



EXPANDING
HORIZONS

Inside this Report

01-41
STRATEGIC REVIEW

- 02 About the Company
- 04 Product Offerings
- 08 Manufacturing Capabilities
- 10 Dealer Distribution Network
- 12 Business Model
- 14 Our Strengths
- 16 Message from Managing Director
- 18 Message from CFO
- 20 Key Performance Indicators
- 22 Strategic Priorities
- 24 Marketing and Branding Initiatives
- 26 Risk Mitigation
- 28 Corporate Social Responsibility
- 32 Management Discussion and Analysis

42-88
STATUTORY REPORTS

- 44 Director’s Report
- 66 Report on Corporate Governance
- 83 Business Responsibility Report (BRR)

89-201
FINANCIAL STATEMENTS

- 89 Standalone Financial Statements
- 144 Consolidated Financial Statements

The annual report is also available online



http://annualreport 2021-22.astralpipes.com

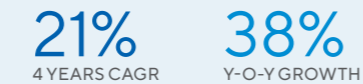
Safe Harbour Statement

This document contains statements about expected future events, financial and operating results of Astral Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications, and risk factors referred to in the management’s discussion and analysis of Astral Limited’s Annual Report, FY22.

Financial Highlights

REVENUE FROM OPERATION
(₹ IN MN)

43,940



EBIDTA
(₹ IN MN)

7,883



PAT
(₹ IN MN)

4,904



Over the past two decades, Astral has emerged as the country’s leading manufacturer of plastic piping systems, but our aspirations are far from being met.



EXPANDING HORIZONS

As we progress, we are laying the groundwork for the next decade of growth and taking a step closer to realising our full potential.

We are now taking significant strides to become a comprehensive home building materials company, developing products to meet our customers’ evolving needs, thereby also expanding our own horizons.

Needless to say, our piping business is certainly our core foundation, where we offer a whole range of solutions to customers world over and are known for our quality, technology and global benchmarked production processes. We are also investing in expanding our capacities which will help us in addressing the growing demands in this sector and reinforce our industry leadership.

While we continue to innovate and expand our piping business, we are also relentlessly working to leverage our legacy strengths and embrace new growth opportunities. As demonstrated in the past, our foray into the adhesives segment eight years ago proved to be the right choice for us at Astral, as today we witness our prowess in this segment as well. Similarly, we also set foot into the water tanks segment earlier last year, followed by our recent entry into the paints industry, and are now gearing to launch ourselves into the faucets and sanitary ware segment in FY23. Our strong track record, business acumen and ideals give us the reason to believe in our ability to create a strong position for ourselves in these industries as well.

Astral will continue to push its boundaries and expand its horizons with a firm belief that it will leave an unparalleled legacy that will live for many years to come.

ABOUT THE COMPANY

Exploring New Horizons

Astral Limited (Astral) is a prominent brand name in the Indian home building material space. The Company is India’s leading manufacturer of plastic pipes, a well footed player in the adhesives business and is now making strong inroads in the paints, faucets and sanitary ware segments.



Our leadership position is backed by a strong foundation of business fundamentals, which includes manufacturing units across multiple locations, a wide range of products, a well-known brand, a wide distribution network, and an experienced management team.

In recent years, the Company has consistently outpaced the industry growth rate and emerged as one of the top brands in the country. Faced with unprecedented obstacles, our resilience and operational excellence have strengthened our position as the dominant force even further.

SCALE OF OUR OPERATIONS



25+
COUNTRIES SERVED



18
MANUFACTURING FACILITIES
WORLDWIDE



2,535+
DISTRIBUTORS



6,000+
TEAM MEMBERS



1,80,000+
DEALERS

VISION

TO BE A TRULY GLOBAL, HIGH-PERFORMING ORGANISATION DELIVERING QUALITY PRODUCTS AND SERVICES TO ITS CUSTOMERS AND ATTAIN LEADERSHIP POSITION IN THE INDUSTRIES WE OPERATE IN.

