



 **BIGGER! BETTER!
GRANDEUR!**

THAT'S OUR
STAKEHOLDERS' STORY. 

ASTRAL - ONE OF THE
FASTEST GROWING COMPANIES.
MARKET CAPITALIZATION RISING
FROM \$ 30MN TO \$ 1BN, JUST IN A
DECADE.



FROM THE MD'S DESK



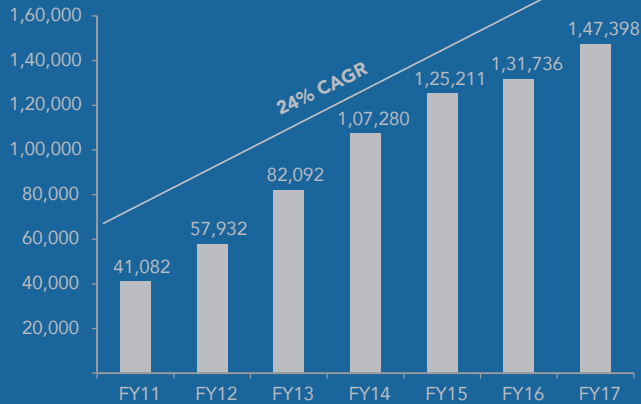
SANDEEP ENGINEER
MANAGING DIRECTOR

What sets us apart is the incessant focus on quality and our commitment to serve our customers with the products that match international standards. We strive to provide products that meet various piping requirement in different building construction segments. As the building construction category is set to witness unprecedented growth, both piping and adhesive businesses are expected to rapidly grow. The new GST regime also will help streamline taxation and simplify commercial transactions.

Adding new production capacities and expanding existing capacities are priority objectives not only in India, but in UK and USA too. Given the new opportunities and challenges, we remain optimistic and lay down a marker for brighter, better future.

GROWTH IN NUMBERS

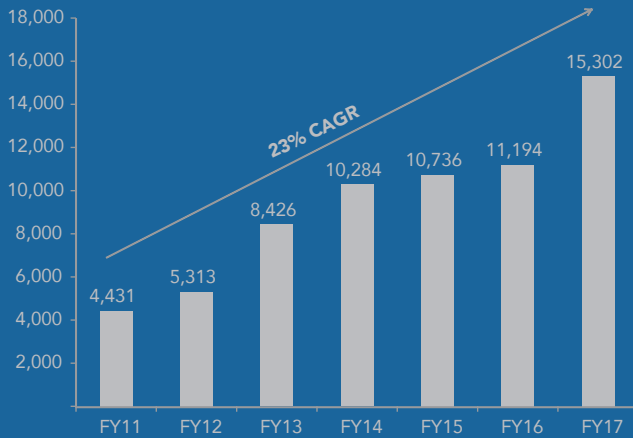
SALES (INR In Lacs)



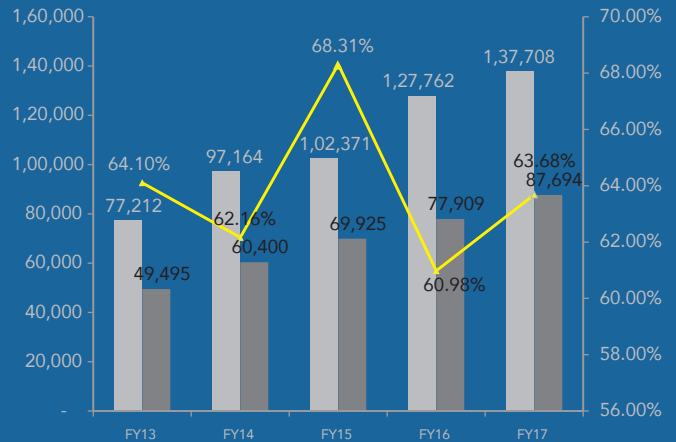
EBIDTA (INR In Lacs)



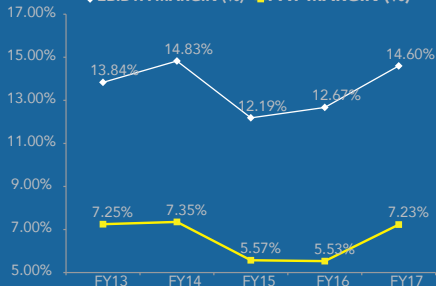
CASH PROFIT (INR In Lacs)



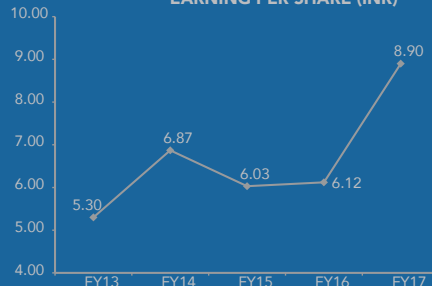
■ CAPACITY INSTALLED ■ PRODUCTION
▲ % OF UTILISATION (ANNUALISED)



