the Companies Act, 2013 and have also expressed their willingness to continue to hold Office for a period of 3 years from conclusion of the ensuing General Meeting.

17. 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.

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

The particulars under Section 217(1)(e) of the Companies Act, 1956 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.

19. ACHIEVEMENTS

During the year under review, your Company has received the following **Awards** :

- (i) Your Company has been awarded **"Business Standard Star SME of the year 2013 Award"**. The Growth story of the Company with its continuous expansion and scaling up its Production Capacity has impressed the Jury which led to your Company winning this Award.
- (ii) Your Company has been awarded **"Inc. India Innovative 100 – for the year 2013 Award"**. It was presented by Shri Prithwiraj Choudhury, Assistant Professor, Harvard Business School at a function held at New Delhi. The award was in recognition of smart innovation by Small & Mid-Sized Companies in India.
- (iii) Your Company has been awarded Trophy for being a **"Finalist in Top 15 out of 350 Nominees for the EY Entrepreneur of the year Award, 2013"**. The Award celebration was hosted at New Delhi.

20. 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 its journey. Your Directors take this opportunity to place on record their sense of gratitude for the Banks, Financial Institutions, Central and State Government Departments, their Local Authorities and other agencies working with the Company for their guidance and support.

For, Astral Poly Technik Limited

Sandeep P. Engineer

Managing Director

Place : Ahmedabad

Date : July 18, 2014

For, Astral Poly Technik Limited

Jagruti S. Engineer

Executive Director

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, as amended and forming part of the Directors' Report for the year ended 31st March, 2014.

Sr. No.	Name	Age	Qualification	Date of Commencement of Employment	Designation/ Nature of Duties	Experience in Years	Remuneration (₹ in Lacs)	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 ₹60,00,000/- p.a.								
1	Mr. Sandeep P. Engineer	53	B.E. (Chemical)	25.03.1996	Managing Director	30 Years	221.34	NA
(B) Employed for a part of the year and was in receipt of remuneration which in the aggregate was not less than ₹5,00,000/- p.m.								
----- NA -----								

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 your 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. Continuous monitoring and awareness amongst employees has helped to avoid wastage of energy.

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

The Company has installed –

- Harmonics Filtration Panel for Extruder Machine to reduce high Amp and Kwh.
- Insulated jacketed heater in some injection molding machine which can save 30% energy as against the normal heater.
- Timer base circuit in all streets light.
- LED based street light to reduce energy consumption.
- Thyristor base extrusion panel instead of contactor base to reduce heating consumption.
- The Company had reduced diesel consumption and frequency of power failure by laying separate cable and installing separate feeder in UGVCL sub station.

(c) Impact of the above measures:

The Company has achieved both reduction in consumption of energy and subsequently reduction in cost of production of goods.

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

i. Power & Fuel Consumption		2013-14	2012-13
1. (a) Electricity			
(i) Purchase (Unit)		3,15,26,577	2,55,51,938
(ii) Total Amount (₹ in Lacs)		1,971.92	1,870.16
(iii) Rate/ Unit (₹)		6.25	7.32
(b) Own Generation			
(i) Through Diesel Generation (kWh)-			
LDO (Ltrs)		1,13,367	1,33,000
Total Amount (₹ in Lacs)		64.21	62.46
Average Rate (₹/Ltrs)		56.64	46.96
(ii) Through Steam Turbine Generator		Nil	Nil
Unit			
Unit per Ltr. of fuel			
Oil/Gas cost per Unit			
2. Coal and Lignite		Nil	Nil
(i) Quantity (Tones)			
(ii) Total cost (₹)			
(iii) Average Rate (₹/Tones)			
3. Furnace Oil		Nil	Nil
(i) Quantity (Ltrs)			
(ii) Total Cost (₹)			
(iii) Average Rate (₹/Ltrs)			
4. Other/Internal Generation		Nil	Nil
(i) Fuel			
Quantity (K. Ltrs)			
Total Cost (₹)			
Rate/K. Ltr. (₹)			
(ii) L. P. G.			
Quantity (Kgs.)			
Total Cost (₹)			
Rate/Kg (₹)			

ii. Consumption Per Unit of Production	Standard	2013-14	2012-13
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 and standardise	-	-
2. Furnace Oil (Ltrs)	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 & D was carried out by your Company**

Your Company lays considerable emphasis on quality maintenance and product enhancement. The Company is continuously trying to develop more and more products in its R & D Center. During the year under review, your Company has spent ₹14.27 Lacs for its ultramodern R & D center at its Plant located at Santej-near Ahmedabad and the Company now is in a position to carry out a lot of R & D activities in-house.

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

Your Company's efforts in quality maintenance and product enhancement have resulted in development of products which provide better quality at a lower cost of production. Further, your Company will be eligible for Export of these approved products to the developed markets.

3. Future plan of action

Your Company will continue to exercise utmost care in maintaining the quality of its products and will endeavour to upgrade the Products and their range.

4. Expenditure on R & D

Your Company is regularly incurring R & D expenses. During the year under review, your Company has spent ₹ 46.41 Lacs on R & D expenses and the cost of equipment purchased for R & D is shown under the head of Plant & Machineries and Laboratory Equipment. The said expenditures are tabled below:

(₹ in Lacs)	
Expenditure on R & D	2013-14
(a) Capital Expenditure	32.14
(b) Revenue Expenditure	14.27
Total (a+b)	46.41
(c) Total R & D expenditure as a percentage of turnover	0.04%

Technology Absorption, Adaptation and Innovation

Your Company is using the latest technology of Extrusion Machine imported from Theysohn Extrusionstechnik GmbH, Austria and Ferrometiek Milacron for Injection Moulding, based on morden technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO**Total Foreign Exchange Used and Earned (₹ in Lacs)**

Particulars	2013-14	2012-13
(a) Total Foreign Exchange Used	38,471.29	28,127.98
(b) Total Foreign Exchange Earned	1,913.72	754.06

For, Astral Poly Technik Limited

For, Astral Poly Technik Limited

Sandeep P. Engineer
Managing Director

Jagruti S. Engineer
Executive Director

Place : Ahmedabad
Date : July 18, 2014

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 the above in mind, your Company is fully committed to conduct its affairs in a fair and transparent manner and to enhance Shareholders 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 your Company consists of 5(Five) Directors as on 31st March, 2014, out of which 2(Two) are Executive Directors and 3(Three) 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 entered into with 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 31st March, 2014 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/Investors' Grievance Committees	Membership in other Committees	Chairmanship in Audit/Investors' Grievance Committees	Chairmanship in other Committees
Mr. K. R. Shenoy	Independent Chairman	1	2	2	2	2
Mr. Sandeep P. Engineer	Managing Director	5	2	-	-	-
Mrs. Jagruti S. Engineer	Executive Director	4	-	-	-	-
Mr. Kyle A. Thompson	Non Executive Director	1	-	-	-	-
Mr. Pradip N. Desai	Independent Director	3	2	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 2013-2014

During the Financial Year 2013-2014, the Board of Directors of your Company met 6 (Six) times on **20/05/2013, 05/08/2013, 01/11/2013, 07/12/2013, 08/01/2014 and 05/02/2014.**

Dates of Board Meetings and Attendance at the Board Meetings and the last Annual General Meeting

The Board of Directors met 6(Six) times in the Financial Year 2013-2014 and the details of attendance of each Director at Board Meetings held in Financial Year 2013-2014 and the last Annual General Meeting are as under:

Name of Director	Dates of Board Meetings and Attendance of each director at Board Meetings							Attendance at the last AGM held on August 5, 2013
	20/05/2013	05/08/2013	01/11/2013	07/12/2013	08/01/2014	05/02/2014	Total No. of Board Meetings Attended	
Mr. K. R. Shenoy	Yes	Yes	Yes	No	No	Yes	4	Yes
Mr. Sandeep P. Engineer	Yes	Yes	Yes	Yes	Yes	Yes	6	Yes
Mrs. Jagruti S. Engineer	Yes	Yes	Yes	Yes	No	Yes	5	Yes
Mr. Kyle A. Thompson	No	No	No	Yes	Yes	No	2	No
Mr. Pradip N. Desai	Yes	Yes	Yes	No	No	Yes	4	Yes

Code of Conduct for Board & Senior Management Personnel

Your Company has 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 has been included in this Report. The Code has been posted on your Company's website www.astralcpvc.com.

Profile of Director seeking appointment / re-appointment**(a) Mr. Kyle A. Thompson**

Aged 53 years, is an Associate in Electronics from United States of America. He was a Director in Thompson Plastics Inc., a CPVC manufacturing Company, situated at USA, promoted by his father Mr. Bernard Thompson.

He has been actively involved with your Company since 1997 and has contributed significantly for technology tie-ups and product development and upgradation.

3. COMMITTEES OF BOARD**(i) AUDIT COMMITTEE****Terms of Reference**

The broad terms of reference of the Audit Committee include the following as has been mandated in Clause 49 of Listing Agreement and Section 177 of Companies Act, 2013:

- 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 Directors' 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 the 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 investigation 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 are 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 2013-2014, the Audit Committee met 4 (Four) times on **20/05/2013, 05/08/2013, 01/11/2013 and 05/02/2014**.

The composition of the Audit Committee as on 31st March, 2014 and the attendance of the members in the meetings held during the Financial Year 2013-2014 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	4

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 are to supervise and ensure the following:

1. Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of Shares and Debentures;
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's 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 a Non-Executive Independent Director. During the Financial Year 2013-2014, Investors' Grievance Committee met 4 (Four) times on **20/05/2013, 05/08/2013, 01/11/2013 and 05/02/2014**.

The composition of the Investors' Grievance Committee as on 31st March, 2014 and attendance of the members in the meetings held during the Financial Year 2013-2014 is 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	4

Name and Designation of Compliance Officer

Ms. Zankhana V. Trivedi, Company Secretary, is the Compliance Officer of the Company.

Status of Investors' Complaints

The status of Investors complaints as on 31st March, 2014 is as follows :

Number of complaints as on April 01, 2013	Nil
Number of complaints received during the year ended on March 31, 2014	5
Number of complaints resolved up to March 31, 2014	5
Number of complaints pending as on March 31, 2014	Nil

The complaints received were mainly in the nature of non-receipt of Annual Report and non-receipt of dividend warrants. 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, 2014.

4. GENERAL BODY MEETINGS

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

Financial Year	Date Time Venue
2012-2013	August 5, 2013 at 11.00 a.m. at Rajpath Banquet Hall, Rajpath Club, S.G. Highway, Ahmedabad-380059.
2011-2012	August 13, 2012 at 11.00 a.m. at Rajpath Banquet Hall, Rajpath Club, S.G. Highway, Ahmedabad-380059.
2010-2011	August 4, 2011 at 11.00 a.m. at Rajpath Banquet Hall, Rajpath Club, S.G. Highway, Ahmedabad-380059.

Details of Special Resolutions passed in Previous Three AGMs.

Details of the Special Resolutions passed in last three Annual General Meetings are as follows :

Financial year	Particulars of Special Resolutions passed
2012-2013	Nil
2011-2012	Appointment of Mr. Kairav S. Engineer, Son of Mr. Sandeep Engineer and Mrs. Jagruti Engineer, the Directors of the Company, as the Manager- Business Development of the Company.
2010-2011	Revision in remuneration payable to Relative of the Executive Director of the Company.

The Company was not required to pass any Resolution by means of Postal ballot during the Financial Year 2013-2014.

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 2013-2014.

5. DISCLOSURES
(a) Disclosure on materially significant related party transactions

There were some related party transactions during the Financial Year 2013-2014 and 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 to the accounts of the 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 20, 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 2014-2015.

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 2013-2014.

(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 implementation of the risk assessment and minimization procedures is an ongoing progress and the Board members are periodically informed of the status.

(e) Details of remuneration and pecuniary benefits to the Directors

(₹ In Lacs)

Name of the Director	Salary	Perquisites	Sitting Fees	Others	Total
Mr. K.R. Shenoy	-	-	-	2.00	2.00
Mr. Sandeep P. Engineer	119.04	-	-	102.30	221.34
Mrs. Jagruti S. Engineer	29.50	-	-	-	29.50
Mr. Kyle A. Thompson	-	-	-	-	-
Mr. Pradip N. Desai	-	-	-	-	-
Total	148.54	-	-	104.30	252.84

Notes:

- There are no pecuniary relationships or transactions of the Non-Executive Directors Vis-à-Vis Company as mentioned above.
- The Board of Directors of the Company on the recommendations of the Remuneration Committee of the Board at its meeting held on 5th February, 2014 has approved the reappointment of Mrs. Jagruti Engineer as an Executive Director of the Company w.e.f. 1st May, 2014 for a further period of 3 years subject to the approval of the members of the Company at the ensuing Annual General Meeting of the Company.
- The Members of the Company at its Annual General Meeting held on 13th August, 2012 had approved the reappointment of Mr. Sandeep Engineer as the Managing Director of the Company w.e.f. 1st February, 2012 for a period of 3 years.
- The Managing Director shall be entitled to an incentive payment at the rate of 1% (One percent) of Net Profits of the Company in addition to the salary, increment and reimbursement of expenses, if the Company registers an increase in Net Profits by 15% (Fifteen percent) or more in that year as compared to the Net Profits of the previous accounting year, which is applicable from the Financial year 2012-2013.

None of the Directors except the Managing Director shall be entitled to such an Incentive.

5. Your Company has a Service Contract with-
- Mr. Sandeep Engineer, the Managing Director of the Company from 1st February, 2012 to 31st January, 2015 and said Contract may be terminated by issuing a written notice of 90 days by the party terminating the office to the other party. In the event of termination of office of Managing Director before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 202 of the Companies Act, 2013. The said Contract is renewable.
 - Mrs. Jagruti Engineer, the Executive Director of the Company from 1st May, 2014 to 30th April, 2017. There is no provision regarding Termination of Contract and Severance Fees. The said Contract is renewable.
6. No Stock Option Schemes have been introduced by the Company.
7. The shareholding of Directors as on 31st March, 2014 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	1,18,35,705	21.06
3	Mrs. Jagruti S. Engineer	45,71,705	8.14
4	Mr. Kyle A. Thompson	Nil	Nil
5	Mr. Pradip N. Desai	1,92,855	0.34

(f) Certification from CEO and CFO

The requisite certificate from the Managing Director and Chief Financial Officer of the Company required to be given under Clause 49(V) was placed before the Board of Directors of the Company at its Meeting held on 3rd May, 2014 and Mr. Sandeep P. Engineer, Managing Director and Mr. Hiranand A. Savlani, Chief Financial Officer of the Company, have certified to the Board that:

- They have reviewed the Financial Statement and the Cash Flow Statement for the year 2013-2014 and that to the best of their knowledge and belief :
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- There are, to the best of their 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.
- They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- They have indicated to the Auditors and the Audit Committee :
 - significant changes in internal control over financial reporting during the year;
 - significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 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.

g) 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.

(h) Whistle Blower Policy

The Company does not have a Whistle Blower Policy. (The same is being drafted and shall be made effective at the earliest possible)

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 Newspaper "The Economic Times" in English and Local Language, i.e. Gujarati editions.

(b) Posting of information on the website of the Company / Stock Exchanges

- The Quarterly / Annual Results of the Company, Shareholding pattern, Code of Conduct for Board and Senior Management of the Company are displayed on the Company's website www.astralcpvc.com.
- The official news releases of the Company are displayed on the websites of BSE & NSE.
- The Presentations made to Institutional Investors/Analysts are displayed on the Company's website www.astralcpvc.com.

7. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report is provided as **Annexure-D** to the Director's Report.

8. GENERAL SHAREHOLDERS' INFORMATION

(a) Annual General Meeting (Proposed): Eighteenth Annual General Meeting:

Day and date	August 25, 2014
Time	11.00 a.m.
Venue	The Rajpath Banquet Hall, Rajpath Club, S.G. Highway, Ahmedabad-380 059

(b) Financial Year 2014-2015

Financial Year	April 1 to March 31
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(c) Board Meetings for approval of Quarterly Results

Quarter	Tentative Date of Board Meeting [F.Y.2014-2015]
Ist Quarter Results	Within 45 days from the close of the quarter
IIInd Quarter Results	Within 45 days from the close of the quarter
IIIrd Quarter Results	Within 45 days from the close of the quarter
Ivth Quarter Results	Within 60 days from the close of the quarter

Annual Results for financial year ended : Within 60 days of the close of financial Year ending on March 31, 2015

Annual General Meeting for the year 2014-2015 : In accordance with Section 96 of the Companies Act, 2013

(d) Book Closure Date

The Share Transfer Book and Register of Members will remain closed from August 15, 2014 to August 25, 2014 (Both days inclusive).

(e) Dividend Payment Date

The Dividend, if declared, will be paid within the Statutory Time Limit to the eligible members of the Company.

(f) 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 2014-2015.

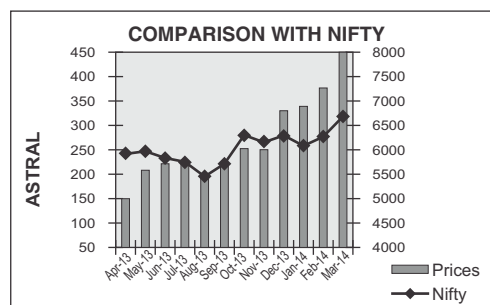
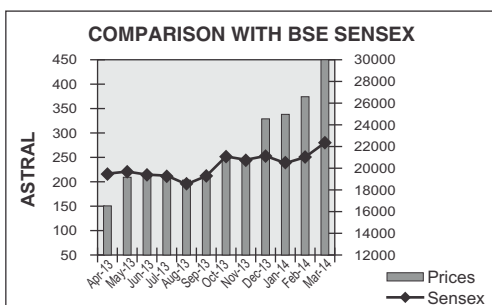
(g) Stock Code

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	INE006I01038

(h) Stock Market Data

(In ₹)

MONTH	BSE		NSE	
	High	Low	High	Low
April, 2013	165.76	144.80	158.40	142.20
May, 2013	227.12	152.02	227.88	151.20
June, 2013	239.76	208.80	239.60	208.40
July, 2013	250.80	194.00	254.80	213.06
August, 2013	230.00	178.80	231.96	180.00
September, 2013	208.00	195.50	211.60	196.00
October, 2013	317.00	215.00	280.00	212.00
November, 2013	286.80	245.00	287.00	234.40
December, 2013	349.00	254.00	348.60	252.60
January, 2014	340.95	307.00	342.00	303.00
February, 2014	410.40	340.00	409.95	336.15
March, 2014	508.60	360.55	507.90	372.00



Note: The Company share has been split from ₹5/- paid up to ₹2/- paid up w.e.f. 05/08/2013.

(i) 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) is 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: 022-40430200, Fax No. 022-28475207, E-mail : investor@bigshareonline.com

Website: www.bigshareonline.com, **Contact person:** Mr. N.V.K. Mohan

(j) Share Transfer System

The Shares of Company are compulsorily traded in dematerialized form. Shares received in Physical Form are transferred within a period of 15 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 issues half yearly Certificate which is being sent to the Stock Exchanges.

(k) Distribution of Shareholding

The distribution of Shareholding of the Company as on 31st March, 2014 is as follows:

No. of Equity Shares Held	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Capital
Upto 5,000	6,380	95.64	28,30,039	5.04
5,001-10,000	114	1.71	8,58,236	1.53
10,001-20,000	83	1.24	12,01,673	2.14
20,001-30,000	24	0.36	5,66,382	1.01
30,001-40,000	8	0.12	2,80,238	0.50
40,001-50,000	16	0.24	7,57,550	1.35
50,001-1,00,000	18	0.27	12,79,829	2.28
1,00,001- and above	28	0.42	4,84,16,333	86.15
Total	6,671	100.00	5,61,90,280	100.00

(l) Shareholding Pattern

The Shareholding Pattern of the Company as on 31st March, 2014 is as follows :

Category	No of Shares	% of Total Capital
Promoters (including persons acting in concert)	3,58,58,080	63.82
Foreign Institutional Investors	90,40,253	16.09
Non-resident Indians/Overseas Corporate Bodies	8,64,614	1.54
Mutual Funds, Financial Institutions and Banks	6,22,271	1.10
Private Corporate Bodies	15,34,115	2.73
Resident Indians	82,70,947	14.72
Grand Total	5,61,90,280	100.00

(m) Shares in Suspense Account

As per Clause 5A of the listing agreement total 100 shares are lying in the Escrow Account in the name of **BIGSHARE SERVICES PRIVATE LIMITED - 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.