Our focus on customer centricity and innovation has helped us pioneer several industry firsts



1st to introduce CPVC piping system in India



1st to introduce lead-free uPVC plumbing piping system in India



1st to get National Sanitation Foundation (NSF) approval for CPVC pipings



1st to launch lead-free uPVC column pipe in India

VALUES

Safety

- Strive to prevent accidents, injuries, and illness at work
- Provide products that meet the highest safety standards

Excellence

- Be trendsetters in the industry by delivering exceptional performance
- Deliver quality products and services to our customers

Integrity

- Be honest, fair, and do the right thing in the right way
- Operate in letter and spirit of the highest standards of corporate ethics

Equitability

- Be unbiased and respect individual contributions that stem from their diverse backgrounds
- Accept criticism and promote an open culture that enables sharing of ideas across the organisation

Teamwork

- Unleash hidden potential of employees by promoting a culture of teamwork across the organisation
- Leverage collective capabilities to achieve greater heights

PRODUCT OFFERINGS

Transforming Into A One-stop Solution for Building Materials



Pipes

- Plumbing System (01-05)
- Drainage System (06-13)
- Agriculture System (14-20)
- Cable Protection System (21-23)
- Fire Protection System (24)
- Industrial Piping System (25-26)
- Urban Infrastructure (27-28)
- Solvent Cements (29-30)
- Ancillary (31-32)
- Plumbing Accessories (33-35)

<div>1</div> <div>ASTRAL CPVC PRO</div>	<div>2</div> <div>ASTRAL MULTI PRO</div>	<div>3</div> <div>ASTRAL PEX-a PRO</div>	<div>4</div> <div>ASTRAL Aquarius</div>	<div>5</div> <div>ASTRAL ECO PRO</div>	<div>6</div> <div>ASTRAL SILENCIO</div>	<div>7</div> <div>ASTRAL DRAIN PRO</div>	<div>8</div> <div>ASTRAL DRAIN MASTER</div>	<div>9</div> <div>ASTRAL Foamcore</div>	<div>10</div> <div>ASTRAL UNDER GROUND</div>
<div>11</div> <div>ASTRAL D-Rex</div>	<div>12</div> <div>ASTRAL DRAIN HULK</div>	<div>13</div> <div>ASTRAL hauston</div>	<div>14</div> <div>ASTRAL BORE-WELL</div>	<div>15</div> <div>ASTRAL CASE-WELL</div>	<div>16</div> <div>ASTRAL AquaSAFE</div>	<div>17</div> <div>ASTRAL HDPE PRO</div>	<div>18</div> <div>ASTRAL DROPLET</div>	<div>19</div> <div>ASTRAL GeoRex</div>	<div>20</div> <div>ASTRAL Power Flex</div>
<div>21</div> <div>ASTRAL Wire Guard</div>	<div>22</div> <div>ASTRAL TeleRex</div>	<div>23</div> <div>ASTRAL MultiRex</div>	<div>24</div> <div>ASTRAL FIRE PRO</div>	<div>25</div> <div>ASTRAL CHEM PRO</div>	<div>26</div> <div>ASTRAL Aquarius+</div>	<div>27</div> <div>ASTRAL Plus+StiRex</div>	<div>28</div> <div>ASTRAL Pre-StiRex</div>	<div>29</div> <div>WELD-ON</div>	<div>30</div> <div>ASTRAL PIPE FIX</div>
<div>31</div> <div>ASTRAL Clamps & Hangers</div>	<div>32</div> <div>ASTRAL INSU PRO</div>	<div>33</div> <div>ASTRAL BACK FLOW PREVENTER VALVE</div>	<div>34</div> <div>ASTRAL AIR ADMITTANCE VALVE</div>	<div>35</div> <div>ASTRAL BASIN TRAP</div>					



PRODUCT OFFERINGS (CONTD.)