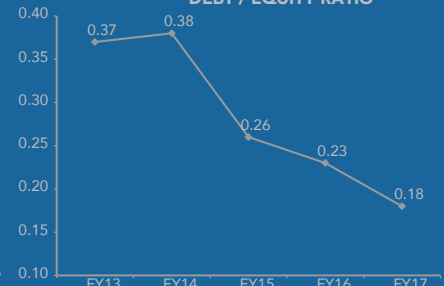
◆ EBITDA MARGIN (%) ◆ PAT MARGIN (%)



EARNING PER SHARE (INR)



DEBT / EQUITY RATIO



MAKE IN INDIA



Along with investors and customers, we at Astral also realize our responsibility towards the country. Therefore, 'Make in India' initiative holds lot of importance for us. In the year 2016, Astral Pipes initiated the process of compounding its own raw material for CPVC Products. This backward integration helps Astral to make world class CPVC pipes and fittings in India. With this, made in India compound, Astral manufactures three world class CPVC products used for different piping requirements:

1. Astral CPVC PRO: For Hot and Cold Water Plumbing Systems.
2. Astral Chem Pro: For Industrial Piping.
3. Astral Fire Pro: For Automatic Fire Sprinkler Systems.

Astral Pipes also launched Silencio, a world class low noise drainage system contributing to Make in India. Astral Silencio's low noise properties and other unique features are second to none across the piping industry. In addition, Astral Pipes is committed to address the demand of agriculture related products with our best in category pipes like, Astral Bore-Well, Astral Aquasafe and Astral Case-well.

GROWTH IN ADHESIVES



Astral Adhesives manufacture a diversified range of adhesives, sealants, putties and construction aids. Our strength is backward integration in almost all product categories which gives us advantage to maintain our quality standards and develop innovative products to meet requirement of our customers. Astral Adhesives could register a healthy, 20% CAGR growth after the acquisition by Astral Group.

Our products are mostly pioneering efforts where advantage has been taken of our knowledge of different chemistries such as epoxy, silicones and acrylics, cyanoacrylates, UV cure, PVC etc. and knowledge of customer needs to design products that meet customer needs in almost every segment of usage. We ensure good manufacturing practices, segregation of production facilities for every grade and the latest control systems contribute to consistency of our products. The company's proficient manufacturing is backed by state of the art R & D centre located in UK. Astral's Seal It company provides advance technology from UK and hence, our products stand for quality and reliability which are marketed through a network of about 2000+ distributors all over the country.

MANAGEMENT SPEAKS

► **\$1 Billion Market Cap Journey** **Message from Hiranand Savlani, CFO**

The success story behind the Billion \$ journey which we have achieved in last decade is mainly because of the constant focus on right way of allocation of capital. Focus on the new products and businesses which have high assets turn and better ROC and should generate the free cash flow for its growth. Even in future also our strategy will be to focus on new products & businesses which will generate free cash flows for company and high returns for our shareholders. We are very positive about our new segment of Sealant and Adhesives and will be the next growth driver for the company and will generate wealth for the stakeholders in the coming decade as we did for the pipes in the last decade.

► **Message from** **Kairav Engineer & Saumya Engineer**

We congratulate and thank everyone associated with Astral. It has been a tremendous journey so far and we are ready for the next big leap. Lot of exciting things have been happening at Astral and we are sure that we can live up to the shareholder expectations. Both the businesses are witnessing tremendous growth and change and are shaping up under the able guidance of the seniors. With new facilities coming up, the existing ones under expansion, new products in the pipe line, backward integrations, we are really excited for the coming decade. India has revolutionized its tax structure with GST and the construction industry with measures such as RERA and affordable housing. We are committed to working hard and ensuring that Astral becomes a name to reckon with in the building materials industry.

KEY HIGHLIGHTS (STANDALONE)