(n) Dematerialization of Shares and Liquidity

As on March 31, 2014, 99.96% of the total Equity Shares were held in dematerialized form with National Securities Depository Ltd. [NSDL] and Central Depository Services Limited [CDSL].

The details of which are as under :

Sr. No.	Mode of Holding	No. of Shares	% of Total Capital
1.	NSDL	5,30,49,867	94.41
2.	CDSL	31,19,536	5.55
3.	Physical	20,877	0.04
TOTAL		5,61,90,280	100.00

(o) GDRs/ADRs/Warrants or Convertible Instruments outstanding as on the date of this Report : Nil**(p) Plant Locations :**

Gujarat Units		Himachal Pradesh Unit	Tamilnadu Unit
Santej	Dholka		
Plot No. 1253 & 1264, Village: Santej, Taluka: Kalol, Dist: Gandhinagar, Gujarat, India	Survey No. 149/1, Dholka-Kheda Road, Village: Rampur, Dholka, Gujarat, India	Khasra No. 67-72, Village: Bated, P.O. Barotiwala, Dist: Solan, Tehsil: Kasauli, Himachal Pradesh, India	Survey No. 128/2B, 128/3B2, 129, 130/1, 130/2, 130/3, 130/4, 131/1, 131/2 Perandaplli Post, Village-Alur, District-Krishnagiri, Hosur - 635 109, Tamilnadu, India

(q) Address for Correspondence

Shareholders' correspondence should be addressed to the Company's Registrar & Share Transfer Agent at the address mentioned at point (i).

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

Registered Office

"ASTRAL HOUSE",

207/1, B/h. Rajpath Club, Off S.G. Highway,

Ahmedabad - 380 059, Gujarat, India

Tel. No. : +91 79 66212000

Fax No. : +91 79 66212121

Email : co@astralcpvc.com

Website : www.astralcpvc.com

For, Astral Poly Technik Limited

Sandeep P. Engineer

Managing Director

Place : Ahmedabad

Date : July 18, 2014

For, Astral Poly Technik Limited

Jagruti S. Engineer

Executive Director

DECLARATION

To,

The Members,

Astral Poly Technik Limited

I, Sandeep P. Engineer, Managing Director of **Astral Poly Technik Limited** hereby declare that, as of March 31, 2014, 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 : July 18, 2014

Sandeep P. Engineer
Managing Director

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

Consequent to the improved living standards, there arose a growing need for sophisticated commercial spaces and increasing demand for improved housing. This in turn led to policies which encourage steady supply of power and efficient transport and infrastructure which in turn provide a boost to investments in the construction industry and made it an attractive sector to both domestic and foreign investors and developers. To maintain consistent growth, foreign investment is crucial for India. The Indian Government has clearly indicated its intention to create an environment, friendly to foreign investors by allowing foreign direct investment (FDI) up to 100% in Townships, Built-up housing and construction development projects with the liberalization of FDI regulations.

Recently, many big groups have entered or are planning to enter the low cost housing and high end housing markets in India, including Tata Group, Godrej Group, Mahindra Group etc., which will change the quality of construction in India over the next decade. Further, BJP Govt. led by Mr. Narendra Modi has already announced that they want to provide housing to each and every person in the country by 2022. This clearly indicates that the next decade will have sizeable construction activity in the housing sector. India needs millions of houses and with the change in the demographic structure; the spread of nuclear families will grow creating a huge housing requirement. Migration of younger generation from rural areas to A-grade towns of Metro areas will also create a lot of demand for housing.

In the last 10 years infrastructure growth in the country was very poor because of log-jams in approvals of projects. But now with the change of Government, top priority has been given to clearing of all such projects which will create vigorous construction activity in the country. This in turn is expected to create increased demand for the piping industry.

According to statistics available with the Department of Industrial Policy and Promotion, construction development (including townships, housing, built-up infrastructure & construction-development projects) has attracted a cumulative Foreign Direct Investment worth US \$ 23131.64 million from April 2000 to February 2014. Construction (infrastructure) activities during the period received FDI worth US\$ 2,462.60 million. Needless to say, the Indian Construction Industry has become an integral part of the Indian Economy.

The consolidated FDI Policy effective from April 1, 2013, issued by Indian Government followed the liberalized view adopted in the previous policy, with the objective of promoting the participation of the foreign investors in the construction industry having a far reaching impact on the Indian Economy.

Opportunities and Threats :

Indian Construction and Real Estate sector continues to be a favoured destination for global investors. Several large global investors, including a number of sovereign funds, have taken the first move by partnering with successful local investors and developers for investing in the Indian Real Estate Market. This is expected to result in a large number of transactions, especially in income yielding commercial office assets during 2014. The residential asset class looks to have great potential for growth, "with housing requirement growing across cities and funds investments in right project have the potential to yield healthy returns" according to Mr. Sanjay Dutt, Executive Managing Director- South Asia, Cushman & Wakefield.

Further, demand for space from sectors such as education and healthcare has opened up ample opportunities in the real estate sector. The country still needs to add 3 million hospital beds to meet the global average of 3 for every 1000 people.

Following are the demand forecasts for a few segments of the real estate sector:

- Office Space in 2014 in seven major cities –Delhi, NCR, Mumbai, Bangalore, Chennai, Pune, Hyderabad and Kolkata – is likely to increase 7% to 29 Million Square feet – global real estate consultant -DTZ.
- New supply of retail space in shopping malls in seven cities is expected to double to reach 11.70 million sqft in 2014 – Jones La Salle.
- In the recent budget, the Hon. Finance Minister has presented a new concept of REIT which will give further fillip to the real estate segment.

- In the last two years and the current financial year, your Company has launched and/or going to launch the following products. The market potential of these products is estimated to be more than ₹10,000 Crore, both domestic and exports :
 - (1) Column Pipe
 - (2) Bendable CPVC Pipe (Multi Layer)
 - (3) Agri Pipes
 - (4) Blazemaster (Fire Sprinkler Pipe)
 - (5) Solvent Cement (Adhesive)

Indian plumbing market is highly unorganized. As per one estimate, 40% to 50% is unorganized. With the growth in the market, the share of unorganized players will reduce and it will directly benefit your Company. With the introduction of GST, the price differential between the organised and unorganized players will fall which is expected to give a big boost to the organized players like your Company.

Increasing imports/ local production of CPVC/PVC raw material, a derivative of crude and the fluctuations in the exchange rate of foreign currency could affect the profitability of your Company. Volatility in crude prices will also affect the raw material cost of PVC/CPVC resin. However, so far your Company has been able to manage the exchange risk and price fluctuation risk in a balanced way. During the last financial year, your Company was able to increase the PAT margin in spite of significant fluctuations in the raw material prices and foreign exchange rates.

Outlook :

Piping industry has seen strong demand in India because of the following reasons:

- Growth in construction, particularly in Tier-II and III cities.
- Replacement of conventional piping systems like galvanized Iron and Cast Iron piping systems.
- Increase in the demand of branded agriculture & plumbing piping.

In the past five years, the industry has grown @ 15% CAGR. It is interesting to note that while all the leading organized players have grown above 20%, Astral has grown @ CAGR 40% plus.

Looking to the recent developments in India, with a change of Govt having a full majority, this growth story is likely to get more fillip in the coming years. In its very first budget, the new govt. has clearly set a direction for growth in Infra and Housing Sectors along with the announcement of REIT. Besides the above, the announcement of setting up of 100 Smart Cities will give a big boost to real estate and in turn to the piping industry.

As far as your Company is concerned, the biggest advantage is that it is the only company which can offer to the developers all the piping requirements of various projects. Astral offers one-stop solution of all piping requirements such as Plumbing (Hot & Cold), Drainage, Underground, Rain harvesting, Sewage, Industrial and Fire sprinklers etc.

Your Company is the only NSF approved Company in plumbing industry, giving us an edge over our competitors.

Your Company is a trend-setter in the Indian piping industry in so far as branding is concerned. Success of your Company in its in-film advertising in "DABBANG2" movie of **Mr. Salman Khan** is a good beginning in this direction.

Your Company is happy to announce that it has now officially engaged **Mr. Salman Khan** as its Brand Ambassador. Thus your Company is going to start the branding activity with one of India's most popular celebrity shortly. This will make your Company's Brand stronger in India and abroad.

Your Company is planning to focus on its Adhesive business in the coming years. Your Company's association with the global leader in Adhesive business, viz. IPS – Weldon will help your Company to grow in this segment in a big way.

Looking to the size of Piping Industry of more than ₹ 26,500 Crore and plastic piping of ₹ 21,500 Crore we see a very bright future for your Company. In both size and scale this industry is growing significantly and with the new demand in housing, infra, hotels, airports, malls, 100 smart cities and lots of commercial construction your company will have a very good growth opportunity in years ahead.

Your Company has recently entered the Agri piping sector which also has a very good market in India and future potential. We are just beginning a journey in the segment where the existing market size is placed around ₹ 6,000 Crore. which is further growing. Looking to the Astral's strong brand awareness in India and its coming branding events with Mr. Salman Khan your Company is quite confident that it will be able to muster a reasonable market share from this segment in the days ahead.

The most awaited product from your Company viz. "Blazemaster" CPVC fire sprinkler system which has received BIS approval will be a growth driver for your Company.

Similarly the demand for Bendable Pipes (Multilayer CPVC Pipes) has started picking up in the Export market and your Company is now focusing on the local market as well.

Your Company has recently commenced the production and sales in its South-based plant (Hosur- Tamil Nadu) which will help the Company to expand its southern market in India. At present your Company has started its PVC products and shortly will manufacture other products. In the next 12 to 18 months your Company is planning to manufacture all the products in its Hosur plant, giving it a huge logistic advantage in accessing the market in south India. PVC products carry 6% to 10% freight cost depending on the product and the size of the pipe.

Kenya joint venture of your Company has also started picking up. Last year sales have grown by 34% and in the first six months of the current year, the growth rate is 72%. Your Company is planning to increase its product range in Kenya and to start manufacturing fittings in the next 12-18 months.

Foreign Exchange Risk :

Being significantly dependent on imports and loans in foreign currency, your Company is exposed to the risk of fluctuations in exchange rate of foreign currency. Appropriate decisions are taken for hedging the exposure from time to time based on the market scenario. However, the volatility is increasing day by day which has elevated the risk. But after Mr. Raghuram Rajan took over as the RBI Governor, the risk due to Exchange Rate Fluctuations has decreased substantially.

Raw Material Prices :

Since a significant part of the raw material is imported, any increase in the import price or fluctuations in the foreign currency rate may affect the margins of your Company. Further, the price of raw material is to some extent, linked to the 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. Lubrizol is putting up CPVC compound facility in Dahej which will reduce this risk for your Company to almost negligible level because your Company will be sourcing CPVC in local currency.

Internal Control and their adequacy :

Your Company has adequate Internal Control Systems 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 vis-a-vis on – going operations of the Company, which provides reasonable assurance of adequacy and effectiveness of control, governance and risk Management procedures to the 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 :

Your Company continues to maintain constructive relationship with its employees with a positive environment so as to improve efficiency. The industrial relations at plants were 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 movements in the domestic and overseas markets in which your Company operates changes 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.

On behalf of the Board of Directors

Auditors' Certificate on Corporate Governance

To the Members of **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, 2014**, 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
(Firm Registration No. 117365W)

Place : Ahmedabad
Date : May 3, 2014

(Gaurav J. Shah)
Partner
(Membership No. 35701)

Independent Auditors' Report

To The Members of **Astral Poly Technik Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **ASTRAL POLY TECHNIK LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For, **Deloitte Haskins and Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Place : Ahmedabad
Date : May 3, 2014

(**Gaurav J. Shah**)
Partner
(Membership No. 35701)

Annexure to the Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business, clauses (x), (xii), (xiii), (xiv) and (xix) of paragraph 4 of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed of during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were 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 its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has not granted loans during the year. At the year-end, the outstanding balances of the loans aggregated ₹ 505.68 Lacs from a party and the maximum amount involved during the year was ₹1,299.97 Lacs from two parties.
 - (b) The rate of interest of such loans is, in our opinion, prima facie not prejudicial to the interests of the Company. There are no other terms and conditions of such loans.
 - (c) The receipts of principal amounts and interest have been as per stipulations.
 - (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.

The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) 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 purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of ₹5 Lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Accordingly, provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
- The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - There were no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xii) According to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xv) According to the information and explanations given to us, 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.
- (xvi) During the year, the Company has not raised any money by way of public issue.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For, **Deloitte Haskins and Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Place : Ahmedabad
Date : May 3, 2014

(Gaurav J. Shah)
Partner
(Membership No. 35701)

Balance Sheet as at 31st March, 2014

(₹ In Lacs)

Particulars	Note	As At 31st March, 2014	As At 31st March, 2013
I. EQUITY AND LIABILITIES			
Share Holders' Funds			
Share Capital	1	1,123.81	1,123.81
Reserves & Surplus	2	30,353.94	23,060.74
		31,477.75	24,184.55
Non Current Liabilities			
Long Term Borrowings	3	7,856.27	6,305.89
Deferred Tax Liability (Net)	4	1,306.13	875.91
Long Term Provisions (Employee Benefits)		10.12	-
		9,172.52	7,181.80
Current Liabilities			
Short Term Borrowings	5	1,550.00	-
Trade Payables	6	18,045.15	16,817.87
Other Current Liabilities	7	7,431.74	4,932.96
Short Term Provisions	8	636.35	753.48
		27,663.24	22,504.31
Total		68,313.51	53,870.66
II. ASSETS			
Non Current Assets			
Fixed Assets	9		
Tangible Assets		27,763.91	20,550.16
Capital Work In Progress		285.33	1,129.37
Non Current Investments	10	1,066.95	191.70
Long Term Loans and Advances	11	1,535.46	1,285.49
		30,651.65	23,156.72
Current Assets			
Inventories	12	18,923.09	14,811.75
Trade Receivables	13	14,248.38	10,468.82
Cash and Cash Equivalents	14	105.44	1,140.42
Short Term Loans and Advances	15	4,337.42	4,252.77
Other Current Assets	16	47.53	40.18
		37,661.86	30,713.94
Total		68,313.51	53,870.66
Significant Accounting Policies			
Notes on Accounts		1 to 34	

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 Executive Director

(**Gaurav J. Shah**)
Partner
Membership No.: 35701
Place : Ahmedabad
Date : May 3, 2014

(**Zankhana V. Trivedi**)
Company Secretary
Place : Ahmedabad
Date : May 3, 2014

Statement of Profit and Loss for the Year ended on 31st March, 2014

(₹ In Lacs)

Particulars	Note	2013-14	2012-13
INCOME			
Revenue from Operations (Gross)		1,17,067.23	89,876.36
Less : Excise duty		9,787.25	7,784.23
Revenue from Operations (Net)	17	1,07,279.98	82,092.13
Other Income	18	248.55	201.05
Total		1,07,528.53	82,293.18
EXPENSES			
Cost of Materials Consumed	19	74,275.82	55,767.79
Purchase of Stock In Trade		6,250.40	4,628.52
Changes in Inventories of Finished Goods and Stock In Trade	20	(3,185.51)	(2,189.84)
Employee Benefits Expenses	21	2,347.94	2,001.65
Finance Costs	22	3,048.27	1,806.64
Depreciation and Amortization Expenses	9	2,132.85	1,766.60
Other Expenses	23	12,521.09	10,720.36
Total		97,390.86	74,501.72
Profit Before Tax		10,137.67	7,791.46
Tax Expenses:			
Current Tax		2,375.59	1,905.00
Short Provision of Tax in Earlier Years		30.48	103.42
MAT Credit Entitlement		(419.12)	(875.92)
Deferred Tax		430.21	706.92
PROFIT FOR THE YEAR		7,720.51	5,952.04
Earnings Per Equity Share: (In ₹) (Face Value of ₹2/- each)			
(Previous Year: Face Value of ₹5/- each)			
Basic & Diluted	24	13.74	10.59
Significant Accounting Policies			
Notes on Accounts	1 to 34		

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 Executive Director

(**Gaurav J. Shah**)
Partner
Membership No.: 35701
Place : Ahmedabad
Date : May 3, 2014

(**Zankhana V. Trivedi**)
Company Secretary
Place : Ahmedabad
Date : May 3, 2014

Cash Flow Statement for the Year ended on 31st March, 2014

(₹ In Lacs)

No.	Particulars	2013-14	2012-13
A	Cash flow from Operating Activities		
	Net Profit before tax and Extraordinary items	10,137.67	7,791.46
	Adjustments for :		
	Depreciation	2,132.85	1,766.60
	Finance Costs	2,826.52	1,365.52
	Provision for Doubtful debts	48.93	234.08
	Unrealised Foreign Exchange	108.95	467.17
	Loss/(Profit) on Sale of Fixed Assets	9.40	(0.22)
	Gain on Sale of Current Investment	(92.70)	(127.24)
	Interest Income	(95.40)	(44.51)
	Operating profit before Working Capital Changes	15,076.22	11,452.86
	Adjustments for :		
	(Increase)/Decrease in Inventories	(4,111.34)	(2,260.03)
	Increase in Trade & Other Receivables	(4,871.56)	(1,246.62)
	Increase/(Decrease) in Trade Payables	4,237.67	(218.93)
	Cash generated from Operations	10,330.99	7,727.28
	Direct Taxes Paid	(2,166.15)	(843.01)
	Net Cash from Operating Activities	8,164.84	6,884.27
B	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(9,369.70)	(6,869.90)
	Proceeds from the Sale of Fixed Assets	13.71	58.80
	Changes in Capital Work In Progress	844.04	107.80
	Increase/(Decrease) in Loans & Advances	689.46	(639.20)
	Interest Received	95.40	44.51
	Gain on Sale of Current Investment	92.70	127.24
	Increase in Investment in Subsidiary and Joint Venture	(875.25)	-
	Net Cash used in Investing Activities	(8,509.64)	(7,170.75)
C	Cash flow from Financing Activities		
	Dividend paid	(361.57)	(293.87)
	Interest paid	(2,826.52)	(1,365.52)
	Net proceeds from Borrowing	2,497.92	(412.44)
	Net Cash flow from Financing Activities	(690.17)	(2,071.83)
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,034.97)	(2,358.31)
	Cash and Cash Equivalents at the beginning of the year	1,140.42	3,500.68
	Effect of Foreign Exchange rate changes	(0.01)	(1.97)
	Cash and Cash Equivalents at the end of the year	105.44	1,140.42

- Note:**
1. Cash and Cash Equivalents represents Cash and Bank Balances. (Refer Note No. 14)
 2. Fixed Deposits of ₹0.99 Lacs (Previous Year : ₹0.68 Lacs) are pledged with a bank towards Letters of Credit / Bank Guarantees.
 3. Cash and Cash Equivalents include ₹2.11 Lacs (Previous Year : ₹1.85 Lacs) of unclaimed dividend not available for use by the company.
 4. The previous year's figures have been regrouped wherever necessary.
 5. 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 Executive Director

(**Gaurav J. Shah**)
Partner
Membership No.: 35701
Place : Ahmedabad
Date : May 3, 2014

(**Zankhana V. Trivedi**)
Company Secretary
Place : Ahmedabad
Date : May 3, 2014

Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP), requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

c) Fixed Assets

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

d) Lease

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

e) Impairment of Assets

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

f) Depreciation

Depreciation is charged under Straight Line Method in accordance with the rates and manner as specified in Schedule XIV of the Companies Act, 1956. Assets costing ₹ 5,000/- is fully depreciated in the year of acquisition.

g) Investments

Current investments are stated at lower of cost and fair value.

Long Term investments are stated at cost. Provision is made to recognize any diminution in value, other than that of a temporary nature.

h) Inventories

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

i) Revenue Recognition

Sales are recognized on transfer of significant risks and rewards of ownership to the buyer. Sales are net of trade discounts, Sales Tax and VAT. Excise duties collected on Sales are shown by way of deduction from Sales.

Dividend income is recognized when the right to receive dividend is established.

Interest income is recognized using the time-proportion method based on rates implicit in the transaction.

Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

j) Cenvat

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

k) Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

The Company has not exercised the option for capitalization or amortization of exchange differences on long term foreign currency monetary items as provided by notification issued by the Ministry of Corporate Affairs.

