

Research Report

ASTRAL LIMITED



Prepared By-

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Company Overview

Astral Limited, founded in 1996 and based in Ahmedabad, India, is a leading manufacturer of polymer piping systems, including CPVC and PVC pipes for plumbing, drainage, and industrial use. Known for quality and innovation, it has diversified into adhesives, bathware, faucets, and paints. Astral serves millions of households and the real estate sector, focusing on technological advancements and expanding its product portfolio to maintain a strong market presence.

Key Business segments

- **Plumbing (~72% revenue):** CPVC/PVC pipes, fittings, drainage/agriculture/fire systems, water tanks, bathware (faucets, sanitaryware).
- **Paints & Adhesives (~28% revenue):** Sealants, putties, construction chemicals, industrial/wood adhesives; interior/exterior emulsions, primers, enamels under Astral/Gem Paints

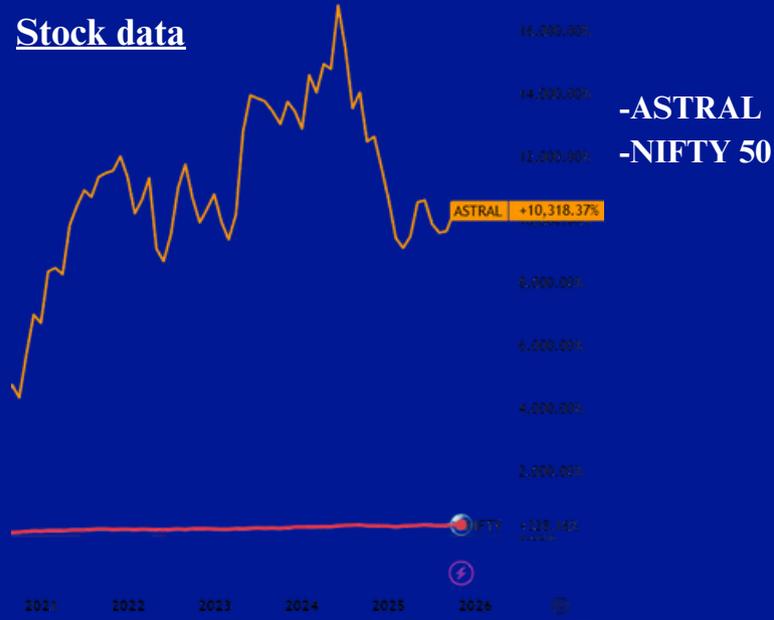
Synopsis of Financials

- Astral Limited Q2 FY26 highlights:
- Revenue: ₹1,577 crore, +15% YoY
- Net profit: ₹135 crore, +24% YoY
- EBITDA margin: 17%, improved QoQ
- EPS: ₹5.02, up from ₹4.09 YoY
- Strong volume growth in plumbing; paints & adhesives growing
- Premium valuation around 82x earnings
- Solid growth with some margin pressure from costs
- The company continues capital investments enhancing asset base, with net block assets growing significantly in recent years.

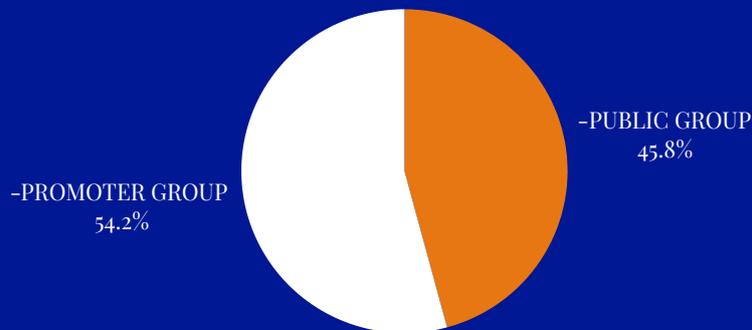
Stock data (as 28th November 2025)

Nifty Price	: 26,280.00
52 week High (in Rs.)	: 1,867.00
52 week Low (in Rs.)	: 1,232.30
Market Cap. (in Crore)	: 26,280.75
NSE Code	: NE006I01046