(₹ in Lacs)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Capacity (In M.T.)	77,212	97,164	1,02,371	1,27,762	1,37,708
Utilisation (In M.T.)	49,495	60,400	69,925	77,909	87,694
Sales	89,876.36	1,17,067.23	1,36,794.53	1,46,751.44	1,64,733.95
Less : Excise Duty	7,784.23	9,787.25	11,583.74	15,015.12	17,335.84
Net Sales	82,092.13	1,07,279.98	1,25,210.80	1,31,736.32	1,47,398.11
Other Income	201.05	248.55	186.95	272.45	903.55
Total Income	82,293.18	1,07,528.53	1,25,397.75	1,32,008.77	1,48,301.66
PBIDT	11,546.54	15,782.16	15,184.50	16,784.17	21,525.75
Interest	692.46	821.36	1,293.87	1,217.58	1,371.11
Gross Profit	10,854.08	14,960.80	13,890.63	15,566.59	20,154.64
Depreciation	1,766.60	2,132.85	3,301.43	3,543.59	4,172.80
Profit Before Tax & Exceptional Items	9,087.48	12,827.94	10,589.21	12,023.00	15,981.84
Exceptional Items (Exchange Gain/(Loss))	(1,296.02)	(2,690.28)	(928.47)	(1,629.30)#	(58.45)
Profit Before Tax	7,791.46	10,137.67	9,660.73	10,393.70	15,923.39
Tax	1,736.00	2,386.68	2,841.44	3,292.78	5,270.17
Profit After Tax	6,055.47	7,750.98	6,819.29	7,100.92	10,653.22
Prior Year Adjustments	103.42	30.48	(65.20)	(183.95)	(9.51)
Net Profit	5,952.04	7,720.51	6,884.49	7,284.87	10,662.73
Other Comprehensive Income (Net of tax)	-	-	-	(50.28)	(15.79)
Total Comprehensive Income	5,952.04	7,720.51	6,884.49	7,234.59	10,646.94
Paid Up Equity Capital	1,123.81	1,123.81	1,183.65	1,197.50	1,197.67
Reserve and Surplus *	22,939.60	30,232.80	61,183.54	72,020.87	82,424.90
Shareholders' Funds	24,063.41	31,356.61	62,367.19	73,218.37	83,622.57
Loans	6,305.89	7,856.27	11,176.04	12,158.51	9,850.51
Deferred Tax Liability (Net)	875.91	1,306.13	1,793.03	2,149.11	2,615.76
Capital Employed **	30,115.85	40,243.79	72,031.07	86,629.75	94,285.25
Gross Fixed Assets	27,032.03	36,358.91	40,493.27	51,529.28	60,345.07
Capital Work In Progress	1,129.37	285.33	2,142.35	806.82	1,725.24
Net Fixed Assets ***	20,429.02	27,642.77	28,339.96	35,994.25	40,792.24
Net Current Assets	8,209.63	9,998.61	14,779.86	13,956.27	17,216.90
Book Value (₹)	21.41	27.90	53.57	61.55	69.82
Earning Per Equity Share (₹)	5.30	6.87	6.03	6.12	8.90
Cash Earning Per Equity Share (₹)	7.50	9.15	9.40	9.40	12.78
Dividend (%)	25.00%	32.50%	37.50%	40.00%	50.00%*
Debt : Equity (Long Term Debt/Total Net Worth)	0.37	0.38	0.26	0.23	0.18
Debt : Equity (Total Debt/Total Net Worth)	0.26	0.25	0.18	0.17	0.12

* 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.

Exceptional items for the year 2015-16 includes ₹ 83.11 lacs paid by company towards full and final settlement of employees dues in respect of Baddi Plant.

* Includes 30% final dividend declared by Board of Directors in their meeting held on May 30, 2017, subject to approval of shareholders in AGM.

Note : Data for the year 2015-16 and 2016-17 are in compliance with Ind AS.

CONTENTS

Particulars	Page No.
Company Information	01
Directors' Report	02
Management Discussion and Analysis	19
Corporate Governance Report	24
Business Responsibility Report	35
Independent Auditors' Report on Standalone Financial Statements	41
Standalone Balance Sheet	46
Standalone Statement of Profit & Loss	47
Standalone Statement of Cash Flows	48
Standalone Statement of Changes in Equity	49
Notes forming part of the Financial Statements	50
Independent Auditors' Report on Consolidated Financial Statements	92
Consolidated Balance Sheet	96
Consolidated Statement of Profit & Loss	97
Consolidated Statement of Cash Flows	98
Consolidated Statement of Changes in Equity	99
Notes forming part of the Consolidated Financial Statements	100
Salient features of the financial statements of Subsidiaries / Associates / Joint Ventures	149

COMPANY INFORMATION

Astral Poly Technik Limited

CIN : L25200GJ1996PLC029134

(Tel No: +91 79 66212000) (Fax No: +91 79 66212121) (E-Mail: info@astralpipes.com) (Website: www.astralpipes.com)

Board of Directors

Mr. K.R. Shenoy	Chairman (Independent Director)
Mr. Sandeep P. Engineer	Managing Director
Mrs. Jagruti S. Engineer	Whole Time Director
Mr. Kyle A. Thompson	Non-Executive Director
Mr. Anil Kumar Jani	Non-Executive Director
Mr. Pradip N. Desai	Independent Director
Mr. Narasinh K. Balgi	Independent Director