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

l) Borrowing costs

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

m) 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.

n) Research & Development Expenditure

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

o) Employee Benefits

Defined Contribution Plan:

The Company's contribution to Provident Fund and employees state insurance scheme made to a government administered Provident Fund are considered as defined contribution plans, and is charged to the Statement of Profit and Loss as incurred.

Defined benefit plans:

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

Short-term employee benefits:

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

Long-term employee benefits:

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

p) 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.

q) 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.

Notes on Accounts for the Year ended on 31st March, 2014

1. SHARE CAPITAL

	As At 31st March, 2014	(₹ In Lacs) As At 31st March, 2013
Authorised Share Capital		
Equity Share Capital		
75,000,000 Equity Shares of ₹2/- each	1,500.00	1,500.00
(30,000,000 Equity Shares of ₹5/- each)		
Issued, Subscribed & Fully Paid Share Capital		
Equity Share Capital		
56,190,280 Equity Shares of ₹2/- each fully paid up	1,123.81	1,123.81
(22,476,112 Equity Shares of ₹5/- each fully paid up)		
Total	1,123.81	1,123.81

a) Rights, preferences and restrictions attached to shares :

The Company has issued only one class of equity shareholders. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

b) Reconciliation of number of Shares outstanding :

Particulars	No. of Shares	₹ in Lacs
As at beginning of the year	2,24,76,112	1,123.81
	(2,24,76,112)	(1,123.81)
Add: Subdivision of Equity Shares of ₹ 5/- each into face value of ₹ 2/- each	3,37,14,168	-
	(-)	(-)
As at end of the year	5,61,90,280	1,123.81
	(2,24,76,112)	(1,123.81)

Figures in the brackets are of Previous Year.

c) The details of shareholders holding more than 5% shares as at March 31, 2014 and March 31, 2013 is set out below:

Sr. No.	Name of Shareholders	As At 31st March, 2014	As At 31st March, 2013
1	Sandeep Pravinbhai Engineer - No. of Shares	1,18,35,705	47,34,282
	- % of Shares Held	21.06	21.06
2	Saumya Polymers LLP - No. of Shares	1,06,32,275	42,52,910
	- % of Shares Held	18.92	18.92
3	HSBC Bank (Mauritius) Limited - No. of Shares	55,81,142	22,32,457
	A/C. Jwalmukhi Investment Holdings - % of Shares Held	9.93	9.93
4	Specialty Process LLC. - No. of Shares	39,77,885	20,63,206
	- % of Shares Held	7.08	9.18
5	Jagruti Sandeep Engineer - No. of Shares	45,71,705	18,28,682
	- % of Shares Held	8.14	8.14
6	Hansa Pravinbhai Engineer - No. of Shares	33,35,230	13,34,092
	- % of Shares Held	5.94	5.94

During the year, the Company has subdivided Equity Shares having face value of ₹ 5/- each into face value of ₹ 2/- each. Consequently, the number of shares as at March 31, 2014 is not comparable with the same as at March 31, 2013.

Notes on Accounts for the Year ended on 31st March, 2014

2. RESERVES AND SURPLUS

	As At 31st March, 2014	(₹ In Lacs) As At 31st March, 2013
Capital Reserves		
As per Last Balance Sheet	40.00	40.00
Securities Premium Account		
As per Last Balance Sheet	3,890.73	3,890.73
General Reserves		
As per Last Balance Sheet	1,570.00	970.00
Add : Transferred from Surplus in Statement of Profit & Loss	1,025.00	600.00
	2,595.00	1,570.00
Revaluation Reserves		
As per Last Balance Sheet	121.14	121.14
Surplus in Statement of Profit & Loss		
As per Last Balance Sheet	17,438.87	12,414.66
Add : Profit for the Year	7,720.51	5,952.04
Amount Available for Appropriation	25,159.38	18,366.70
Less : Appropriations		
Interim Dividend	140.48	112.38
Proposed Final Dividend	224.76	168.57
Dividend Distribution Tax	62.07	46.88
Transferred to General Reserve	1,025.00	600.00
	1,452.31	927.83
	23,707.07	17,438.87
Total	30,353.94	23,060.74

3. LONG TERM BORROWINGS

	As At 31st March, 2014	(₹ In Lacs) As At 31st March, 2013
Secured		
Term Loans from Banks		
In Rupee	2,005.66	1,701.53
In Foreign Currency	8,452.44	5,792.05
	10,458.10	7,493.58
Less : Current Maturity of Long Term Loans	3,179.42	2,382.93
	7,278.68	5,110.65
Buyers Credit	1,557.21	1,376.58
Less : Current Maturity of Long Term Buyers Credits	1,015.39	214.86
	541.82	1,161.72
Vehicle Loans	83.27	76.22
Less : Current Maturity of Vehicle Loans	47.50	42.70
	35.77	33.52
Total	7,856.27	6,305.89

Note: Amount stated in Current Maturity is disclosed under the head of "Other Current Liabilities" (Refer Note No. 7).

- Term Loans Secured by way of first charge, in respect of Fixed assets, both present and future, and second charge on entire current assets of the Company both present and future and also further secured by personal guarantees of Directors.
 - Corporation Bank Term Loan of ₹ 3,926.50 Lacs (Previous Year : ₹ 2,909.67 Lacs) repayable within 72 months including initial moratorium period of twelve months from the date of first disbursement in twenty quarterly equal instalments. Repayable by December 2018.
 - HDFC Bank ECB Loan of ₹ 2,707.03 Lacs (Previous Year : ₹ 3,229.66 Lacs) repayable within 66 months including initial moratorium period of twelve months from the date of first disbursement in eighteen quarterly instalments. Repayable by December 2016.
 - Standard Chartered Bank ECB Loan of ₹ 943.27 Lacs (Previous Year : ₹ 1,282.37 Lacs) repayable within 60 months including initial moratorium period of twelve months from the date of first disbursement in nine half yearly instalments. Repayable by March 2016.

Notes on Accounts for the Year ended on 31st March, 2014

- iv. IndusInd Bank Term Loan of ₹ 2,881.30 Lacs (Previous Year : ₹ Nil) repayable within 60 months including initial moratorium period of twelve months from the date of first disbursement in sixteen quarterly instalments. Repayable by June 2018.
- b) Buyers Credit
- i. HDFC Bank Limited Buyers Credit of ₹ 176.93 Lacs (Previous Year : ₹ 205.94 Lacs) Repayable by December 2014. Secured by way of first charge, in respect of Fixed assets, both present and future, and second charge on entire current assets of the Company both present future and also further secured by personal guarantees of Directors.
- ii. Corporation Bank Buyers Credit of ₹ 145.35 Lacs (Previous Year : ₹ 141.21 Lacs) Repayable by March 2016. Secured by way of first charge, in respect of entire current assets of the Company both present future and further secured by personal guarantees of Directors.
- iii. IDBI Bank Limited Buyers Credit of ₹ 1,234.93 Lacs (Previous Year : ₹ 1,029.43 Lacs) Repayable by November 2016. Secured by way of first charge, in respect of entire current assets of the Company both present future and further secured by personal guarantees of Directors.
- c) Vehicle Loans are Secured by way of hypothecation of respective motor vehicles purchased.
- i. Kotak Mahindra Prime Limited Vehicle Loan of ₹ 20.01 Lacs (Previous Year : ₹ 50.58 Lacs) repayable on monthly basis. Repayable by March 2015.
- ii. Axis Bank Limited Vehicle Loan of ₹ 1.12 Lacs (Previous Year : ₹ 4.27 Lacs) repayable on monthly basis. Repayable by July 2014.
- iii. ICICI Bank Limited Vehicle Loan of ₹ 53.25 Lacs (Previous Year : ₹ 21.25 Lacs) repayable on monthly basis. Repayable by October 2016.
- iii. Corporation Bank Vehicle Loan of ₹ 8.89 Lacs (Previous Year : ₹ Nil) repayable on monthly basis. Repayable by February 2019.

4. DEFERRED TAX LIABILITIES (NET)

	As At 31st March, 2014	As At 31st March, 2013
Deferred Tax Liabilities		
Related to Fixed Assets	1,809.93	1,297.22
Deferred Tax Assets		
Provision For Doubtful Trade Receivable	154.49	137.85
Disallowances under Section 43B of the Income Tax Act, 1961	349.31	283.46
Total	1,306.13	875.91

5. SHORT TERM BORROWINGS

	As At 31st March, 2014	As At 31st March, 2013
Secured		
Working Capital / Short Term Loan From Banks	950.00	-
Unsecured		
Short Term Loan From Banks	600.00	-
Total	1,550.00	-

Note : Working Capital Loans Secured by way of first charge on entire current assets of the Company both present and future and second charge in respect of Fixed assets both present and future and also further Secured by personal guarantees of Director.

6. TRADE PAYABLES

	As At 31st March, 2014	As At 31st March, 2013
Acceptances	10,953.22	9,412.96
Other than Acceptances *	7,091.93	7,404.91
Total	18,045.15	16,817.87

* There are no dues to Micro and small Enterprises as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes on Accounts for the Year ended on 31st March, 2014
7. OTHER CURRENT LIABILITIES

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Current Maturities of Long Term Borrowings (Refer Note No. 3)	4,242.31	2,640.49
Interest Accrued and due on Borrowings	18.75	14.90
Interest Accrued but not due on Borrowings	38.80	43.50
Unclaimed Dividends	2.11	1.85
Other Liabilities		
For Statutory Dues	2,430.57	1,820.57
Advance Received from Customers	158.25	82.78
Other Payables *	540.95	328.87
Total	7,431.74	4,932.96

* Other Payables includes Payable for Capital Goods.

8. SHORT TERM PROVISIONS

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Provision for Employee Benefits		
Unpaid Leave (Refer Note No. 27)	0.82	4.49
Provision for Dividend		
Proposed Final Dividend	224.76	168.57
Tax on Dividend	38.20	28.65
Provision for Taxation		
Taxation	371.16	550.65
(Net of Advance Tax of ₹2,000.00 Lacs and TDS of ₹4.43 Lacs (Previous Year : Advance Tax of ₹1,350.00 Lacs and TDS of ₹4.35 Lacs))		
Provision for Wealth Tax	1.41	1.12
Total	636.35	753.48

9. FIXED ASSETS

(₹ In Lacs)

Assets	Gross Block				Depreciation				Net Block	
	As At 01.04.2013	Additions	Deductions	As At 31.03.2014	As At 01.04.2013	For The Year	Deductions	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
Land	3,232.80	2,427.93	-	5,660.73	-	-	-	-	5,660.73	3,232.80
Buildings	6,484.89	2,565.19	-	9,050.08	501.73	216.12	-	717.85	8,332.23	5,983.16
Plant & Machinery	16,020.95	4,142.45	28.43	20,134.97	5,722.40	1,814.86	12.11	7,525.15	12,609.82	10,298.55
Furniture & Fixtures	944.27	152.34	-	1,096.61	154.73	66.40	-	221.13	875.48	789.54
Vehicles	349.12	81.79	14.39	416.52	103.01	35.47	7.61	130.87	285.65	246.11
Total	27,032.03	9,369.70	42.82	36,358.91	6,481.87	2,132.85	19.72	8,595.00	27,763.91	20,550.16
Capital Work In Progress									285.33	1,129.37
	27,032.03	9,369.70	42.82	36,358.91	6,481.87	2,132.85	19.72	8,595.00	28,049.24	21,679.53
Previous Year	20,236.72	6,869.90	74.59	27,032.03	4,731.28	1,766.60	16.01	6,481.87	21,679.53	

- Building Includes ₹ 750/- being face value of 15 number of shares of ₹ 50/- each held in Kant Apartment Co- Operative Housing Society Limited. Also includes ₹ 127.11 Lacs (Previous Year : ₹ 127.11 Lacs) for which the procedure for transfer of title in the name of the company is in process.
- Capital Work In Progress includes ₹ Nil (Previous Year : ₹ 6.26 Lacs) on account of Pre - Operative Expenses.
- Accumulated Depreciation upto 31st March, 2014 includes impairment loss on Plant and Machinery ₹ 96.20 Lacs (Previous Year : ₹ 96.20 Lacs).

Notes on Accounts for the Year ended on 31st March, 2014

10. NON CURRENT INVESTMENTS

(₹ In Lacs)

Long Term Investment - At Cost

Trade - Unquoted

Investment in Equity Shares of Subsidiary

i) 50,000 Nos. (Previous Year : 50,000 Nos.) of Equity Shares of ₹10/- each fully paid in Astral Biochem Private Limited.

ii) 42,500 Nos. (Previous Year : 42,500 Nos.) of Equity Shares of ₹10/- each fully paid in Advanced Adhesives Limited.

Investment in Equity Shares of Joint Venture

i) 7,50,000 Nos. (Previous Year : 6,38,000 Nos.) of Equity Shares of Kenyan Shilling 50/- each fully paid in Astral Pipes Limited, Kenya. (Formerly Known as Astral Technologies Limited).

Investment in Preference Shares of Joint Venture

i) 22,50,000 Nos. (Previous Year : Nil) Non-Cumulative Redemable Preference Shares of Kenyan Shilling 50/- each fully paid in Astral Pipes Limited, Kenya.

Total

As At 31st March, 2014	As At 31st March, 2013
5.00	5.00
4.25	4.25
252.17	182.45
805.53	-
1,066.95	191.70

11. LONG TERM LOANS AND ADVANCES

(₹ In Lacs)

Unsecured, considered good

Capital Advances

To Others

Security Deposits

Prepaid Expenses

MAT Credit Entitlement

Loans to Related Parties (Refer Note No. 28)

Total

As At 31st March, 2014	As At 31st March, 2013
286.68	262.44
15.01	14.36
54.81	1.38
673.28	501.63
505.68	505.68
1,535.46	1,285.49

12. INVENTORIES

(₹ In Lacs)

Raw Materials

Stock In Trade

Finished Goods

Packing Materials

Total

As At 31st March, 2014	As At 31st March, 2013
6,691.75	5,765.89
2,639.37	2,215.32
9,486.60	6,725.14
105.37	105.40
18,923.09	14,811.75

13. TRADE RECEIVABLES

(₹ In Lacs)

Unsecured

Trade Receivable Outstanding for a period exceeding six months from the date they are due for payment

Considered Good

Considered Doubtful

Less: Provision

Other Debts

Considered Good

Total

As At 31st March, 2014	As At 31st March, 2013
118.30	110.56
454.50	405.57
454.50	405.57
118.30	110.56
14,130.08	10,358.26
14,248.38	10,468.82

Notes on Accounts for the Year ended on 31st March, 2014

14. CASH AND CASH EQUIVALENTS

	As At 31st March, 2014	As At 31st March, 2013
Cash on Hand	9.86	8.38
Balance With Banks		
In Current Account	92.48	1,129.51
In Deposit Account	0.99	0.68
In Unclaimed Dividend Account	2.11	1.85
Total	105.44	1,140.42

15. SHORT TERM LOANS AND ADVANCES

	As At 31st March, 2014	As At 31st March, 2013
(Unsecured, Considered Good)		
Loans to Related Parties (Refer Note No. 28)	-	689.46
Prepaid Expenses	176.21	81.36
Security Deposits	92.75	68.90
Advance For Purchase of Non Current Investment	-	193.24
Loans and Advances to Employees	9.11	4.46
Balance with Custom, Central Excise Authorities	3,331.64	2,587.78
MAT Credit Entitlements	450.00	374.29
Advances to Suppliers	247.65	222.98
Taxes Receivable	30.06	30.30
Total	4,337.42	4,252.77

16. OTHER CURRENT ASSETS

	As At 31st March, 2014	As At 31st March, 2013
Interest Receivable	0.04	12.10
Advance to Gratuity Fund (Refer Note No. 27)	46.52	28.08
Others	0.97	-
Total	47.53	40.18

17. REVENUE FROM OPERATIONS

	2013-14	2012-13
Domestic Sales	1,15,153.51	89,122.30
Export Sales	1,913.72	754.06
Gross	1,17,067.23	89,876.36
Less : Excise Duty	9,787.25	7,784.23
Revenue from Operations (Net)	1,07,279.98	82,092.13

PARTICULARS OF SALE OF PRODUCTS

	2013-14	2012-13
Pipes and Fittings	1,02,501.05	78,144.23
Others	4,778.93	3,947.90
Total	1,07,279.98	82,092.13

18. OTHER INCOME

	2013-14	2012-13
Interest Income	95.40	44.51
Gain on Sale of Current Investment	92.70	127.24
Profit on Sale of Fixed Assets (Net)	-	0.22
Miscellaneous Income	60.45	29.08
Total	248.55	201.05

Notes on Accounts for the Year ended on 31st March, 2014

19. COST OF MATERIALS CONSUMED

(₹ In Lacs)

	2013-14	2012-13
Opening Stock	5,765.89	5,801.11
Add: Purchases	75,201.68	55,732.57
	80,967.57	61,533.68
Less : Closing Stock	6,691.75	5,765.89
Cost of Materials Consumed	74,275.82	55,767.79

(₹ In Lacs)

PARTICULARS OF MATERIAL CONSUMED	2013-14	2012-13
Resins	66,245.06	48,787.84
Others	8,030.76	6,979.95
Material Consumed	74,275.82	55,767.79

20. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE

(₹ In Lacs)

	2013-14	2012-13
Inventories At the End of the Year		
Finished Goods	9,486.60	6,725.14
Stock In Trade	2,639.37	2,215.32
	12,125.97	8,940.46
Inventories At the Beginning of the Year		
Finished Goods	6,725.14	5,451.15
Stock In Trade	2,215.32	1,299.47
	8,940.46	6,750.62
Net (Increase) / Decrease	(3,185.51)	(2,189.84)

21. EMPLOYEE BENEFITS EXPENSES

(₹ In Lacs)

	2013-14	2012-13
Salaries and Wages	2,174.62	1,829.22
Contribution to Provident and Other Funds (Refer Note No. 27)	86.55	84.71
Staff Welfare Expenses	86.77	87.72
Total	2,347.94	2,001.65

22. FINANCE COSTS

(₹ In Lacs)

	2013-14	2012-13
Interest Expenses		
Borrowings	721.50	590.17
Others	13.04	11.09
Other Borrowing Costs	86.82	91.20
Expenses on Foreign Currency Transactions Including Hedging Costs	2,226.91	1,114.18
Total	3,048.27	1,806.64

Notes on Accounts for the Year ended on 31st March, 2014

23. OTHER EXPENSES

	(₹ In Lacs)	
	2013-14	2012-13
Stores and Spares	652.18	416.11
Power and Fuel	2,036.13	1,932.63
Rent Expenses *	156.08	113.35
Repairs Expenses		
Repairs to Buildings	113.53	99.58
Repairs to Machinery	138.29	110.17
Repairs Others	51.53	26.70
Insurance Expenses	135.87	100.43
Rates & Taxes	29.01	49.69
Communication Expenses	81.56	64.93
Travelling Expenses	501.58	380.79
Factory & Other Expenses	153.05	141.47
Printing & Stationary	35.23	35.43
Freight & Forwarding	1,703.00	1,319.12
Packing Material Consumed	1,116.51	821.73
Changes in Excise Duty on Inventories	209.33	198.34
Commission	150.84	121.65
Discount on Sales	2,273.62	2,270.77
Sales Promotions	1,780.68	1,644.66
Donations & Contributions	13.37	9.59
Security Service Charges	131.98	103.80
Legal & Professional	295.51	126.40
Payments to Auditors **	11.52	13.68
Bad Debts Written Off	20.53	-
Provision for Doubtful Trade and Other Receivable	48.93	234.08
Net Loss on Foreign Currency Transactions and Translations	463.37	181.84
Loss on Sale of Assets (Net)	9.40	-
Other Expenses	208.46	203.42
Total	12,521.09	10,720.36

* The Company is lessee under various operating leases under which rental expenses for the year was ₹156.08 Lacs (Previous year: ₹113.35 Lacs). The Company has not executed any non cancelable lease agreement.