Stock data



Shareholding Pattern (Sep 2025)



Financial Summary

Particulars	Mar-23	Mar-24	Mar-25
Sales	5,158	5,641	5,832
Sales Growth %	17.40%	9.36%	3.39%
Expenses	4,349	4,717	4,886
Operating Profit	810	925	946
OPM %	16%	16%	16%
Net Profit	472	546	519
EPS in Rs	17	20.33	19.5

Quarterly Results

Particular	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Sales	1,384	1,370	1,397	1,681	1,361	1,577
Expenses	1,169	1,160	1,178	1,380	1,176	1,321
Operating Profit	214	210	219	302	185	257
OPM %	16%	15%	16%	18%	14%	16%
Other Income	12	9	12	9	9	11
Interest	8	10	14	10	12	16
Depreciation	56	60	63	65	72	72
Profit before tax	163	149	154	236	110	180
Tax %	27%	27%	27%	25%	28%	25%
Net Profit	120	109	113	178	79	135

Key Ratios

Key Financial Ratios (Consolidated)

Particulars	FY 23-24	FY 24-25	Change
RATIOS			
DEBTORS TURNOVER (IN DAYS)	24 days	27 days	(3 day)
INVENTORY TURNOVER (IN DAYS)	59 days	63 days	(4 day)
INTEREST COVERAGE RATIO	28.58	22.10	(6.48)
CURRENT RATIO	1.77	1.88	0.11
DEBT EQUITY RATIO	0.02	0.05	0.03
EBIDTA MARGIN	17.02%	16.93%	(0.09%)
PAT MARGIN	9.67%	8.90%	(0.77%)
RETURN ON NET WORTH	17.53%	14.91%	(2.62%)

Yearly Results

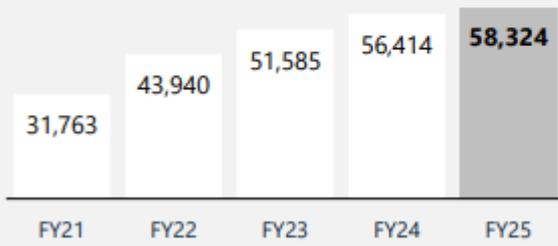
Particulars	Mar-23	Mar-24	Mar-25
Equity Capital	27	27	27
Reserves	2,684	3,161	3,590
Borrowings	87	119	233
Other Liabilities	1,564	1,188	1,198
Total Liabilities	4,362	4,496	5,048
Fixed Assets	1,950	2,299	2,712
CWIP	126	151	116
Investments	0	0	0
Other Assets	2,286	2,046	2,220
Total Assets	4,362	4,496	5,048

Highlights



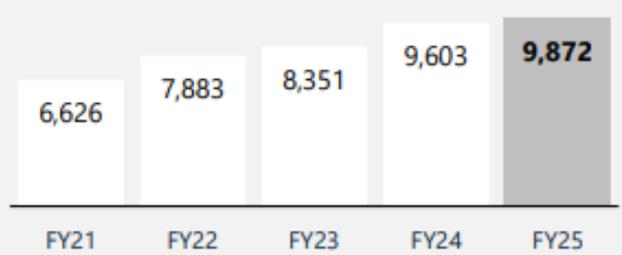
Revenue from Operation

(₹ MN)



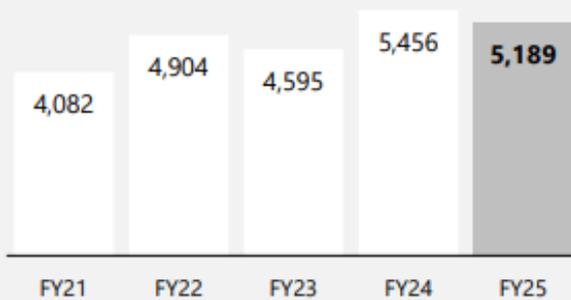
EBITDA

(₹ MN)