Chief Financial Officer

Mr. Hiranand A. Savlani

Company Secretary

Mr. Krunal D. Bhatt

Statutory Auditors

Deloitte Haskins & Sells
 (Chartered Accountants)
 19th Floor, Shapath-V,
 S.G. Highway,
 Ahmedabad-380 015, Gujarat, India

Registered & Corporate Office

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

Registrar & Share Transfer Agent

Bigshare Services Private Limited
 1st Floor, Bharat Tin Works Building,
 Opp. Vasant Oasis, Makwana Road,
 Marol, Andheri (East),
 Mumbai 400 059
 Phone No. : +91 22 62638200
 Fax No. : +91 22 62638299

Bankers

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

Factory Location

Santej (Gujarat)
 Dholka (Gujarat)
 Hosur (Tamilnadu)
 Ghiloth (Rajasthan - Under Construction)

Branch Offices

Bengaluru (Karnataka)
 Chennai (Tamilnadu)
 Hyderabad (Telangana)
 Jaipur (Rajasthan)
 Kochi (Kerala)
 Lucknow (Uttar Pradesh)
 Mumbai (Maharashtra)
 New Delhi
 Pune (Maharashtra)

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 21st Annual Report of your Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

1. FINANCIAL HIGHLIGHTS:

The Standalone and Consolidated Financial Results for the year ended 31st March, 2017 are as follows:

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Income from Operations (Net)	1,47,477	1,31,802	1,88,884	1,67,780
Other Income	825	208	912	233
Total Income	1,48,302	1,32,010	1,89,796	1,68,013
Total Expenditure	1,26,776	1,15,225	1,62,503	1,47,023
Profit Before Depreciation, Interest and Tax	21,526	16,785	27,293	20,990
Finance Cost	1,429	2,764	1,840	3,024
Depreciation and amortization expense	4,173	3,544	5,020	4,179
Profit Before Exceptional Items & Tax	15,924	10,477	20,433	13,787
Exceptional Items	-	(83)	(98)	(83)
Share of loss of joint venture	-	-	(262)	(555)
Profit Before Tax	15,924	10,394	20,073	13,149
Tax expense	5,261	3,109	5,616	2,956
Profit for the year	10,663	7,285	14,457	10,193
Other Comprehensive Income (net of tax)	(16)	(50)	(45)	(63)
Total Comprehensive Income	10,647	7,235	14,412	10,130
Attributable to:				
Shareholders of the Company	10,647	7,235	14,424	10,031
Non-Controlling Interest	-	-	(12)	99
Surplus in Statement of Profit & Loss	35,938	29,600	33,652	24,518
Amount Available For Appropriation	46,585	36,835	48,076	34,549
Dividend (Including Tax) - Interim	288	577	288	577
- Final	-	320	-	320
Total Dividend	288	897	288	897
Balance carried to Balance Sheet	46,297	35,938	47,788	33,652

2. DIVIDEND:

Your Directors have recommended a Final Dividend of ₹ 0.30 (i.e. 30%) per equity share for the financial year ended 31st March, 2017 subject to approval of members in the ensuing Annual General Meeting. During the year under review, Interim Dividend of ₹ 0.20 per equity share was declared and paid. The final dividend and interim dividend will absorb ₹ 598 Lacs during the year under review compared to ₹ 479 Lacs absorbed in the previous year.

3. CONSOLIDATED FINANCIAL AND OPERATIONAL REVIEW:

- Consolidated Net Sales has increased by 13% from ₹ 1,67,780 Lacs to ₹ 1,88,884 Lacs.
- Consolidated EBITDA has increased by 30% from ₹ 20,990 Lacs to ₹ 27,293 Lacs.
- Consolidated Net Profit has increased by 42% from ₹ 10,193 Lacs to ₹ 14,457 Lacs.

4. PROJECT IMPLEMENTATION AND PERFORMANCE REVIEW:

- During the year under review, your Company has increased its installed capacity by 8% from 1,27,762 MT to 1,37,708 MT. Your Company has utilised its capacity to the tune of 87,694 MT. as against last year's figure of 77,909 MT. which shows a utilisation growth of 13%.
- During the year under review, your Company has incurred capital expenditure to the tune of ₹ 2,526 Lacs towards the purchase of land and ₹ 6,944 Lacs towards plant & machineries, factory building and other capital expenditure.
- Your Company has acquired land admeasuring 20,000 sq mtrs at Ghiloth dist. Alwar, Rajatshan in addition to 32,500 sq mtrs of land already acquired. The construction of factory building is under process.

5. LAUNCH OF NEW BRANDS

Your Directors are pleased to inform that during the year under review your Company did backward integration and started its own CPVC compounding facility. In August, 2016, your Company launched its own brand viz. ASTRAL CPVC PRO for plumbing application and subsequently launched ASTRAL FIRE PRO for fire application and ASTRAL CHEM PRO for industrial application.