** Payment to Auditors:

	(₹ In Lacs)	
Particulars	2013-14	2012-13
For Statutory Audit	8.00	8.00
For Other Services	3.52	5.68
For Service Tax	1.42	1.66
Total	12.94	15.34

24. EARNINGS PER SHARE

	As At 31st March, 2014	As At 31st March, 2013
Profit After Tax (₹ In Lacs)	7,720.51	5,952.04
Weighted Average No. of Equity Shares Outstanding	56,190,280	22,476,112
Nominal Value of Shares (In ₹)	2	5
Basic & Diluted Earnings Per Share (In ₹)	13.74	10.59

Pursuant to the approval of the shareholders at the Annual General Meeting held on August 5, 2013, the Board of Directors of the Company at its meeting held on the date had approved sub-division of its equity share of the face value of ₹5/- each into 2.5 (Two and Half) equity shares of ₹2/- each.

Consequently, the Earnings per Share (EPS) has been adjusted as required under AS-20 Earnings Per Share.

Notes on Accounts for the Year ended on 31st March, 2014

25. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Contingent Liabilities		
Bank Guarantees	296.08	298.22
Letters of Credit for Purchases	149.75	-
Income tax matters under appeal	-	5.77
Guarantee Given by Company on behalf of Joint Venture for availing borrowing from local Bank	1,972.01	-
Commitments		
Capital Contracts remaining to be executed	1,363.84	1,182.31

26. INTEREST IN JOINT VENTURE

The Company has 37.50% ownership interest in Joint Venture Company Astral Pipes Limited ('APL') (Formerly known as Astral Technologies Limited), incorporated in Kenya. Its proportionate share in the assets, liabilities, income and expenses etc. in the said Joint Venture Company is given below:

(₹ In Lacs)

	As At 31st Dec., 2013	As At 31st Dec., 2012
Assets	1,432.90	592.55
Liabilities	734.40	597.55
Income	438.72	269.17
Expenses (including Depreciation and taxation)	475.32	368.57
Contingent Liabilities	-	-
Capital Commitments remaining to be executed	-	-

27. EMPLOYEE BENEFITS

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

Defined Contribution Plan:

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note No.21 ₹ 77.00 Lacs (Previous Year: ₹ 66.63 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.

Notes on Accounts for the Year ended on 31st March, 2014

Status of Defined Benefit Plans/Long term Compensated Absences – As per Actuarial Valuations as on 31st March, 2014:

a) Reconciliation of opening and closing balances of the present value of the Defined benefit Obligation : (₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Obligations at the beginning of the year	104.96	79.01	4.49	-
Current service cost	17.22	16.30	8.20	4.49
Interest cost	8.66	6.91	0.37	-
Actuarial (gain) / loss	(3.75)	5.42	(2.13)	-
Benefits paid	(6.75)	(2.68)	-	-
Obligations at the end of the year	120.34	104.96	10.93	4.49

b) Reconciliation of opening and closing balances of the fair value of plan assets : (₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Plan assets at the beginning of the year, at fair value	133.04	105.30	-	-
Expected return on plan assets	11.57	9.21	-	-
Actuarial gain / (loss)	1.01	1.33	-	-
Contributions	27.98	19.88	-	-
Benefits paid	(6.75)	(2.68)	-	-
Plan assets at the end of the year, at fair value	166.85	133.04	-	-

c) Reconciliation of the present value of the defined benefit obligation & fair value of plan Asset : (₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Obligations at the end of the year	120.34	104.96	10.93	4.49
Plan assets at the end of the year, at fair value	166.86	133.04	-	-
Liability/(Assets) recognized in Balance sheet as at 31st March, 2014	(46.52)	(28.08)	10.93	4.49

d) Cost for the year : (₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Current service cost	17.22	16.30	8.20	4.49
Interest cost	8.66	6.91	0.37	-
Expected return on plan assets	(11.57)	(9.21)	-	-
Actuarial (Gain)/Loss	(4.76)	4.09	(2.13)	-
Expense recognized in the Statement of Profit and Loss	9.55	18.09	6.44	4.49

e) Investment details of plan assets :

To fund the obligations under the gratuity plan, Contributions are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines.

f) Assumptions :

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Discount Rate	9.31%	8.25%	9.31%	8.25%
Expected return on plan assets	8.70%	8.70%	-	-
Annual Increase in Salary Costs	5.00%	5.00%	5.00%	5.00%

Future Salary increases are based on long term average salary rise expected taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employee market. Future Separation & mortality rates are obtained from relevant data of Life Insurance Corporation of India.

g) Experience History of Gratuity :

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation at the end of the period	120.34	104.96	79.01	53.51	45.88
Plan Assets at the end of the period	166.86	133.04	105.30	75.65	56.52
Funded Status	(46.52)	(28.08)	(26.29)	(22.14)	(10.64)
Experience Adjustments on Plan Liabilities	-	-	-	-	-
Experience Adjustments on Plan Assets	-	-	-	-	-

h) Contributions expected to be paid to the plan during the next financial year ₹ Nil (Previous Year : ₹ Nil).

Notes on Accounts for the Year ended on 31st March, 2014

28. RELATED PARTY DISCLOSURES

1. Name of Party and relationship :

Sr. No.	Description of Relationship	Name of Related Parties
a.	Subsidiaries	Astral Biochem Private Limited Advanced Adhesives Limited
b.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Kairav Chemicals Limited Saumya Polymers LLP (Formerly known as Saumya Polymers Private Limited)
	Joint Venture	Astral Pipes Limited (Formerly known as Astral Technologies Limited)
c.	Key Management Personnel	Mr. Sandeep P. Engineer Mrs. Jagruti S. Engineer Mr. K. R. Shenoy
d.	Relatives of Key Management Personnel	Sandeep P. Engineer HUF Mr. Bipin R. Mehta Mrs. Rekha B. Mehta Mrs. Hansa P. Engineer Mr. Kairav S. Engineer

2. Details of Related Party Transactions during the year ended 31st March, 2014 :

(₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in				Total
		1(a) above	1(b) above	1(c) above	1(d) above	
1.	Investment in Joint Venture					
	Astral Pipes Limited	-	875.25	-	-	875.25
		-	-	-	-	-
2.	Unsecured Loan Given					
	Astral Biochem Private Limited	-	-	-	-	-
		(10.51)	-	-	-	(10.51)
	Advanced Adhesives Limited	-	-	-	-	-
		(175.00)	-	-	-	(175.00)
	Astral Pipes Limited	-	-	-	-	-
		-	(689.46)	-	-	(689.46)
3.	Receipt / Adjusted Towards Loan Given					
	Advanced Adhesives Limited	-	-	-	-	-
		(200.00)	-	-	-	(200.00)
	Astral Pipes Limited	-	794.30	-	-	794.30
		-	-	-	-	-
	Kairav Chemicals Limited	-	-	-	-	-
		-	(25.00)	-	-	(25.00)
4.	Receipt of Subscription to Share Capital					
	Astral Pipes Limited	-	193.42	-	-	193.42
		-	-	-	-	-

Notes on Accounts for the Year ended on 31st March, 2014

(₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in				Total
		1(a) above	1(b) above	1(c) above	1(d) above	
5.	Purchase of Goods / Assets					
	Advanced Adhesives Limited	3,478.84	-	-	-	3,478.84
		(1,790.74)	-	-	-	(1,790.74)
	Mr. Sandeep P. Engineer	-	-	-	-	-
		-	-	(941.04)	-	(941.04)
	Mrs. Jagruti S. Engineer	-	-	-	-	-
		-	-	(941.04)	-	(941.04)
6.	Sale of Goods					
	Advanced Adhesives Limited	37.46	-	-	-	37.46
		(33.75)	-	-	-	(33.75)
	Kairav Chemicals Limited	-	0.38	-	-	0.38
		-	-	-	-	-
	Astral Pipes Limited	-	332.35	-	-	332.35
		-	(127.45)	-	-	(127.45)
7.	Rent Received					
	Kairav Chemicals Limited	-	4.05	-	-	4.05
		-	(3.23)	-	-	(3.23)
8.	Dividend Paid					
	Saumya Polymers LLP	-	58.48	-	-	58.48
		-	(35.46)	-	-	(35.46)
	Mr. Sandeep P. Engineer	-	-	65.10	-	65.10
		-	-	(53.26)	-	(53.26)
	Mrs. Jagruti S. Engineer	-	-	25.14	-	25.14
		-	-	(20.57)	-	(20.57)
	Mr. Bipin R. Mehta	-	-	-	1.79	1.79
		-	-	-	(1.46)	(1.46)
	Mrs. Hansa P. Engineer	-	-	-	18.34	18.34
		-	-	-	(15.01)	(15.01)
9.	Interest Received					
	Advanced Adhesives Limited					
		(11.34)	-	-	-	(11.34)
	Astral Pipes Limited	-	8.51	-	-	8.51
		-	(13.04)	-	-	(13.04)
	Kairav Chemicals Limited	-	-	-	-	-
		-	(0.57)	-	-	(0.57)

Notes on Accounts for the Year ended on 31st March, 2014

(₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in				Total
		1(a) above	1(b) above	1(c) above	1(d) above	
10.	Remuneration					
	Mr. Sandeep P. Engineer	-	-	221.34	-	221.34
		-	-	(177.90)	-	(177.90)
	Mrs. Jagruti S. Engineer	-	-	29.50	-	29.50
		-	-	(23.50)	-	(23.50)
	Mr. K. R. Shenoy	-	-	2.00	-	2.00
		-	-	(2.00)	-	(2.00)
	Mr. Bipin R. Mehta	-	-	-	18.00	18.00
		-	-	-	(20.63)	(20.63)
	Mr. Kairav S. Engineer	-	-	-	16.67	16.67
		-	-	-	(15.89)	(15.89)
11.	Rent Paid					
	Kairav Chemicals Limited	-	9.63	-	-	9.63
		-	(8.45)	-	-	(8.45)
	Sandeep P. Engineer (H.U.F.)	-	-	-	8.88	8.88
		-	-	-	(7.79)	(7.79)
	Mrs. Hansa P. Engineer	-	-	-	1.98	1.98
		-	-	-	(1.20)	(1.20)
12.	Guarantee Given					
	Astral Pipes Limited	-	1,972.01	-	-	1,972.01
		-	-	-	-	-

Details of Related Party Transactions outstanding balances as at 31st March, 2014:

(₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in				Total
		1(a) above	1(b) above	1(c) above	1(d) above	
1.	Unsecured Loan Given					
	Astral Biochem Private Limited	505.68	-	-	-	505.68
		(505.68)	-	-	-	(505.68)
	Astral Pipes Limited	-	-	-	-	-
		-	(686.29)	-	-	(686.29)
2.	Non Current Investment					
	Astral Biochem Private Limited	5.00	-	-	-	5.00
		(5.00)	-	-	-	(5.00)
	Advanced Adhesives Limited	4.25	-	-	-	4.25
		(4.25)	-	-	-	(4.25)
	Astral Pipes Limited	-	1,057.70	-	-	1,057.70
		-	(182.45)	-	-	(182.45)

Notes on Accounts for the Year ended on 31st March, 2014

(₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in				Total
		1(a) above	1(b) above	1(c) above	1(d) above	
3.	Payable towards Purchase of Goods					
	Advanced Adhesives Limited	188.93	-	-	-	188.93
		(140.50)	-	-	-	(140.55)
4.	Receivables					
	Astral Pipes Limited	-	140.81	-	-	140.81
		-	(87.33)	-	-	(87.33)
5.	Payable towards Purchase of Investment					
	Astral Pipes Limited	-	11.23	-	-	11.23
		-	-	-	-	-
6.	Interest Receivable on Loans Given					
	Astral Pipes Limited	-	-	-	-	-
		-	(12.10)	-	-	(12.10)
7.	Payable towards Expenses					
	Mr. Sandeep P. Engineer	-	-	67.53	-	67.53
		-	-	(60.68)	-	(60.68)
	Mrs. Jagruti S. Engineer	-	-	-	-	-
		-	-	(1.21)	-	(1.21)
	Mr. K. R. Shenoy	-	-	0.45	-	0.45
		-	-	(0.45)	-	(0.45)
	Mr. Bipin R. Mehta	-	-	-	1.00	1.00
		-	-	-	(0.97)	(0.97)
	Mr. Kairav S. Engineer	-	-	-	0.65	0.65
		-	-	-	(0.72)	(0.72)
8.	Guarantee Given					
	Astral Pipes Limited	-	1,972.01	-	-	1,972.01
		-	-	-	-	-

Figures in the brackets are in respect of the previous year.

29. SEGMENT REPORTING

The Company is engaged mainly in production of plastic products and as such is the only reportable segment as per Accounting Standard on Segment Reporting (AS – 17) issued by the Institute of Chartered Accountants of India. The geographical segmentation is not relevant as export turnover is not significant in respect of total turnover.

30. DERIVATIVE INSTRUMENTS

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts and Currency Options for speculative purposes.

Notes on Accounts for the Year ended on 31st March, 2014

Outstanding Forward Exchange Contracts entered into by the Company:

As at	No. of Contracts	Buy/Sell	US \$ Equivalent (Lacs)	INR Equivalent (Lacs)
31st March, 2014	3	Buy	41.99	2,514.52
31st March, 2013	9	Buy	63.63	3,453.88

Expenditure on account of premium on forward exchange contracts to be recognized in the statement of profit and loss of subsequent accounting period aggregates to ₹99.41 Lacs (Previous Year: ₹16.22 Lacs).

Outstanding Option Contracts entered into by the Company:

As at	No. of Contracts	Buy/Sell	US \$ Equivalent (Lacs)	INR Equivalent (Lacs)
31st March, 2014	2	Buy	30.00	1,796.70
31st March, 2013	-	-	-	-

Foreign Currency Exposures not hedged by derivative instruments as at 31st March, 2014 on payable amounting US\$ 310.79 Lacs, EURO 11.47 Lacs and GBP 0.01 Lacs Equivalent ₹19,557.69 Lacs (Previous Year: US\$ 318.16 Lacs, EURO 9.47 Lacs and GBP Nil Equivalent ₹17,927.61 Lacs) and on receivables amounting US\$ 6.66 Lacs Equivalent ₹398.54 Lacs (Previous Year: US\$ 1.61 Lacs Equivalent ₹87.33 Lacs).

Foreign Exchange Loss (Net) of ₹2,647.84 Lacs (Previous Year: Exchange Loss (Net) of ₹1,277.37 Lacs) for the year has been included in respective heads of Statement of Profit and Loss.

31. VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED

Sr. No.	Particulars	2013-14		2012-13	
		Value in Lacs	% of Total Consumption	Value in Lacs	% of Total Consumption
1.	Imported	35,708.22	48.08	27,275.82	48.91
2.	Indigenous	38,567.60	51.92	28,491.97	51.09
	Total	74,275.82	100.00	55,767.79	100.00

32. VALUE OF IMPORTED AND INDIGENOUS STORES & SPARES CONSUMED

Sr. No.	Particulars	2013-14		2012-13	
		Value in Lacs	% of Total Consumption	Value in Lacs	% of Total Consumption
1.	Imported	62.94	9.65	5.63	1.35
2.	Indigenous	589.24	90.35	410.48	98.65
	Total	652.18	100.00	416.11	100.00

33. EARNINGS AND EXPENSES IN FOREIGN CURRENCY AND CIF VALUE OF IMPORTS

a) CIF Value of Imports	(₹ In Lacs)	
	2013-14	2012-13
Capital Goods	226.87	417.60
Resin, Pipes & Fittings	36,214.85	26,828.42
b) Expenditure in foreign currency	(₹ In Lacs)	
	2013-14	2012-13
Interest	295.28	396.34
Professional Fees	186.23	-
Travelling	115.51	50.66
Others	24.15	55.26



Notes on Accounts for the Year ended on 31st March, 2014

c) Dividend Remitted to Non-resident Shareholders

	2013-14	2012-13
Number of Non-resident Shareholders	1	1
Number of shares held by Non-resident Shareholders	5,158,015	3,164,482
Amount remitted during the year (₹In Lacs)	28.36	35.60
Year to which dividend relates	2012-13 & 2013-14	2011-12 & 2012-13

d) Earnings in foreign currency

	2013-14	2012-13
Value of Export Sales	1,913.72	754.06

(₹ In Lacs)

34. Previous year's figures have been regrouped and reclassified, wherever necessary, so as to make them comparable.

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 Executive Director

(Gaurav J. Shah)
Partner
Membership No.: 35701
Place : Ahmedabad
Date : May 3, 2014

(Zankhana V. Trivedi)
Company Secretary
Place : Ahmedabad
Date : May 3, 2014

Independent Auditors' Report on Consolidated Financial Statements

To The Board of Directors of **Astral Poly Technik Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ASTRAL POLY TECHNIK LIMITED** (the "Company"), its subsidiaries and jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and jointly controlled entity referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries and a jointly controlled entity, whose financial statements reflect total assets (net) of ₹2,921.43 Lacs as at 31st March, 2014 / 31st December, 2013, total revenues of ₹2,734.40 Lacs and net cash flows amounting to ₹217.52 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For, **Deloitte Haskins and Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Place : Ahmedabad
Date : May 3, 2014

(Gaurav J. Shah)
Partner
Membership No. 35701

Consolidated Balance Sheet as at 31st March, 2014

(₹ In Lacs)

Particulars	Note	As At 31st March, 2014	As At 31st March, 2013
I. EQUITY AND LIABILITIES			
Share Holders' Funds			
Share Capital	1	1,123.81	1,123.81
Reserves & Surplus	2	30,407.92	23,013.79
		31,531.73	24,137.60
Minority Interest		72.40	34.08
Non Current Liabilities			
Long Term Borrowings	3	8,060.58	6,435.86
Deferred Tax Liabilities (Net)	4	1,182.75	817.04
Long Term Provisions (Employee Benefits)		10.12	-
		9,253.45	7,252.90
Current Liabilities			
Short Term Borrowings	5	1,773.22	122.39
Trade Payables	6	18,488.26	17,049.71
Other Current Liabilities	7	7,653.11	5,061.50
Short Term Provisions	8	664.57	763.56
		28,579.16	22,997.16
Total		69,436.74	54,421.74
II. ASSETS			
Non Current Assets			
Fixed Assets	9		
Tangible Assets		28,877.35	21,496.21
Capital Work In Progress		820.07	1,198.84
Goodwill on Consolidation		52.73	-
Long Term Loans and Advances	10	1,030.48	780.74
		30,780.63	23,475.79
Current Assets			
Inventories	11	19,497.29	15,046.53
Trade Receivables	12	14,507.70	10,628.70
Cash and Cash Equivalents	13	96.48	1,152.27
Short Term Loans and Advances	14	4,507.11	4,082.56
Other Current Assets	15	47.53	35.89
		38,656.11	30,945.95
Total		69,436.74	54,421.74
Significant Accounting Policies			
Notes on Accounts	1 to 33		

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 Executive Director

(Gaurav J. Shah)
Partner
Membership No.: 35701
Place : Ahmedabad
Date : May 3, 2014

(Zankhana V. Trivedi)
Company Secretary
Place : Ahmedabad
Date : May 3, 2014

Consolidated Statement of Profit and Loss for the Year ended on 31st March, 2014

(₹ In Lacs)

Particulars	Note	2013-14	2012-13
I N C O M E			
Revenue from Operations (Gross)		1,17,860.75	90,354.87
Less : Excise duty		9,896.83	7,835.05
Revenue from Operations (Net)	16	1,07,963.92	82,519.82
Other Income	17	243.59	187.47
Total		1,08,207.51	82,707.29
E X P E N S E S			
Cost of Materials Consumed	18	74,274.46	56,707.53
Purchase of Stock In Trade		6,250.40	3,584.22
Changes in Inventories of Finished Goods and Stock In Trade	19	(3,263.01)	(2,246.98)
Employee Benefits Expenses	20	2,445.48	2,065.99
Finance Costs	21	3,112.42	1,917.89
Depreciation and Amortization Expenses	9	2,191.06	1,812.21
Other Expenses	22	12,743.28	10,883.41
Total		97,754.09	74,724.27
Profit Before Tax		10,453.42	7,983.02
Tax Expenses:			
Current Tax		2,513.88	1,985.04
Short Provision of Tax in earlier years		32.43	103.42
MAT Credit Entitlement		(419.12)	(875.92)
Deferred Tax		396.46	672.77
Profit For The Year (Before Adjustment for Minority Interest)		7,929.77	6,097.71
Share of Gain / (Loss) Transferred to Minority Interest		38.31	36.58
Profit For The Year		7,891.46	6,061.13
Earnings Per Equity Share: (In ₹) (Face Value of ₹2/- each)			
Basic & Diluted	24	14.04	10.79
Significant Accounting Policies			
Notes on Accounts	1 to 33		