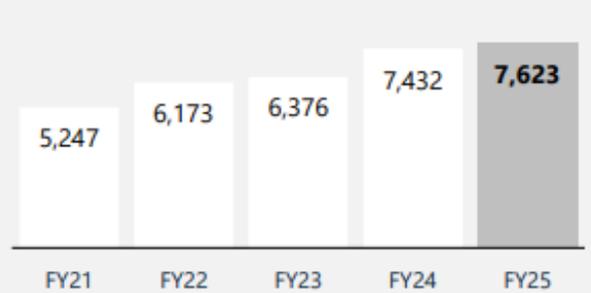
PAT

(₹ MN)

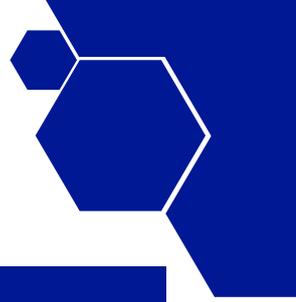


Cash Profit

(₹ MN)



Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Supreme Inds.	3393.95	50.86	43112.29	1.01	164.74	-20.26	2393.87	5.32	22.04
Astral	1450.70	76.53	38973.10	0.25	134.80	22.55	1577.40	15.11	19.71
Shaily Engineer.	2617.20	82.30	12027.38	0.08	51.25	133.80	256.65	33.67	19.52
Finolex Inds.	178.40	25.33	11069.29	1.11	119.20	131.73	858.74	3.66	8.77
Time Technoplast	199.55	23.43	9850.50	0.63	117.23	17.36	1511.11	10.26	17.35

Source: Screener

Synopsis Quarter Results

Astral Limited posted a healthy Q2 FY26, with strong volume-led growth but still-elevated valuations and some margin sensitivity to watch.

Growth And Profitability

- Revenue grew ~15% YoY to about ₹1,577 crore, driven mainly by double-digit volume growth in the plumbing segment and steady traction in paints and adhesives.
- PAT increased ~24% YoY to ~₹135 crore and EBITDA ~22–23% YoY to ~₹268 crore, lifting EBITDA margin to ~17% (up QoQ, slightly below last year).

Segment And Margin Trends

- Plumbing saw strong volume expansion and margins around 19%, benefiting from better operating leverage despite cost pressure.
- Paints and adhesives delivered mid-teens revenue growth with margins near 12%, indicating improving scale but still in investment mode.

Balance Sheet And Valuation Context

- The company maintains a comfortable balance sheet with low leverage and healthy ROE/ROCE above 20%, supporting future capex and growth.
- However, the stock trades at a rich multiple (around 80–85x trailing earnings), so sustaining growth and further margin improvement will be crucial for continued re-rating.

Final Outlook

ASTRAL LIMITE: HOLD ₹1,452.5

Astral Limited remains a structurally strong compounder in building materials, but current valuations limit near-term risk–reward despite healthy growth visibility.

Positives

- Leadership in CPVC/PVC pipes, strong brand, and pan-India distribution, now complemented by adhesives, construction chemicals, and paints for cross-selling.
- Q2 FY26 showed robust recovery: 15% revenue and 24% PAT growth with strong plumbing volumes, indicating demand resilience in housing and infra.
- Balance sheet is comfortable with low leverage, high return ratios (ROE/ROCE >20%), and ongoing capacity expansion to support multi-year growth.

Concerns

- Valuation is rich at ~80–85x trailing earnings and >10x book, embedding high expectations and leaving little margin of safety.
- Margins face pressure from competitive intensity, input-cost volatility, and initial investments in scaling the paints business.
- Short-term stock performance could be volatile if growth slows, margins disappoint, or broader markets correct from elevated levels.

Final Stance

- Stance: Quality compounder; fundamentally positive, but tactically cautious due to valuations.
- Suitable For: Long-term investors already holding; SIP/accumulation on meaningful dips rather than aggressive fresh entry at current levels.
- Action:
 - Hold with a medium- to long-term horizon;
 - Add on corrections closer to fair value band (~₹1,300–1,350) or on clear evidence of sustained margin expansion above 18%

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