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 Executive Director

(**Gaurav J. Shah**)
Partner
Membership No.: 35701
Place : Ahmedabad
Date : May 3, 2014

(**Zankhana V. Trivedi**)
Company Secretary
Place : Ahmedabad
Date : May 3, 2014

Consolidated Cash Flow Statement for the Year ended on 31st March, 2014

		(₹ In Lacs)	
No.	Particulars	2013-14	2012-13
A	Cash flow from Operating Activities		
	Profit before tax	10,453.42	7,983.02
	Adjustments for :		
	Depreciation & Amortization	2,191.06	1,812.21
	Finance Costs	3,087.95	1,452.77
	Allowance for Doubtful Debts	69.47	235.04
	Unrealised Foreign Exchange Fluctuation (Net)	24.48	465.13
	Loss/(Profit) on Sale of Fixed Assets	9.40	(0.22)
	Gain on Sale of Current Investment	(92.70)	(127.24)
	Interest Income	(90.44)	(30.92)
	Operating profit before Working Capital Changes	15,652.64	11,789.79
	Adjustments for :		
	(Increase)/Decrease in Inventories	(4,450.76)	(2,340.88)
	Increase in Trade & Other Receivables	(4,646.04)	(1,683.96)
	Increase/(Decrease) in Trade Payables	2,450.91	(372.17)
	Cash generated from Operations	9,006.75	7,392.78
	Direct Taxes Paid	(2,288.18)	(913.04)
	Net Cash from Operating Activities	6,718.57	6,479.74
B	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(9,596.48)	(6,957.05)
	Proceeds from the Sales of Fixed Assets	14.88	52.60
	Capital Work In Progress	378.77	97.26
	Interest Received	90.44	30.92
	Gain on Sale of Current Investment	92.70	127.24
	Excess of consideration paid over the book value of assets acquired from Joint Venture, Astral Pipes Limited, Kenya	(69.04)	-
	Net Cash used in Investing Activities	(9,088.73)	(6,649.03)
C	Cash flow from Financing Activities		
	Proceeds from Bank Borrowing (Net)	4,763.88	(480.88)
	Finance Cost	(3,087.95)	(1,452.77)
	Dividend paid (including dividend distribution tax)	(361.55)	(293.88)
	Net Cash flow from / (used in) Financing Activities	1,314.38	(2,227.53)
	NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,055.78)	(2,396.82)
	Cash and Cash Equivalents at the beginning of the year	1,152.27	3,551.05
	Effect of Foreign Exchange rate change	(0.01)	(1.96)
	Cash and Cash Equivalents at the end of the year	96.48	1,152.27

Note: 1. Cash and Cash Equivalents represents Cash and Bank Balances. (Refer note No. 13)
 2. Fixed Deposits of ₹0.99 Lacs (Previous Year : ₹5.91 Lacs) are pledged with a bank towards Letters of Credit / Bank Guarantees.
 3. Cash and Cash Equivalents include ₹2.11 Lacs (Previous Year : ₹1.85 Lacs) of unclaimed dividend not available for use by the Company.
 4. The previous year's figures have been regrouped / rearranged wherever necessary.
 5. 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 Executive Director

(**Gaurav J. Shah**)
 Partner
 Membership No.: 35701
 Place : Ahmedabad
 Date : May 3, 2014

(**Zankhana V. Trivedi**)
 Company Secretary
 Place : Ahmedabad
 Date : May 3, 2014

Significant Accounting Policies To The Consolidated Financial Statements

a) Principles of Consolidation

The Consolidated Financial Statements relate to Astral Poly Technik Limited ("the Company") and its Subsidiary Companies. The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.
- In case of foreign Joint Venture, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains/ (losses) arising on conversion are recognised under Foreign Currency Translation Reserve.
- Interests in Joint Venture have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures issued by The Institute of Chartered Accountants of India.
- The financial statements of the Subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2014 and in case of Joint Venture the financial statements used in the consolidation are drawn up to 31st December, 2013.
- The excess of cost to the Company, of its investment in the Subsidiary Company and Joint Venture over the Company's portion of equity is recognised in the financial statement as Goodwill.
- The excess of the Company's portion of equity of the Subsidiary and Joint venture on the acquisition date over its cost of investment is treated as Capital Reserve.
- Intra-group balances and intra-group transactions and resulting unrealised profits have been eliminated.

b) Investments other than in Subsidiaries and Associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

c) Other significant accounting policies

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

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

1. SHARE CAPITAL

	(₹ In Lacs)	
	As At 31st March, 2014	As At 31st March, 2013
Authorised Share Capital		
Equity Share Capital		
7,50,00,000 Equity Shares of ₹2/- each	1,500.00	1,500.00
(3,00,00,000 Equity Shares of ₹5/- each)		
Issued, Subscribed & Fully Paid Share Capital		
Equity Share Capital		
5,61,90,280 Equity Shares of ₹2/- each fully paid up	1,123.81	1,123.81
(2,24,76,112 Equity Shares of ₹5/- each fully paid up)		
Total	1,123.81	1,123.81

a) Rights, preferences and restrictions attached to shares :

The Company has issued only one class of equity shareholders. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

b) Reconciliation of number of Shares outstanding :

Particulars	No. of Shares	₹ in Lacs
As at beginning of the year	2,24,76,112	1,123.81
	(2,24,76,112)	(1,123.81)
Add: Subdivision of Equity Shares of ₹ 5/- each into face value of ₹ 2/- each	3,37,14,168	-
	(-)	(-)
As at end of the year	5,61,90,280	1,123.81
	(2,24,76,112)	(1,123.81)

Figures in the brackets are of Previous Year.

c) The details of shareholders holding more than 5% shares as at March 31, 2014 and March 31, 2013 is set out below:

Sr. No.	Name of Shareholders	As At 31st March, 2014	As At 31st March, 2013
1	Sandeep Pravinbhai Engineer - No. of Shares	1,18,35,705	47,34,282
	- % of Shares Held	21.06	21.06
2	Saumya Polymers LLP - No. of Shares	1,06,32,275	42,52,910
	- % of Shares Held	18.92	18.92
3	HSBC Bank (Mauritius) Limited - No. of Shares	55,81,142	22,32,457
	A/C. Jwalmukhi Investment Holdings - % of Shares Held	9.93	9.93
4	Specialty Process LLC. - No. of Shares	39,77,885	20,63,206
	- % of Shares Held	7.08	9.18
5	Jagruti Sandeep Engineer - No. of Shares	45,71,705	18,28,682
	- % of Shares Held	8.14	8.14
6	Hansa Pravinbhai Engineer - No. of Shares	33,35,230	13,34,092
	- % of Shares Held	5.94	5.94

During the year, the Company has subdivided Equity Shares having face value of ₹ 5/- each into face value of ₹ 2/- each. Consequently, the number of shares as at March 31, 2014 is not comparable with the same as at March 31, 2013.

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

2. RESERVES AND SURPLUS

	(₹ In Lacs)	
	As At 31st March, 2014	As At 31st March, 2013
Capital Reserves		
As per Last Balance Sheet	40.00	40.00
Capital Reserves on Consolidation	16.31	16.31
Less : Capital Reserve adjusted against Goodwill on acquisition of shares (Refer Note No. 30)	16.31	-
	-	16.31
Securities Premium Account		
As per Last Balance Sheet	3,890.73	3,890.73
General Reserves		
As per Last Balance Sheet	1,570.00	970.00
Add : Transferred from Surplus in Statement of Profit & Loss	1,025.00	600.00
	2,595.00	1,570.00
Revaluation Reserves		
As per Last Balance Sheet	121.14	121.14
Foreign Currency Translation Reserve		
As per Last Balance Sheet	(21.53)	(19.48)
Add : For the Year	(53.71)	(2.05)
	(75.24)	(21.53)
Surplus in Statement of Profit & Loss		
As per Last Balance Sheet	17,397.14	12,263.84
Add : Profit For the Year	7,891.46	6,061.13
Amount Available for Appropriation	25,288.60	18,324.97
Less : Appropriations :		
Interim Dividend	140.48	112.38
Proposed Final Dividend	224.76	168.57
Dividend Distribution Tax	62.07	46.88
Transferred to General Reserve	1,025.00	600.00
	1,452.31	927.83
	23,836.29	17,397.14
Total	30,407.92	23,013.79

3. LONG TERM BORROWINGS

	(₹ In Lacs)	
	As At 31st March, 2014	As At 31st March, 2013
Secured		
Term Loans from Banks		
In Rupee	2,301.15	1,815.88
In Foreign Currency	8,452.44	5,792.05
	10,753.59	7,607.93
Less : Current Maturity of Long Term Loans	3,298.69	2,399.93
	7,454.90	5,208.00
Buyers Credit	1,557.21	1,376.58
Less : Current Maturity of Long Term Buyers Credits	1,015.39	214.86
	541.82	1,161.72
Vehicle Loans	111.36	122.29
Less : Current Maturity of Vehicle Loans	47.50	56.15
	63.86	66.14
Total	8,060.58	6,435.86

Note: Amount stated in Current Maturity is disclosed under the head of "Other Current Liabilities" (Refer Note No.7).

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

- a) Term Loans Secured by way of first charge, in respect of Fixed assets, both present and future, and second charge on entire current assets of the Company both present and future and also further secured by personal guarantees of Directors.
- Corporation Bank Term Loan of ₹ 3,926.50 Lacs (Previous Year : ₹ 2,909.67 Lacs) repayable within 72 months including initial moratorium period of twelve months from the date of first disbursement in twenty quarterly instalments. Repayable by December 2018.
 - HDFC Bank ECB Loan of ₹ 2,707.03 Lacs (Previous Year : ₹ 3,229.66 Lacs) repayable within 66 months including initial moratorium period of twelve months from the date of first disbursement in eighteen quarterly instalments. Repayable by December 2016.
 - Standard Chartered Bank ECB Loan of ₹ 943.27 Lacs (Previous Year : ₹ 1,282.37 Lacs) repayable within 60 months including initial moratorium period of twelve months from the date of first disbursement in nine half yearly instalments. Repayable by March 2016.
 - Term Loan of ₹ 295.49 Lacs (Previous Year : ₹ 114.35 Lacs) are secured over all assets of the jointly controlled entity and personal guarantee of all directors of the jointly controlled entity.
 - IndusInd Bank Term Loan of ₹ 2,881.30 Lacs (Previous Year : ₹ Nil) repayable within 60 months including initial moratorium period of Twelve months from the date of first disbursement in sixteen quarterly instalments. Repayable by June 2018.
- b) Buyers Credit
- HDFC Bank Limited Buyers Credit of ₹ 176.93 Lacs (Previous Year : ₹ 205.94 Lacs) Repayable by December 2014. Secured by way of first charge, in respect of Fixed assets, both present and future, and second charge on entire current assets of the Company both present and future and also further secured by personal guarantees of Directors.
 - Corporation Bank Buyers Credit of ₹ 145.35 Lacs (Previous Year : ₹ 141.21 Lacs) Repayable by March 2016.. Secured by way of first charge, in respect of entire current assets of the Company both present and future and further secured by personal guarantees of Directors.
 - IDBI Bank Limited Buyers Credit of ₹ 1,234.93 Lacs (Previous Year : ₹ 1,029.43 Lacs) Repayable by November 2016. Secured by way of first charge, in respect of entire current assets of the Company both present and future and further secured by personal guarantees of Directors.
- c) Vehicle Loans are Secured by way of hypothecation of respective motor vehicles purchased.
- Kotak Mahindra Prime Limited Vehicle Loan of ₹ 20.01 Lacs (Previous Year : ₹ 50.58 Lacs) repayable on monthly basis. Repayable by March 2015.
 - Axis Bank Limited Vehicle Loan of ₹ 1.12 Lacs (Previous Year : ₹ 4.27 Lacs) repayable on monthly basis. Repayable by July 2014.
 - ICICI Bank Limited Vehicle Loan of ₹ 53.25 Lacs (Previous Year ₹ : 21.25 Lacs) repayable on monthly basis. Repayable by October 2016.
 - Vehicle loan ₹ 28.09 Lacs (Previous Year : ₹ 46.07 Lacs) are secured by hypothecation of respective motor vehicle purchased by the jointly controlled entity.
 - Corporation Bank Vehicle loan ₹ 8.89 Lacs (Previous Year : ₹ Nil) repayable on monthly basis. Repayable by February 2019.

4. DEFERRED TAX LIABILITIES (NET)

	(₹ In Lacs)	
	As At 31st March, 2014	As At 31st March, 2013
Deferred Tax Liabilities		
Related to Fixed Assets	1,841.70	1,324.27
Deferred Tax Assets		
Provision For Doubtful Trade Receivable	154.49	137.85
Disallowances under Section 43B of the Income Tax Act, 1961	504.46	369.38
Total	1,182.75	817.04

5. SHORT TERM BORROWINGS

	(₹ In Lacs)	
	As At 31st March, 2014	As At 31st March, 2013
Secured		
From Banks	1,173.22	122.39
Unsecured		
From Banks	600.00	-
Total	1,773.22	122.39

- Bank Overdraft of ₹ 223.22 Lacs (Previous Year : ₹ 122.39 Lacs) Secured by way fixed charge over all assets of Astral Pipes Limited and personal guarantee of all the directors of Astral Pipes Limited.
- Working Capital Loans of ₹ 950.00 Lacs (Previous Year : ₹ Nil) Secured by way of first charge on entire current assets of the Company both present and future and second charge in respect of Fixed assets both present and future and also further Secured by personal guarantees of Director.

Consolidated Notes on Accounts for the Year ended on 31st March, 2014
6. TRADE PAYABLES

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Acceptances	10,953.22	9,412.96
Other than Acceptances *	7,535.04	7,636.75
Total	18,488.26	17,049.71

* There are no dues to Micro and small Enterprises as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

7. OTHER CURRENT LIABILITIES

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Current Maturities of Long Term Borrowings (Refer Note No. 3)	4,361.58	2,670.94
Interest Accrued and due on Borrowings	18.75	14.90
Interest Accrued but not Due on Borrowings	38.80	41.49
Unclaimed Dividends	2.11	1.85
Other Liabilities		
For Statutory Dues	2,485.59	1,863.18
Advance Received from Customers	158.25	82.78
Other Payables *	588.03	386.36
Total	7,653.11	5,061.50

* Other Payables includes Payable for Capital Goods.

8. SHORT TERM PROVISIONS

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Provision for Employee Benefits		
Unpaid Leave (Refer Note No. 26)	0.82	4.57
Provision for Dividend		
Proposed Final Dividend	224.76	168.57
Tax on Dividend	38.20	28.65
Provision for Taxation		
Taxation	399.38	560.65
(Net of Advance Tax of ₹2,110.00 Lacs and TDS of ₹2.21 Lacs (Previous Year : Advance Tax of ₹1,420.00 Lacs and TDS of ₹4.38 Lacs))		
Provision for Wealth Tax	1.41	1.12
Total	664.57	763.56

9. FIXED ASSETS

(₹ In Lacs)

Assets	Gross Block				Depreciation				Net Block	
	As At 01.04.2013	Additions	Deductions/ Adjustments	As At 31.03.2014	As At 01.04.2013	For The Year	Deductions/ Adjustments	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
Land	3,671.81	2,427.93	-	6,099.74	-	-	-	-	6,099.74	3,671.81
Buildings	6,534.96	2,570.74	(15.73)	9,121.43	513.47	222.20	(4.02)	739.69	8,381.74	6,021.49
Plant & Machinery	16,538.34	4,286.21	(44.12)	20,868.67	5,799.02	1,861.62	(7.15)	7,667.79	13,200.88	10,739.32
Furniture & Fixtures	967.86	152.58	(2.30)	1,122.74	158.91	68.28	(0.82)	228.01	894.73	808.95
Vehicles	364.79	88.88	9.48	444.19	110.15	38.96	5.18	143.93	300.26	254.64
Total	28,077.76	9,526.34	(52.67)	37,656.77	6,581.55	2,191.06	(6.81)	8,779.42	28,877.35	21,496.21
Capital Work In Progress									820.07	1,198.84
	28,077.76	9,526.34	(52.67)	37,656.77	6,581.55	2,191.06	(6.81)	8,779.42	29,697.42	22,695.05
Previous Year	21,187.48	6,957.05	66.77	28,077.76	4,783.73	1,812.21	14.39	6,581.55	22,695.05	

- Building Includes ₹750/- being face value of 15 number of shares of ₹50/- each held in Kant Apartment Co-Operative Housing Society Limited. Also includes ₹127.11 Lacs (Previous Year : ₹127.11 Lacs) for which the procedure for transfer of title in the name of the Company is in process.
- Capital Work In Progress includes ₹63.44 Lacs (Previous Year : ₹69.56 Lacs) on account of Pre - Operative Expenses.
- Accumulated Depreciation upto 31st March, 2014 includes impairment loss on Plant and Machinery ₹96.20 Lacs (Previous Year : ₹96.20 Lacs).

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

10. LONG TERM LOANS AND ADVANCES

(₹ In Lacs)

Unsecured, considered good

Capital Advances

To Others

Security Deposits

Prepaid Expenses

MAT Credit Entitlement

Total

As At 31st March, 2014	As At 31st March, 2013
286.68	262.67
15.71	15.06
54.81	1.38
673.28	501.63
1,030.48	780.74

11. INVENTORIES

(₹ In Lacs)

Raw Materials

Stock In Trade

Finished Goods

Packing Materials

Goods In Transit

Total

As At 31st March, 2014	As At 31st March, 2013
6,912.15	5,924.80
2,898.40	2,272.46
9,486.60	6,725.14
169.01	105.40
31.13	18.73
19,497.29	15,046.53

12. TRADE RECEIVABLES

(₹ In Lacs)

Unsecured

Trade Receivable Outstanding for a period exceeding six months from the date they are due for payment

Considered Good

Considered Doubtful

Less: Provision

Other Debts

Considered Good

Total

As At 31st March, 2014	As At 31st March, 2013
118.30	110.56
454.50	405.57
454.50	405.57
118.30	110.56
14,389.40	10,518.14
14,507.70	10,628.70

13. CASH AND CASH EQUIVALENTS

(₹ In Lacs)

Cash on Hand

Balance with Banks

In Current Account

In Deposit Account

In Unclaimed Dividend Account

Total

As At 31st March, 2014	As At 31st March, 2013
11.44	9.49
81.94	1,135.02
0.99	5.91
2.11	1.85
96.48	1,152.27

14. SHORT TERM LOANS AND ADVANCES

(₹ In Lacs)

Unsecured, Considered Good

Loans to Related Parties

Prepaid Expenses

Security Deposits

Advance for Purchase of Non Current Investment

Loans and Advances to Employees

Balance with Custom, Central Excise Authorities

MAT Credit Entitlements

Advances to Suppliers

Taxes Receivable

Total

As At 31st March, 2014	As At 31st March, 2013
-	472.52
180.22	83.55
182.84	70.45
-	193.24
9.11	4.46
3,403.18	2,619.11
450.00	374.29
251.69	234.64
30.06	30.30
4,507.11	4,082.56

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

15. OTHER CURRENT ASSETS

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Interest Receivable	0.04	7.98
Advance to Gratuity Fund (Refer Note No. 26)	46.52	27.91
Others	0.97	-
Total	47.53	35.89

16. REVENUE FROM OPERATIONS

(₹ In Lacs)

	2013-14	2012-13
Domestic Sales	1,15,945.63	89,600.81
Export Sales	1,915.12	754.06
Gross	1,17,860.75	90,354.87
Less : Excise Duty	9,896.83	7,835.05
Revenue from Operations (Net)	1,07,963.92	82,519.82

17. OTHER INCOME

(₹ In Lacs)

	2013-14	2012-13
Interest Income	90.44	30.92
Gain on Sale of Current Investment	92.70	127.24
Profit on Sale of Fixed Assets	-	0.22
Miscellaneous Income	60.45	29.09
Total	243.59	187.47

18. COST OF MATERIALS CONSUMED

(₹ In Lacs)

	2013-14	2012-13
Opening Stock	5,924.80	5,943.78
Add: Purchases	75,449.85	56,688.55
	81,374.65	62,632.33
Less : Closing Stock	7,100.19	5,924.80
Cost of Materials Consumed	74,274.46	56,707.53

19. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE

(₹ In Lacs)

	2013-14	2012-13
Inventories at the end of the Year		
Finished Goods	9,568.96	6,725.14
Stock In Trade	2,691.65	2,272.46
	12,260.61	8,997.60
Inventories at the beginning of the Year		
Finished Goods	6,725.14	5,451.15
Stock In Trade	2,272.46	1,299.47
	8,997.60	6,750.62
Net (Increase) / Decrease	(3,263.01)	(2,246.98)

20. EMPLOYEE BENEFITS EXPENSES

(₹ In Lacs)

	2013-14	2012-13
Salaries and Wages	2,265.33	1,890.50
Contribution to Provident and Other Funds (Refer Note No.26)	89.03	85.57
Staff Welfare Expenses	91.12	89.92
Total	2,445.48	2,065.99

21. FINANCE COSTS

(₹ In Lacs)

	2013-14	2012-13
Interest Expenses		
Borrowings	772.14	689.02
Others	22.47	21.13
Other Borrowing Costs	90.90	93.98
Expense on Foreign Currency Transaction Including Hedging Costs	2,226.91	1,113.76
Total	3,112.42	1,917.89

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

22. OTHER EXPENSES

(₹ In Lacs)

	2013-14	2012-13
Stores & Spares	655.52	419.26
Power and Fuel	2,045.11	1,949.11
Rent Expenses *	178.98	141.55
Repairs Expenses		
Repairs to Buildings	113.61	99.69
Repairs to Machinery	139.28	115.48
Repairs Others	52.36	28.34
Insurance Expenses	142.02	105.96
Royalty Expenses	137.89	75.07
Rates & Taxes	29.01	49.69
Communication Expenses	82.74	65.87
Travelling Expenses	512.79	387.64
Factory & Other Expenses	153.05	141.47
Printing & Stationary	36.29	37.74
Freight & Forwarding	1,713.33	1,323.34
Packing Expenses	1,116.51	821.73
Changes in Excise Duty on Inventories	209.33	198.34
Commission	150.84	121.65
Discount on Sales	2,273.62	2,270.77
Sales Promotions	1,780.68	1,644.78
Donations & Contributions	13.52	9.75
Security Service Charges	140.29	106.17
Legal & Professional	301.90	130.38
Payments to Auditors **	12.61	14.38
Bad Debts Written Off	20.53	-
Provision for Doubtful Trade and Other Receivable	48.93	235.04
Net Loss on Foreign Currency Transactions and Translations	459.87	181.84
Loss on Sale of Fixed Assets	9.40	-
Other Expenses	213.27	208.37
Total	12,743.28	10,883.41

* The Company is lessee under various operation leases under which rental expenses for the year was ₹178.98 Lacs (Previous year: ₹141.55 Lacs). The Company has not executed any non cancelable lease agreement.

** Payment to Auditors As:

(₹ In Lacs)

Particulars	2013-14	2012-13
For Statutory Audit	8.94	8.70
For Other Services	3.67	5.68
For Service Tax	1.42	1.66
Total	14.03	16.04

23. The list of Subsidiaries Company and Joint Venture which are included in the consolidation and the Company's holdings therein are as under:

Name of the Company	% of Holding		Country of Incorporation
	2013-14	2012-13	
Subsidiaries			
Astral Biochem Private Limited	100%	100%	India
Advanced Adhesives Limited	85%	85%	India
Joint Venture			
Astral Pipes Limited (Formerly known as Astral Technologies Limited)	37.50%	31.90%	Kenya

The audited financial statements of Astral Pipes Limited (Kenya) up to 31st December, 2013 have been prepared in accordance with International Financial Reporting Standards. Differences in accounting policies of the Company and the joint venture are not material and there are no material transactions from 1st January, 2014 to 31st March, 2014 in respect of the joint venture having financial year ended on 31st December, 2013. There is no change in Company's interest in the joint venture from 1st January, 2014 to 31st March, 2014.

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

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

24. EARNING PER SHARE

	As At 31st March, 2014	As At 31st March, 2013
Profit After Tax (₹ In Lacs)	7,891.46	6,061.13
Weighted Average No. of Equity Shares Outstanding	5,61,90,280	2,24,76,112
Nominal Value of Shares (In ₹)	2	5
Basic & Diluted Earnings Per Share (In ₹)	14.04	10.79

Pursuant to the approval of the shareholders at the Annual General Meeting held on August 5, 2013, the Board of Directors of the Company at its meeting held on the date had approved sub-division of its equity share of the face value of ₹ 5/- each into 2.5 (Two and Half) equity shares of ₹ 2/- each.

Consequently, the Earnings per Share (EPS) has been adjusted as required under AS-20 Earnings Per Share.

25. CONTINGENT LIABILITIES NOT PROVIDED FOR

	As At 31st March, 2014	As At 31st March, 2013
(₹ In Lacs)		
Contingent Liabilities		
Bank Guarantees	296.08	298.22
Letters of Credit for Purchases	149.75	24.54
Income tax matters under appeal	-	5.77
Commitments		
Capital Contracts remaining to be executed	1,464.00	1,182.31

26. EMPLOYEE BENEFITS

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

Defined Contribution Plan:

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note No.20 ₹ 79.10 Lacs (Previous Year: ₹ 66.63 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 recognized 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.

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

Status of Defined Benefit Plans/Long term Compensated Absences – As per Actuarial Valuations as on 31st March, 2014

a) Reconciliation of opening and closing balances of the present value of the Defined benefit Obligation : (₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Obligations at the beginning of the year	105.13	79.07	4.57	-
Current service cost	17.39	16.37	8.25	4.57
Interest cost	8.67	6.92	0.38	-
Actuarial (gain) / loss	(3.77)	5.45	(1.70)	-
Benefits paid	(6.75)	(2.68)	-	-
Obligations at the end of the year	120.67	105.13	11.50	4.57

b) Reconciliation of opening and closing balances of the fair value of plan assets : (₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Plan assets at the beginning of the year, at fair value	133.04	105.30	-	-
Expected return on plan assets	11.57	9.21	-	-
Actuarial gain / (loss)	1.01	1.33	-	-
Contributions	27.98	19.88	-	-
Benefits paid	(6.75)	(2.68)	-	-
Plan assets at the end of the year, at fair value	166.85	133.04	-	-

c) Reconciliation of the present value of the defined benefit obligation & fair value of plan Asset : (₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Obligations at the end of the year	120.67	105.13	11.50	4.57
Plan assets at the end of the year, at fair value	166.86	133.04	-	-
Liability/(Assets) recognised in Balance sheet as on 31st March, 2014	(46.19)	(27.91)	11.50	4.57

d) Cost for the year : (₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Current service cost	17.39	16.37	8.25	4.57
Interest cost	8.67	6.92	0.38	-
Expected return on plan assets	(11.57)	(9.21)	-	-
Actuarial (gain) / loss.	(4.78)	4.12	(1.70)	-
Expense recognized in the Statement of Profit and Loss	9.71	18.20	6.93	4.57

e) Investment details of plan assets :

To fund the obligations under the gratuity plan, Contributions are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines.

f) Assumptions :

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Discount Rate	9.31%	8.25%	9.31%	8.25%
Expected return on plan assets	8.70%	8.70%	-	-
Annual Increase in Salary Costs	5.00%	5.00%	5.00%	5.00%

Future Salary increases are based on long term average salary rise expected taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employee market. Future Separation & mortality rates are obtained from relevant data of Life Insurance Corporation of India.

g) Experience History of Gratuity :

(₹ In Lacs)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation at the end of the period	120.67	105.13	79.07	53.51	45.88
Plan Assets at the end of the period	166.86	133.04	105.30	75.65	56.52
Funded Status	(46.19)	(27.91)	(26.23)	(22.14)	(10.64)
Experience Adjustments on Plan Liabilities	-	-	-	-	-
Experience Adjustments on Plan Assets	-	-	-	-	-

h) Contributions expected to be paid to the plan during the next financial year ₹Nil (Previous Year : ₹Nil).

Consolidated Notes on Accounts for the Year ended on 31st March, 2014
27. RELATED PARTY DISCLOSURES
1. Name of Party and relationship :

Sr. No.	Description of Relationship	Name of Related Parties
a.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Kairav Chemicals Limited Saumya Polymers LLP (Formerly known as Saumya Polymers Private Limited) Plumbware Limited Allied Plumbers Limited Architectural Supplies Limited Allied Plumbers U Limited Ole Sereni Hotel Asl Limited Trevelshoppe Company Ltd Polythene Industries Ltd Juma Hardware Store Ltd Kentainers Ltd Lino Stationers (A) Ltd
b.	Key Management Personnel	Mr. Sandeep P. Engineer Mrs. Jagruti S. Engineer Mr. K. R. Shenoy Mr. Kairav S. Engineer Mr. Yogesh Patel Mr. Manminder S. Jandu Mr. Hiranand Savlani Mr. Kartik S. Patel Mr. Gautam C. Patel
c.	Relatives of Key Management Personnel	Sandeep P. Engineer HUF Mr. Bipin R. Mehta Mrs. Rekha B. Mehta Mrs. Hansa P. Engineer Mr. Saumya S. Engineer

2. Details of Related Party Transactions during the year ended 31st March, 2014 :
(₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in			Total
		1(a) above	1(b) above	1(c) above	
1.	Receipt towards Loan given				
	Kairav Chemicals Limited	-	-	-	-
		(25.00)	-	-	(25.00)

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

(₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in			Total
		1(a) above	1(b) above	1(c) above	
2.	Purchase of Goods / Assets				
	Kairav Chemicals Limited	232.17	-	-	232.17
		(11.44)	-	-	(11.44)
	Mr. Sandeep P. Engineer	-	-	-	-
		-	(941.04)	-	(941.04)
	Mrs. Jagruti S. Engineer	-	-	-	-
		-	(941.04)	-	(941.04)
	Plumbware Limited	0.25	-	-	0.25
		(0.67)	-	-	(0.67)
	Allied Plumbers Limited	7.42	-	-	7.42
		(47.42)	-	-	(47.42)
	Architectural Supplies Limited	-	-	-	-
		(0.01)	-	-	(0.01)
	ASL Limited	5.88	-	-	5.88
		-	-	-	-
	Trevelshoppe Company Ltd	4.94	-	-	4.94
		-	-	-	-
	Polythene Industries Ltd	207.60	-	-	207.60
		-	-	-	-
	Juma Hardware Store Ltd	0.85	-	-	0.85
		-	-	-	-
	Kentainers Ltd	0.42	-	-	0.42
		-	-	-	-
	Lino Stationers (A) Ltd	0.30	-	-	0.30
		-	-	-	-
3.	Sale of Goods / Assets				
	Kairav Chemicals Limited	0.38	-	-	0.38
		-	-	-	-
	Plumbware Limited	11.17	-	-	11.17
		(8.50)	-	-	(8.50)
	Allied Plumbers Limited	63.11	-	-	63.11
		(109.26)	-	-	(109.26)
	Allied Plumbers U Limited	12.40	-	-	12.40
		(16.43)	-	-	(16.43)
	ASL Limited	38.14	-	-	38.14
		-	-	-	-
	Juma Hardware Store Ltd	13.53	-	-	13.53
		-	-	-	-

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

(₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in			Total
		1(a) above	1(b) above	1(c) above	
4.	Rent Received				
	Kairav Chemicals Limited	4.05	-	-	4.05
		(3.23)	-	-	(3.23)
5.	Dividend Paid				
	Saumya Polymers LLP	58.48	-	-	58.48
		(35.46)	-	-	(35.46)
	Mr. Sandeep P. Engineer	-	65.10	-	65.10
		-	(53.26)	-	(53.26)
	Mrs. Jagruti S. Engineer	-	25.14	-	25.14
		-	(20.57)	-	(20.57)
	Mr. Bipin R. Mehta	-	-	1.79	1.79
		-	-	(1.46)	(1.46)
	Mrs. Hansa P. Engineer	-	-	18.34	18.34
		-	-	(15.01)	(15.01)
6.	Interest Income				
	Kairav Chemicals Limited	-	-	-	-
		(0.57)	-	-	(0.57)
7.	Remuneration				
	Mr. Sandeep P. Engineer	-	221.34	-	221.34
		-	(177.90)	-	(177.90)
	Mrs. Jagruti S. Engineer	-	29.50	-	29.50
		-	(23.50)	-	(23.50)
	Mr. K. R. Shenoy	-	2.00	-	2.00
		-	(2.00)	-	(2.00)
	Mr. Yogesh Patel	-	-	-	-
		-	(1.41)	-	(1.41)
	Mr. Bipin R. Mehta	-	-	18.00	18.00
		-	-	(20.63)	(20.63)
	Mr. Kairav S. Engineer	-	16.67	-	16.67
		-	(15.89)	-	(15.89)
8.	Rent Paid				
	Kairav Chemicals Limited	27.61	-	-	27.61
		(8.45)	-	-	(8.45)
	Allied Plumbers Limited	15.93	-	-	15.93
		(23.64)	-	-	(23.64)
	Sandeep P. Engineer (H.U.F.)	-	-	8.88	8.88
		-	-	(7.79)	(7.79)
	Mrs. Hansa P. Engineer	-	-	1.98	1.98
		-	-	(1.20)	(1.20)
9.	Deposit Given				
	Kairav Chemicals Limited	88.00	-	-	88.00
		-	-	-	-

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

Details of Related Party Transactions outstanding balances as at 31st March, 2014 : (₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in			Total
		1(a) above	1(b) above	1(c) above	
1.	Deposit Given				
	Kairav Chemicals Limited	88.00	-	-	88.00
		-	-	-	-
2.	Payables towards Purchase of Goods / Assets				
	Allied Plumbers Limited	9.81	-	-	9.81
		(1.30)	-	-	(1.30)
	Trevelshoppe Company Ltd	0.17	-	-	0.17
		-	-	-	-
	Polythene Industries Ltd	61.60	-	-	61.60
		-	-	-	-
	Juma Hardware Store Ltd	0.01	-	-	0.01
		-	-	-	-
	Kentainers Ltd	0.47	-	-	0.47
		-	-	-	-
	Lino Stationers (A) Ltd	0.14	-	-	0.14
		-	-	-	-
3.	Receivables				
	Allied Plumbers Limited	98.75	-	-	98.75
		(55.89)	-	-	(55.89)
	Plumbware Limited	7.52	-	-	7.52
		(2.15)	-	-	(2.15)
	Allied Plumbers (U) Limited	8.50	-	-	8.50
		(6.36)	-	-	(6.36)
	Juma Hardware Store Ltd	9.09	-	-	9.09
		-	-	-	-
4.	Payable towards Expenses				
	Mr. Sandeep P. Engineer	-	67.53	-	67.53
		-	(60.68)	-	(60.68)
	Mrs. Jagruti S. Engineer	-	-	-	-
		-	(1.21)	-	(1.21)
	Mr. K. R. Shenoy	-	0.45	-	0.45
		-	(0.45)	-	(0.45)
	Mr. Bipin R. Mehta	-	-	1.00	1.00
		-	-	(0.97)	(0.97)
	Mr. Kairav S. Engineer	-	0.65	-	0.65
		-	(0.72)	-	(0.72)

Figures in the brackets are in respect of the previous year.

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

28. SEGMENT INFORMATION

The Company is engaged mainly in production of plastic products and as such is the only reportable segment as per Accounting Standard on Segment Reporting (AS – 17) issued by the Institute of Chartered Accountants of India. The geographical segmentation is not relevant as export turnover is not significant in respect of total turnover.

29. DERIVATIVE INSTRUMENTS

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts and Currency Options for speculative purposes.

Outstanding Forward Exchange Contracts entered into by the Company:

As at	No. of Contracts	Buy/Sell	US \$ Equivalent (Lacs)	INR Equivalent (Lacs)
31st March, 2014	3	Buy	41.99	2,514.52
31st March, 2013	9	Buy	63.63	3,453.88

Expenditure on account of premium on forward exchange contracts to be recognized in the profit and loss of subsequent accounting period aggregates to ₹99.41 Lacs (Previous Year: ₹16.22 Lacs).

Outstanding Option Contracts entered into by the Company:

As at	No. of Contracts	Buy/Sell	US \$ Equivalent (Lacs)	INR Equivalent (Lacs)
31st March, 2014	2	Buy	30.00	1,796.70
31st March, 2013	-	-	-	-

Foreign Currency Exposures not hedged by derivative instruments as at 31st March, 2014 on payable amounting US\$ 310.79 Lacs, EURO 11.47 Lacs and GBP 0.01 Lacs Equivalent ₹ 19,557.69 Lacs (Previous Year: US\$ 318.16 Lacs, EURO 9.47 Lacs and GBP Nil Equivalent ₹ 17,927.61 Lacs) and on receivables amounting US\$ 6.66 Lacs Equivalent ₹ 398.54 Lacs (Previous Year: US\$ 1.61 Lacs Equivalent ₹ 87.33 Lacs).

Foreign Exchange Loss (Net) of ₹ 2,644.35 Lacs (Previous Year: Exchange Loss (Net) of ₹ 1,276.95 Lacs) for the year has been included in respective heads of Statement of Profit and Loss.

30. GOODWILL ON CONSOLIDATION

	(₹ In Lacs)	
	As At 31st March, 2014	As At 31st March, 2013
Opening Balance	-	-
Add : On acquisition of shares in Joint Venture during the year	69.04	-
	69.04	-
Less : Capital Reserves on consolidation (Refer Note No. 2)	16.31	-
Total	52.73	-

Consolidated Notes on Accounts for the Year ended on 31st March, 2014

31. INTEREST IN JOINT VENTURE

The Company has 37.50% ownership interest in joint venture company Astral Pipes Limited ('APL') Formerly known as Astral Technologies Limited, incorporated in Kenya. Its proportionate share in the assets, liabilities, income and expenses etc. in the said joint venture company is given below:

	As At 31st Dec., 2013	(₹ In Lacs) As At 31st Dec., 2012
Assets	1,432.90	592.55
Liabilities	734.40	597.55
Income	438.72	269.17
Expenses (Including Depreciation and Taxation)	475.32	368.57
Contingent Liabilities	-	-
Capital Commitments remaining to be executed	-	-

32. Figures pertaining to the Subsidiary Companies and Joint Venture have been reclassified, wherever necessary to bring them in line with the Company's financial statements.

33. Previous year figures have been accordingly regrouped / reclassified to confirm to the current year's classification.

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 Executive Director

(**Gaurav J. Shah**)
Partner
Membership No.: 35701
Place : Ahmedabad
Date : May 3, 2014

(**Zankhana V. Trivedi**)
Company Secretary
Place : Ahmedabad
Date : May 3, 2014

**Statement Pursuant to Section 212 of the Companies Act, 1956
relating to Company's interest in the Subsidiary Company**

1	Name of the Subsidiary Company	Astral Biochem Private Limited	Advanced Adhesives Limited
2	The Financial Year of the Subsidiary Company ended on	March 31,2014	March 31,2014
3	Date from which it became Subsidiary	July 19, 2008	October 25, 2010
4	a) No. of Shares held by the Astral Poly Technik Limited (Holding Company) with its nominees in the Subsidiary at the end of the financial year of the Subsidiary b) Extent of Interest of Holding Company at the end of the financial year of the Subsidiary	50,000 No. Equity shares of ₹10/- each fully paid up 100%	42,500 No. Equity shares of ₹10/- each fully paid up 85%
5	Net aggregate amount of the Subsidiary's Profit/(loss) so far as they concern the members of the Holding Company. a) Not dealt with in Holding Company's accounts. i) For the Financial Year ended March 31, 2014 ii) For the Previous Financial Years b) Dealt with in Holding Company's accounts. i) For the Financial Year ended March 31, 2014 ii) For the Previous Financial Years	 - - - -	 38,31,000 (36,58,650) 2,17,09,000 (2,07,32,350)
6	Changes in the Holding Company's interest in the Subsidiary between the end of the financial year of the Subsidiary and the end of the Holding Company's financial year.	None	None
7	Material Changes between the end of the financial year of the Subsidiary and the end of the Holding Company's financial year in respect of- a) Fixed Asset b) Investments c) Money Lent by the Subsidiary d) Money borrowed by the Subsidiary for any purpose other than for meeting Current Liabilities.	 - - - -	 - - - -

ASTRAL BIOCHEM PRIVATE LIMITED

6th ANNUAL REPORT

2013-2014

COMPANY INFORMATION

BOARD OF DIRECTORS

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

STATUTORY AUDITORS

M/s. Shekhawat Dagra & Associates
Chartered Accountants
B-16, District Shopping Centre,
Sector-21, Gandhinagar - 382021.
Gujarat, India.

BANKERS

Corporation Bank
Industrial Finance Branch, Ashram Road, Ahmedabad.

REGISTERED OFFICE

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

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the **6th Annual Report** of the Company together with the audited Statements of Accounts for the year ended on 31st March, 2014.

OPERATIONS

Till date your Company has not commenced any business activity and is looking forward for setting up a project in the near future. The management of the Company is putting in all its efforts to ensure that the project is conceived and implemented at the earliest possible.

DIRECTORS

There has been no change in the Board of your Company.

Mrs. Hansa Engineer, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends his reappointment.

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 for the Financial year ended on 31st March, 2014, the applicable Accounting Standards have been followed;
- (ii) the Directors have selected such Accounting Policies and applied them consistently and 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 for the Financial year ended on 31st March, 2014.

FIXED DEPOSIT

Your company has not accepted any deposit from the public as defined under section 58A of the Companies Act, 1956 or section 73 of companies Act, 2013 and rules made thereunder.

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 AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars under Section 217(1) (e) of companies Act, 1956 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 and consequently there is no relevant information in this regard.

RE-APPOINTMENT OF STATUTORY AUDITORS

M/s. Shekhawat Dagra & Associates, Chartered Accountants, Gandhinagar, the Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 139(1) of the Companies Act, 2013 and have indicated their willingness to continue with the Company. The Board recommends their re-appointment.

ACKNOWLEDGMENTS

Your Directors would like to express their appreciation for assistance and cooperation received from Banks, Government Authorities, Vendors and Members during the year under review.

By the Order of the Board of Directors

Place : Ahmedabad

Date : April 5, 2014

SANDEEP P. ENGINEER

Chairman

Independent Auditors' Report

To The Members of **ASTRAL BIOCHEM PRIVATE LIMITED**

Report on Financial Statements

We have audited the accompanying financial statements of **ASTRAL BIOCHEM PRIVATE LIMITED** which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's Judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Profit and Loss Account, of the profit/loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (2) As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For, **Shekhawat Dagra & Associates**
Chartered Accountants
FRN: 132604W

Place : Ahmedabad
Date : April 5, 2014

(Ajeetsingh Shekhawat)
Partner
M. No. 134434

Annexure to the Auditors' Report

Referred to in Point no. 1 of our report of even date to the members of **ASTRAL BIOCHEM PRIVATE LIMITED**.

1. Having regard to the nature of the Company's business, clauses (ii), (vi), (vii), (viii), (xi), (xii), (xiii), (xiv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the CARO 2003 do not apply to the Company.
2. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 (b) As the Company's project is in start up phase, expenditures incurred during the year are shown as Pre-operative expenses awaiting capitalization under the Capital work-in- progress.
 (c) During the year, Company has not disposed off any substantial/major part of Fixed Assets.
3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 (b) According to the information and explanations given to us, Company has taken loan from one Company listed in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹505.68 Lacs and the year-end balance was ₹505.68 Lacs.
 (c) In our opinion, the rate of interest and other terms and conditions on which above loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, are not, prima facie, prejudicial to the interest of the Company.
 (d) The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
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 contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the register maintained under the said Section have been so entered.
 - (b) Where each of such transactions is in excess of ₹5 Lacs 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. (a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year. There were no arrears as at 31st March, 2014 for a period more than six months from the date they became payable.
 (b) According to the records of the Company, there are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of any dispute.

7. The Company does not have accumulated losses at the end of the year and the Company has not incurred cash losses during current and the immediately preceding financial year.
8. 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.
9. According to the information and explanations given and on overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long-term investment by the Company or vice versa except the permanent working capital.
10. 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 has been noticed or reported during the year.

For, **Shekhawat Dagra & Associates**
Chartered Accountants
FRN: 132604W

Place : Ahmedabad
Date : April 5, 2014

(Ajeetsingh Shekhawat)
Partner
M. No. 134434

Balance Sheet as at 31st March, 2014

(₹ In Lacs)

Particulars	Note	As At 31st March, 2014	As At 31st March, 2013
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	5.00	5.00
Reserves & Surplus		-	-
Non current Liabilities			
Long Term Borrowings	2	505.68	505.68
Current Liabilities			
Other Current Liabilities	3	0.10	0.10
Total		510.78	510.78
II. ASSETS			
Non current Assets			
Fixed Assets	4		
Tangible Assets		439.00	439.00
Capital Work-In-Progress		69.69	69.55
Long Term Loans and Advances	5	0.50	0.50
Current Assets			
Cash and Cash Equivalents	6	1.59	1.73
Total		510.78	510.78
Significant Accounting Policies			
Notes on Accounts		1 to 10	

As per our report of even date

For and on behalf of the Board

For, **Shekhawat Dagra & Associates**
Chartered Accountants

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

(**Ajeetsingh Shekhawat**)
Partner
Membership No. 134434
Place : Ahmedabad
Date : April 5, 2014

Place : Ahmedabad
Date : April 5, 2014

Statement of Profit and Loss for the Year ended on 31st March, 2014

(₹ In Lacs)

Particulars	Note	2013-14	2012-13
Income		-	-
Total		-	-
Other Expenses	7	0.14	0.20
Total		0.14	0.20
Tr. To Pre-Operative Expenses (CWIP in Fixed Assets)		0.14	0.20
Significant Accounting Policies			
Notes on Accounts	1 to 10		

As per our report of even date

For and on behalf of the Board

For, **Shekhawat Dagra & Associates**
Chartered Accountants

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

(**Ajeetsingh Shekhawat**)
Partner
Membership No. 134434
Place : Ahmedabad
Date : April 5, 2014

Place : Ahmedabad
Date : April 5, 2014

Cash Flow Statement for the Year ended on 31st March, 2014

(₹ In Lacs)

	Particulars	2013-14	2012-13
A	Cash flow from Operating Activities		
	Net Profit after tax and Extraordinary items	-	-
	Adjustments for :		
	Increase / (Decrease) in Trade Payables	-	(0.02)
	Add: (Increase) / Decrease in Inventories	-	-
	Add: (Increase) / Decrease in Trade & Other Receivables	-	-
	Cash generated from operations	-	(0.02)
	Interest	-	-
	Income tax	-	-
	Net Cash from Operating Activities	-	(0.02)
B	Cash flow from Investing Activities		
	Purchase of Fixed Assets	-	-
	Capital work-in-progress	(0.14)	(10.62)
	Advances for Capital Goods	-	-
	Interest received	-	-
	Net Cash used in Investing Activities	(0.14)	(10.62)
C	Cash flow from Financing Activities		
	Equity Share Capital	-	-
	Preliminary Expenses	-	-
	Interest	-	-
	Proceeds from Long Term Borrowings	-	10.51
	(Decrease)/Increase in Short Term Loans	-	-
	Net Cash flow from Financing Activities	-	10.51
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(0.14)	(0.13)
	Cash and Cash Equivalent at the beginning of the Year	1.73	1.86
	Cash and Cash Equivalent at the end of the Year	1.59	1.73

As per our report of even date

For and on behalf of the Board

For, **Shekhawat Dagra & Associates**
Chartered Accountants

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

(Ajeetsingh Shekhawat)
Partner
Membership No. 134434
Place : Ahmedabad
Date : April 5, 2014

Place : Ahmedabad
Date : April 5, 2014

Significant Accounting Policies

a) Accounting Policies

The Company generally follows the Mercantile System of Accounting and recognizes Income & Expenditure on accrual Basis, except otherwise stated.

The financial statements are prepared on historical cost basis and following the generally accepted accounting principles.

b) Fixed Assets

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

c) Taxation

Provision for Income-tax is 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.

d) Pre-Operative Expenses

As the Company is yet to commence its commercial operations, expenses incurred have been transferred to Pre-Operative Expenditure. The same will be capitalized once the operations of the Company are started.

Notes on Accounts for the Year ended on 31st March, 2014
1 SHARE CAPITAL

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Authorised Share Capital :		
Equity Share Capital	5.00	5.00
50,000 Equity Shares of ₹10/- each (50,000)		
Issued, Subscribed & Fully Paid Share Capital		
Equity Share Capital	5.00	5.00
50,000 Equity Shares of ₹10/- each fully paid up (50,000)		
Total	5.00	5.00

a) The details of shareholder holding more than 5% shares as at 31st March, 2014 and 31st March, 2013 is set out below :

Sr. No.	Name of Shareholders	As At 31st March, 2014	As At 31st March, 2013
1	Astral Poly Technik Limited - No. of Shares	50,000	50,000
	- % of Shares Held	100%	100%

2 LONG TERM BORROWINGS

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Unsecured		
Loans and Advances from Related Parties		
Astral Poly Technik Limited - The Holding Company	505.68	505.68
Total	505.68	505.68

a) There are no stipulations as to repayment of loan.

3 OTHER CURRENT LIABILITIES

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Other Payables	0.10	0.10
Total	0.10	0.10

4 FIXED ASSETS

(₹ In Lacs)

Assets	Gross Block				Depreciation			Net Block	
	As at 01.04.2013	Additions	Deduction / Adjustments	As At 31.03.2014	As At 01.04.2013	For The Year	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
Land	426.58	-	-	426.58	-	-	-	426.58	426.58
Land Development	12.42	-	-	12.42	-	-	-	12.42	12.42
Total	439.00	-	-	439.00	-	-	-	439.00	439.00
Capital Work In Progress								69.69	69.55
Total	439.00	-	-	439.00	-	-	-	508.69	508.55
Previous Year	497.93	-	-	497.93	-	-	-	508.55	

1) Capital Work In Progress includes ₹63.44 Lacs (Previous Year : ₹ 63.30 Lacs) on account of Pre-Operative Expenses.

5 LONG TERM LOANS AND ADVANCES

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Deposit		
G.I.D.C- Deposit	0.50	0.50
Total	0.50	0.50

Notes on Accounts for the Year ended on 31st March, 2014

6 CASH AND CASH EQUIVALENTS

	(₹ In Lacs)	
	As At 31st March, 2014	As At 31st March, 2013
Cash on hand	0.05	0.08
Balances with banks	1.54	1.65
Total	1.59	1.73

7 OTHER EXPENSES

	(₹ In Lacs)	
	2013-14	2012-13
Travelling Expenses	-	0.05
Payment to Auditors *	0.10	0.10
Professional Fees	-	-
Legal Expenses	0.03	0.03
Printing & Stationary Expenses	0.01	0.01
Bank Charges	-	0.01
Total	0.14	0.20

* Payment to Auditors As:

Particulars	(₹ In Lacs)	
	2013-14	2012-13
For Statutory Audit	0.10	0.10
Total	0.10	0.10

8 There is no contingent liability not provided for in the books except otherwise stated.

9 RELATED PARTY TRANSACTIONS

1. Name of Parties and relationships :

Sr. No.	Description of Relationship	Names of Related Parties
a	Holding Company	Astral Poly Technik Limited
b	Associates	Advanced Adhesives Limited Kairav Chemicals Limited Saumya Polymers LLP
c	Key Management Personnel	Mr. Sandeep P. Engineer Mrs. Jagruti S. Engineer
d	Relatives of Key Management Personnel	Mr. Bipin R. Mehta Mrs. Rekha B. Mehta Mr. Kairav Engineer Mr. Saumya Engineer

Details of related party transactions during the year ended 31st March, 2014 : (₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in				Total
		1(a) above	1(b) above	1(c) above	1(d) above	
1.	Unsecured Loans Taken					
	Astral Poly Technik Limited	-	-	-	-	-
		(10.51)	-	-	-	(10.51)

Note: - Figures in brackets relate to the previous year.

Notes on Accounts for the Year ended on 31st March, 2014

Details of related party transactions outstanding balances as at 31st March, 2014 : (₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in				Total
		1(a) above	1(b) above	1(c) above	1(d) above	
1.	Equity Share Capital					
	Astral Poly Technik Limited	5.00	-	-	-	5.00
		(5.00)	-	-	-	(5.00)
2.	Unsecured Loans					
	Astral Poly Technik Limited	505.68	-	-	-	505.68
		(505.68)	-	-	-	(505.68)

Note: - Figures in brackets relate to the previous year.

- 10** Previous year balances have been regrouped, rearranged and reclassified wherever required to make them comparable.

As per our report of even date

For and on behalf of the Board

For, **Shekhawat Dagra & Associates**
Chartered Accountants

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

(**Ajeetsingh Shekhawat**)
Partner
Membership No. 134434
Place : Ahmedabad
Date : April 5, 2014

Place : Ahmedabad
Date : April 5, 2014

ADVANCED ADHESIVES LIMITED

5th ANNUAL REPORT

2013-2014

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDITORS

M/s. Shekhawat Dagra & Associates
Chartered Accountants
B-16, District Shopping Centre,
Sector-21, Gandhinagar - 382021
Gujarat, India.

BANKERS

Corporation Bank
Industrial Finance Branch, Ashram Road, Ahmedabad.

REGISTERED OFFICE

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

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the **5th Annual Report** of the Company together with the Audited Statements of Accounts for the year ended on 31st March, 2014.

FINANCIAL RESULTS

The Performance of the Company for the Financial Year ended on 31st March, 2014 is summarized below:

(₹ In Lacs)

Particulars	Financial Year	
	2013-14	2012-13
Income from Operations	2,298.53	1,238.48
Other Income	0.76	0.21
Total Income	2,299.29	1,238.69
Total Expenditure	1,884.15	882.65
Profit Before Depreciation, Interest & Tax	415.14	356.04
Interest	0.92	12.89
Depreciation	14.71	11.07
Profit/(Loss) Before Tax	399.51	332.08
Provision for Taxation	144.11	88.17
Net Profit/(Loss) After Tax	255.40	243.91

REVIEW OF OPERATION

During the year under review, Income from Operations amounted to ₹2,298.53 Lacs as compared to ₹1,238.48 Lacs in the previous year. The Net Profit amounted to ₹255.40 Lacs as compared to Net Profit of ₹243.91 Lacs reported in the previous year.

DIRECTORS

- There has been no change in the Board of your Company.
- Mrs. Jagruti Engineer, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Management recommends her reappointment.

DIVIDEND

With a view to conserving the resources of the Company, and taking into consideration the business plans, future expansion and projects in near future, the Board of Directors do not recommend any dividend for the year on the equity share capital of the Company.

FIXED DEPOSIT

Your company has not accepted any deposit from the public as defined under section 58A of the Companies Act, 1956 or section 73 of Companies Act, 2013 and rules made thereunder.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual Accounts for the Financial year ended on 31st March, 2014, the applicable Accounting Standards have been followed;
- the Directors have selected such Accounting Policies and applied them consistently and 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;
- 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;
- the Annual Accounts have been prepared on a going concern basis for the Financial year ended on 31st March, 2014.

PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 regarding employees of the Company is given in the **Annexure-A** and forms part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars under Section 217(1)(e) of Companies Act, 1956 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 to the extent applicable are given in the **Annexure-B** and form part of this Report.

RE-APPOINTMENT OF STATUTORY AUDITORS

M/s. Shekhawat Dagra & Associates, Chartered Accountants, Gandhinagar, 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 139(1) of the Companies Act, 2013 and have indicated their willingness to continue with the Company. The Board recommends their re-appointment.

ACKNOWLEDGMENTS

The Board of Directors of the Company would like to express their deep appreciation for all required supports extended by the Members, Creditors, Vendors, Customers, Employees, Banks and other Agencies associated with the Company and wish to place on record their appreciation for the valuable services rendered by all towards the functioning of the Company.

By the Order of the Board of Directors

Place : Ahmedabad
Date : April 10, 2014

SANDEEP P. ENGINEER
Chairman

Annexure to Directors' Report

ANNEXURE – A

Statement under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of the Directors' Report for the year ended 31st March, 2014.

Sr. No.	Name	Age	Qualification	Date of Commencement of Employment	Designation/ Nature of Duties	Experience in Years	Remuneration (₹)	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 ₹60,00,000/- p.a.								
_____ Nil _____								
(B) Employed for a part of the year and was in receipt of remuneration which in the aggregate was not less than ₹5,00,000/- p.m.								
_____ Nil _____								

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

(b) Additional investments and proposals, if any implemented for reduction of consumption of energy: Nil**(c) Impact of the above measures:**

The impact of the measures taken has been positive.

Annexure to Directors' Report

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

A	Power & Fuel Consumption	2013-14	2012-13
1	(a) Electricity (i) Purchase Unit (ii) Total Amount (₹) (iii) Rate/ Unit (₹) (b) Own Generation (i) Through Diesel Generation (kWh)- LDO (Ltrs) Total Amount (₹) Average Rate (₹/ Ltr) (ii) Through Steam Turbine Generator Unit Unit per Ltr. of fuel Oil/Gas cost per Unit	1,44,631 10,62,908 7.35 Nil Nil	64,317 4,51,497 7.01 Nil Nil
2	Coal and Lignite (i) Quantity (Tones) (ii) Total cost (₹) (iii) Average Rate (₹/Tones)	Nil	Nil
3	Furnace Oil (i) Quantity (Ltrs) (ii) Total cost (₹) (iii) Average Rate (₹/ Ltr)	Nil	Nil
4	Other/Internal Generation (i) Fuel Oil Quantity (K.Ltr) Total Cost (₹) Rate/K.Ltr (₹) (ii) L.P.G. Quantity (Kgs) Total Cost (₹) Rate/Kg (₹)	Nil	Nil

B	Consumption per Unit of Production	Standard	2013-14	2012-13
1	Electricity (kWh)	Nil	-	-
2	Furnace Oil (Ltr)	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 & D carried out by the Company

During the year under review, the Company has developed the process of CPVC Solvent Cement for hot and cold water application Pipes in consultation with IPS.

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

The Company has been able to successfully launch the new Products in the Indian Market.

3. Future plan of action

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

4. Expenditure on R & D

Nil

Technology Absorption, Adaptation and Innovation

The Company has adopted foreign technology for its products from IPS Corporation of USA.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO**Total Foreign Exchange Used and Earned**

(₹ In Lacs)

Particulars	2013-14	2012-13
(a) Total Foreign Exchange Used	435.91	260.35
(b) Total Foreign Exchange Earned	Nil	Nil

For and on behalf of Board of Directors

Place : Ahmedabad
Date : April 10, 2014

SANDEEP P. ENGINEER
Chairman

Independent Auditors' Report

To The Members of **ADVANCED ADHESIVES LIMITED**

Report on Financial Statements

We have audited the accompanying financial statements of **ADVANCED ADHESIVES LIMITED** which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (2) As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For, **Shekhawat Dagra & Associates**
Chartered Accountants
FRN: 132604W

Place : Ahmedabad
Date : April 10, 2014

(Ajeetsingh Shekhawat)
Partner
M. No. 134434

Annexure to the Auditors' Report

Referred to in point no. 1 of our report of even date to the members of **Advanced Adhesives Limited**.

1. Having regard to the nature of the Company's business, clauses (iii), (vi), (viii), (x), (xi), (xii), (xiii), (xv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the CARO 2003 do not apply to the Company.
2. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) All the Fixed Assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. As explained to us, no material discrepancies were noticed on such physical verification.
- (c) During the year, Company has not disposed off any substantial/major part of Fixed Assets.
3. (a) As explained to us, the inventory has 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 of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
4. 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 nature of its business, for the purchase of inventory and Fixed Assets. During the course of our audit, we have not observed any major weakness in such internal control system.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transactions is in excess of ₹ 5 Lacs 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, the Company has an Internal Audit System commensurate with the size of the Company and the nature of its business.
7. (a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year. There were no arrears as at 31st March, 2014 for a period more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of any dispute.

8. As per records of the company and the information and explanations given to us by the management, Company is not dealing or trading in shares, securities, debentures and other Investments.
9. According to the information and explanations given and on overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long-term investment by the Company or vice versa except the permanent working capital.
10. 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 has been noticed or reported during the year.

For, **Shekhawat Dagra & Associates**
Chartered Accountants
FRN: 132604W

Place : Ahmedabad
Date : April 10, 2014

(Ajeetsingh Shekhawat)
Partner
M. No. 134434

Balance Sheet as at 31st March, 2014

(₹ In Lacs)

Particulars	Note	As At 31st March, 2014	As At 31st March, 2013
I. EQUITY AND LIABILITIES			
Share Holder's Fund			
Share Capital	1	5.00	5.00
Reserves & Surplus	2	477.60	222.20
		482.60	227.20
Non current Liabilities			
Deferred Tax Liabilities (Net)	3	30.84	26.97
		30.84	26.97
Current Liabilities			
Trade Payables	4	488.25	296.49
Other Current Liabilities	5	102.00	44.99
Short Term Provisions	6	28.22	10.01
		618.47	351.49
Total		1,131.91	605.66
II. ASSETS			
Non current Assets			
Fixed Assets	7		
Tangible Assets		261.91	276.07
Capital Work In Progress		269.86	-
Long Term Loans and Advances	8	0.20	0.20
		531.97	276.27
Current Assets			
Inventories	9	284.04	137.12
Trade Receivables	10	188.93	143.06
Cash and Cash Equivalents	11	18.71	24.55
Short Term Loans and Advances	12	108.26	24.66
		599.94	329.39
Total		1,131.91	605.66
Significant Accounting Policies			
Notes on Accounts	1 to 27		

As per our report of even date

For and on behalf of the Board

For, **Shekhawat Dagra & Associates**
Chartered Accountants

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

(**Ajeetsingh Shekhawat**)
Partner
Membership No. 134434
Place : Ahmedabad
Date : April 10, 2014

Place : Ahmedabad
Date : April 10, 2014

Statement of Profit and Loss for the Year ended on 31st March, 2014

(₹ In Lacs)

Particulars	Note	2013-14	2012-13
I N C O M E :			
Revenue from Operations (Gross)	13	3,029.05	1,570.39
Less: Excise Duty		730.52	331.91
Revenue from Operations (Net)		2,298.53	1,238.48
Other Income	14	0.76	0.21
Total		2,299.29	1,238.69
E X P E N S E S :			
Cost of Materials Consumed	15	1,640.95	766.31
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		-	-
Employee Benefit Expenses	16	58.73	11.49
Financial Costs	17	0.92	12.89
Depreciation and Amortization Expenses	7	14.71	11.07
Other Expenses	18	184.47	104.85
Total		1,899.78	906.61
Profit Before Tax		399.51	332.08
Tax Expenses:			
Current Tax		138.29	80.04
Short Provision of Tax in Earlier Years		1.95	-
Deferred Tax		3.87	8.13
Total		144.11	88.17
Profit for the year		255.40	243.91
Earning Per Equity Share: (In ₹) (Face Value of ₹10/- each)			
Basic and Diluted	19	510.80	487.82
Significant Accounting Policies			
Notes on Accounts	1 to 27		

As per our report of even date

For and on behalf of the Board

For, **Shekhawat Dagra & Associates**
Chartered Accountants

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

(**Ajeetsingh Shekhawat**)
Partner
Membership No. 134434
Place : Ahmedabad
Date : April 10, 2014

Place : Ahmedabad
Date : April 10, 2014

Cash Flow Statement for the Year ended on 31st March, 2014

(₹ In Lacs)

	Particulars	2013-14	2012-13
A	Cash flow from Operating Activities		
	Net Profit before tax and Extraordinary items	399.51	332.08
	Adjustments for :		
	Depreciation	14.71	11.07
	Interest	0.92	12.89
	Interest received	(0.76)	(0.21)
	Operating profit before Working Capital Changes	414.38	355.83
	Adjustment for :		
	Increase/(Decrease) in Trade & Other Payables	248.76	191.11
	(Increase) / Decrease in Inventories	(146.92)	(84.33)
	(Increase) / Decrease in Trade & Other Receivables	(129.46)	(159.38)
	Cash generated from operations	386.76	303.23
	Direct Taxes Paid	(122.03)	(70.03)
	Net Cash from Operating Activities	264.73	233.20
B	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(0.55)	(80.80)
	Capital work-in-progress	(269.86)	-
	Interest received	0.76	0.21
	Net Cash used in Investing Activities	(269.65)	(80.59)
C	Cash flow from Financing Activities		
	Interest	(0.92)	(12.89)
	Proceeds from Long Term Borrowings	-	(77.80)
	(Decrease) / Increase in Short Term Loans	-	(37.71)
	Net Cash flow from Financing Activities	(0.92)	(128.40)
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(5.84)	24.21
	Cash and Cash Equivalent at the beginning of the Year	24.55	0.34
	Cash and Cash Equivalent at the end of the Year	18.71	24.55

As per our report of even date

For and on behalf of the Board

For, **Shekhawat Dagra & Associates**
Chartered Accountants

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

(Ajeetsingh Shekhawat)
Partner
Membership No. 134434
Place : Ahmedabad
Date : April 10, 2014

Place : Ahmedabad
Date : April 10, 2014

Significant Accounting Policies

a) Accounting Policies

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

b) 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.

c) 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.

d) 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.

e) Fixed Assets

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

f) 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.

g) Lease

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

h) Taxation

Provision for Income-tax is 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.

i) Provisions and Contingent Liabilities

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.

j) Retirement Benefits

Provision for gratuity is provided based on valuations, as at the balance sheet date. Termination benefits are recognized as expense as and when incurred. Short Term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

k) Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at exchange rate prevailing at the time of transaction.

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

Notes on Accounts for the Year ended on 31st March, 2014

1 SHARE CAPITAL

	(₹ In Lacs)
	As At 31st March, 2014
Authorised Share Capital :	
Equity Share Capital	50.00
5,00,000 Equity Shares of ₹10/- each (5,00,000)	50.00
Issued, Subscribed & Fully Paid Share Capital	
Equity Share Capital	5.00
50,000 Equity Shares of ₹10/- each fully paid up (50,000)	5.00
Total	5.00

a) The details of shareholders holding more than 5% shares as at 31st March, 2014 and 31st March, 2013 is set out below:

Sr. No.	Name of Shareholders	As At 31st March, 2014	As At 31st March, 2013
1	Astral Poly Technik Limited - No. of Shares	42,500	42,500
	- % of Shares Held	85%	85%
2	Sandeep P. Engineer - No. of Shares	7,500	7,500
	- % of Shares Held	15%	15%

2 RESERVES & SURPLUS

	(₹ In Lacs)
	As At 31st March, 2014
Surplus in Statement of Profit & Loss	
As per Last Balance Sheet	222.20
Add: Profit For the Year	255.40
Amount Available for Appropriation	477.60
Miscellaneous Expenditure (To the extent not written off or adjusted)	
As per Last Balance Sheet	-
Less: Amount written off during the year	-
Closing Balance	-
Total	477.60

3 DEFERRED TAX LIABILITIES (NET)

	(₹ In Lacs)
	As At 31st March, 2014
Deferred Tax Liabilities	
Related to Fixed Assets	31.77
Deferred Tax Assets	
Disallowance under Income Tax Act, 1961	0.93
Total	30.84

4 TRADE PAYABLES

	(₹ In Lacs)
	As At 31st March, 2014
For Goods Purchased & Services	488.25
Total	488.25

There are no dues to Micro and small Enterprises as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

Notes on Accounts for the Year ended on 31st March, 2014

5 OTHER CURRENT LIABILITIES

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
For Statutory Dues	55.02	42.61
Other Payables*	46.98	2.38
Total	102.00	44.99

* Other Payables includes Payable for Capital Goods.

6 SHORT TERM PROVISIONS

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Provisions for Taxation		
Taxation (Net of Advance Tax of ₹110.00 Lacs (Previous Year : ₹70.00 Lacs) and TDS of ₹0.07 Lacs (Previous Year : ₹0.03Lacs))	28.22	10.01
Total	28.22	10.01

7 FIXED ASSETS

(₹ In Lacs)

Assets	Gross Block				Depreciation			Net Block	
	As At 01.04.2013	Additions	Deduction / Adjustments	As At 31.03.2014	As At 01.04.2013	For The Year	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
Plant & Machinery	261.27	0.55	-	261.82	17.82	12.42	30.24	231.58	243.45
Laboratory Equipments	19.06	-	-	19.06	1.40	0.91	2.31	16.75	17.66
Computers	3.62	-	-	3.62	0.66	0.59	1.25	2.37	2.96
Office Equipments	0.55	-	-	0.55	0.06	0.03	0.09	0.46	0.49
Furniture & Fixtures	12.20	-	-	12.20	0.69	0.76	1.45	10.75	11.51
Total	296.70	0.55	-	297.25	20.63	14.71	35.34	261.91	276.07
Capital Work In Progress								269.86	-
Total	296.70	0.55	-	297.25	20.63	14.71	35.34	531.77	276.07
Previous Year	215.90	80.80	-	296.70	9.56	11.07	20.63	276.07	

8 LONG TERM LOANS AND ADVANCES

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Unsecured, considered Good		
Security Deposit - Others	0.20	0.20
Total	0.20	0.20

9 INVENTORIES

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Raw Materials	220.40	108.99
Packing Materials	63.64	28.13
Total	284.04	137.12

10 TRADE RECEIVABLES

(₹ In Lacs)

	As At 31st March, 2014	As At 31st March, 2013
Unsecured, considered good		
Debts Outstanding for a period exceeding six months	-	-
Other Debts		
From Related Party (Refer Note No. 22)	188.93	140.50
Others	-	2.56
Total	188.93	143.06

Notes on Accounts for the Year ended on 31st March, 2014

11 CASH AND CASH EQUIVALENTS

	As At 31st March, 2014	(₹ In Lacs) As At 31st March, 2013
Cash on hand	1.52	1.01
Balances with banks		
In Current Account	17.19	18.30
In Deposit Account	-	5.24
Total	18.71	24.55

12 SHORT TERM LOANS AND ADVANCES

	As At 31st March, 2014	(₹ In Lacs) As At 31st March, 2013
Unsecured, considered good		
Prepaid Expenses	2.32	0.85
Security Deposit - To Related Party (Refer Note No. 22)	88.00	-
Deposit - Others	1.14	1.14
Interest Receivable	-	0.04
Balance with Custom, Central Excise Authorities	12.76	10.73
Others Advances		
Supply of Goods & Rendering of Services	4.04	11.66
Capital Advance	-	0.24
Total	108.26	24.66

13 REVENUE FROM OPERATIONS

	2013-14	(₹ In Lacs) 2012-13
Domestic Sales	3,019.74	1,570.39
Export Sales	9.31	-
Total	3,029.05	1,570.39

14 OTHER INCOME

	2013-14	(₹ In Lacs) 2012-13
Interest Income	0.76	0.21
Total	0.76	0.21

15 COST OF MATERIALS CONSUMED

	2013-14	(₹ In Lacs) 2012-13
Opening Stock	137.11	52.79
Add: Purchases	1,787.89	850.63
	1,925.00	903.42
Less: Closing Stock	284.05	137.11
Cost of Materials Consumed (Including Packing Materials)	1,640.95	766.31

16 EMPLOYEE BENEFITS EXPENSES

	2013-14	(₹ In Lacs) 2012-13
Salaries and Wages	55.57	10.89
Contribution to Provident and Other Funds	2.26	-
Staff Welfare Expenses	0.90	0.60
Total	58.73	11.49

Notes on Accounts for the Year ended on 31st March, 2014

17 FINANCE COSTS

	(₹ In Lacs)	
	2013-14	2012-13
Interest Expenses	-	12.19
Other Borrowing Costs	0.92	0.70
Total	0.92	12.89

18 OTHER EXPENSES

	(₹ In Lacs)	
	2013-14	2012-13
Stores & Spares (Refer Note No. 25)	3.34	3.14
Power and Fuel	8.98	4.53
Rent Expenses*	9.03	7.93
Repairs Expenses		
Repairs to Buildings	0.09	0.12
Repairs to Machinery	0.99	1.07
Repairs Others	0.43	1.15
Insurance Expenses	1.48	0.65
Royalty Expenses	137.89	75.07
Freight and Handling Charges	10.34	4.22
Travelling Expenses	0.62	2.76
Security Service Charges	5.68	1.81
Net loss on foreign currency transactions	0.12	0.36
Payment to Auditors **	0.30	0.15
Legal & Professional	2.78	1.27
Other Expenses	2.40	0.62
Total	184.47	104.85

* The Company is Lessee under operational leases under which rental expenses for the year was ₹25.03 Lacs (Including ₹16.00 Lacs transferred to pre-operative expenses) (Previous Year : ₹7.93 Lacs). The Company has not executed any non-cancelable lease agreement.

** Payment to Auditors As:

	(₹ In Lacs)	
Particulars	2013-14	2012-13
For Statutory Audit	0.15	0.15
For Tax Audit	0.15	-
For Service Tax	-	-
Total	0.30	0.15

19 EARNINGS PER SHARE

	As At 31st March, 2014	As At 31st March, 2013
Profit After Tax (₹In Lacs)	255.40	243.91
Weighted Average No. of Equity Shares Outstanding	50,000	50,000
Basic & Diluted Earnings Per Share (In ₹) (Face Value of ₹10/- each)	510.80	487.82

20 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR

	(₹ In Lacs)	
	As At 31st March, 2014	As At 31st March, 2013
Contingent Liabilities		
Letter of Credit for Purchases	-	24.54
Commitments		
Capital Contracts remaining to be executed	100.16	-

Notes on Accounts for the Year ended on 31st March, 2014

21 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:

There is no defined contribution plan applicable during the year.

Defined Benefit Plan:

The Company has defined benefit plan for gratuity. However, the same is wholly unfunded plan and the same has been recongnized based on actuarial valuation from actuary based on various assumptions.

General Description of the Plan:

The Company operates a defined benefit plan (The Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

Status of Defined Benefit Plans/Long term Compensated Absences – As per Actuarial Valuations as on 31st March, 2014:

- a) Reconciliation of opening and closing balances of the present value of the Defined benefit Obligation (₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Obligations at the beginning of the year	0.17	0.06	0.08	-
Current service cost	0.17	0.07	0.05	0.08
Interest cost	0.01	0.01	0.01	-
Actuarial (gain) / loss	(0.02)	0.03	0.43	-
Benefit paid	-	-	-	-
Obligations at the end of the year	0.33	0.17	0.57	0.08

- b) Reconciliation of the present value of the defined benefit obligation & fair value of plan Assets (₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Obligations at the end of the year	0.33	0.17	0.57	0.08
Plan assets at the end of the year, at fair value	-	-	-	-
Liability/(Assets) recognized in Balance sheet as on 31st March, 2014	0.33	0.17	0.57	0.08

- c) Cost for the year (₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Current service cost	0.17	0.07	0.05	0.08
Interest cost	0.01	0.01	0.01	-
Expected return on plan assets	-	-	-	-
Actuarial (gain) / loss.	(0.02)	0.03	0.43	-
Expense recognized in the Statement of Profit and Loss	0.16	0.11	0.49	0.08

- d) Assumptions

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Discount Rate	9.31%	8.25%	9.31%	8.25%
Expected return on plan assets	-	-	-	-
Annual Increase in Salary Costs	5.00%	5.00%	5.00%	5.00%

Notes on Accounts for the Year ended on 31st March, 2014

e) Experience History

(₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Defined Benefit Obligation at the end of the period	0.33	0.17	0.57	0.08
Plan Assets at the end of the period	-	-	-	-
Funded Status	-	-	-	-
Experience Adjustments on Plan Liabilities	0.03	-	0.51	-
Experience Adjustments on Plan Assets	-	-	-	-

22 RELATED PARTY DISCLOSURES

1. Name of Parties and relationship

Sr. No.	Description of Relationship	Names of Related Parties
a.	Holding Company	Astral Poly Technik Limited
b.	Associates	Astral Biochem Private Limited Saumya Polymers LLP Kairav Chemicals Limited
c.	Key Management Personnel	Mr. Sandeep P. Engineer Mrs. Jagruti S. Engineer Mr. Kairav S. Engineer
d.	Relatives of Key Management Personnel	Mr. Bipin R. Mehta Mrs. Rekha B. Mehta Mr. Saumya Engineer

2. Details of related party transactions during the year ended 31st March, 2014

(₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in				Total
		1(a) above	1(b) above	1(c) above	1(d) above	
1.	Unsecured Loans Taken					
	Astral Poly Technik Limited	-	-	-	-	-
		(175.00)	-	-	-	(175.00)
2.	Unsecured Loans Repayment					
	Astral Poly Technik Limited	-	-	-	-	-
		(200.00)	-	-	-	(200.00)
3.	Purchase of Goods / Services					
	Kairav Chemicals Limited	-	232.17	-	-	232.17
		-	(11.44)	-	-	(11.44)
	Astral Poly Technik Limited	37.46	-	-	-	37.46
		(33.75)	-	-	-	(33.75)
4.	Sale of Goods					
	Astral Poly Technik Limited	3,478.84	-	-	-	3,478.84
		(1,790.74)	-	-	-	(1,790.74)

Notes on Accounts for the Year ended on 31st March, 2014

(₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in				Total
		1(a) above	1(b) above	1(c) above	1(d) above	
5.	Rent Expense					
	Kairav Chemicals Limited	-	17.98	-	-	17.98
		-	-	-	-	-
6.	Deposit Given					
	Kairav Chemicals Limited	-	88.00	-	-	88.00
		-	-	-	-	-
7.	Interest on Loan					
	Astral Poly Technik Limited	-	-	-	-	-
		(11.34)	-	-	-	(11.34)

3. Details of related party transactions outstanding balances as at 31st March, 2014

(₹ In Lacs)

Sr. No.	Nature of Transactions	Related Referred in				Total
		1(a) above	1(b) above	1(c) above	1(d) above	
1.	Sale of Goods					
	Astral Poly Technik Limited	188.93	-	-	-	188.93
		(140.50)	-	-	-	(140.50)
2.	Deposit Given					
	Kairav Chemicals Limited	-	88.00	-	-	88.00
		-	-	-	-	-

Note: - Figures in brackets relate to the previous year.

23 SEGMENT REPORTING

The Company is engaged mainly in production of Adhesive Solvent and as such is the only reportable segment as per Accounting Standard on Segment Reporting (AS – 17) issued by the Institute of Chartered Accountants of India.

24 ADDITIONAL DISCLOSURES ON THE BASE OF NATURE OF ACTIVITIES

a) Particulars of Materials Consumed

Particulars	2013-14		2012-13	
	₹ In Lacs	%	₹ In Lacs	%
Chemicals	1,158.80	70.62	530.78	69.26
Others	482.15	29.38	235.53	30.74
Total	1,640.95	100.00	766.31	100.00

b) Particulars of Sale of Products

(₹ In Lacs)

Particulars	Sales Value		Closing Inventory	Opening Inventory
	2013-14	2012-13		
Adhesive Solutions	2,298.53	1,228.58	-	-
Others	-	9.90	-	-
Total	2,298.53	1,238.48	-	-

Notes on Accounts for the Year ended on 31st March, 2014

25 VALUE OF IMPORTED AND INDIGENOUS MATERIAL AND STORES & SPARES CONSUMED

Sr. No.	Particulars	2013-14		2012-13	
		Value in Lacs	% of Total Consumption	Value in Lacs	% of Total Consumption
1.	Imported				
	Raw Materials	355.89	100.00	69.66	100.00
	Stores & Spares	-	-	-	-
	Total	355.89	100.00	69.66	100.00
2.	Indigenous				
	Raw Materials	1,285.06	99.74	696.65	99.55
	Stores & Spares	3.34	0.26	3.14	0.45
	Total	1,288.40	100.00	699.79	100.00

26 EARNINGS AND EXPENSES IN FOREIGN CURRENCY AND CIF VALUE OF IMPORTS

a) CIF Value of Imports (₹ In Lacs)

Particulars	2013-14	2012-13
Capital Goods	-	31.58
Raw Material	298.02	151.42

b) Expenditure in foreign currency (₹ In Lacs)

Particulars	2013-14	2012-13
Royalty	137.89	75.07
Travelling	-	2.28

27 Previous year balances have been regrouped, rearranged and reclassified wherever required to make them comparable.

As per our report of even date

For and on behalf of the Board

For, **Shekhawat Dagra & Associates**
Chartered Accountants

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

(Ajeetsingh Shekhawat)
Partner
Membership No. 134434
Place : Ahmedabad
Date : April 10, 2014

Place : Ahmedabad
Date : April 10, 2014

[illegible]

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CIN : L25200GJ1996PLC029134

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