Transforming Into A One-stop
Solution for Building Materials



Water
tanks



Adhesives
& sealants

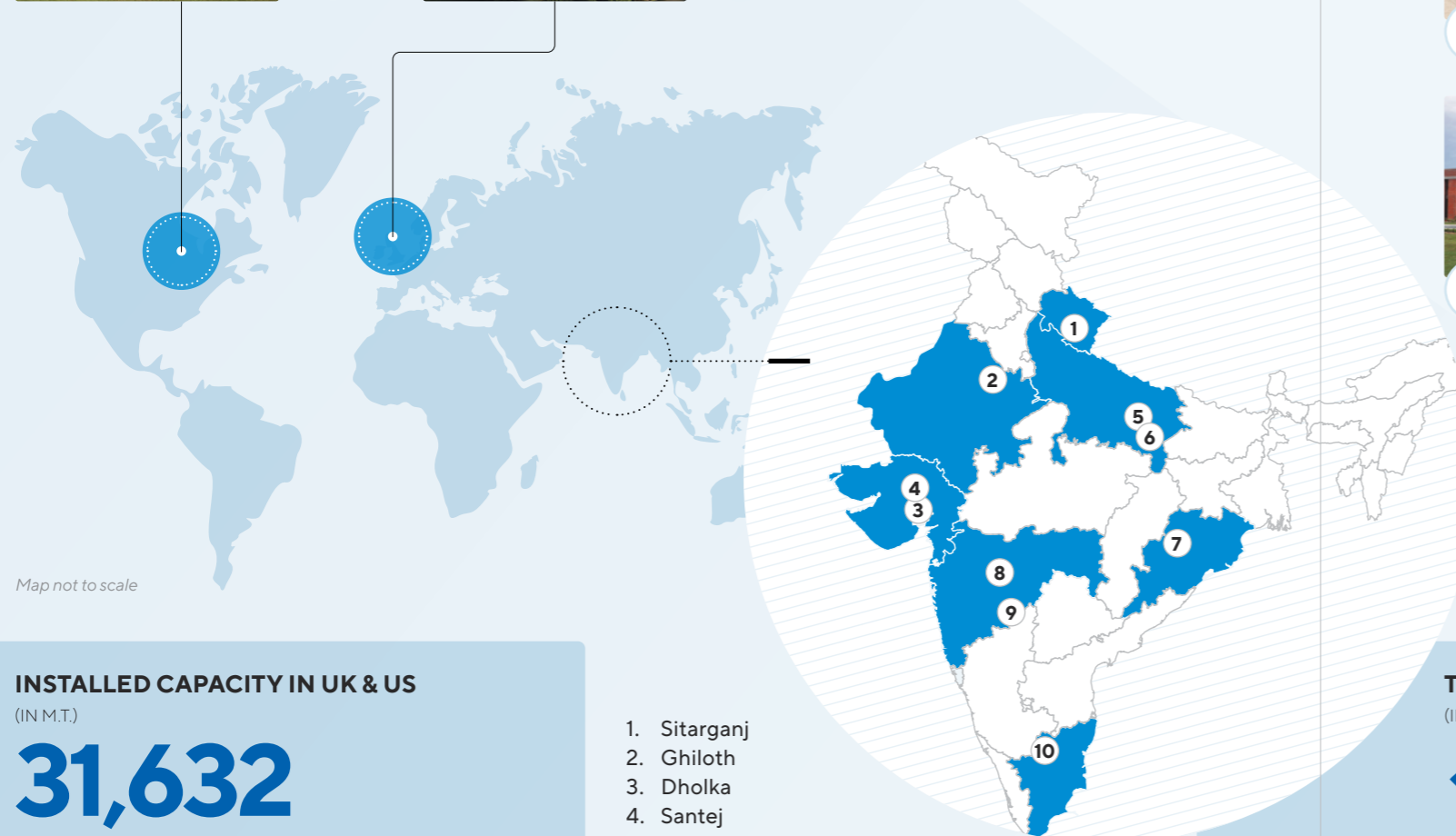
- Epoxy Adhesives & Putty (1-2)
- Silicone Sealants (3-4)
- Construction Chemicals (5)
- Membrane & Coating (6)
- Waterproofing (7)
- Tile & Grout Adhesives (8)
- Pva Adhesives (9)
- Rubber Adhesives (10)
- Tapes (11-12)
- Solvent Cements (13-17)
- Anaerobic Adhesives (18)
- Clear Acrylic Adhesive (19)
- Industrial (20-22)
- Cyanoacrylate Instant Adhesive (23)



MANUFACTURING CAPABILITIES

Comprehensive
Manufacturing Infrastructure

GLOBAL FACILITIES



Map not to scale

INSTALLED CAPACITY IN UK & US

(IN M.T.)

31,632

FY22 **31,632**

FY21 27,828

1. Sitarganj
2. Ghiloth
3. Dholka
4. Santej
5. Unnao
6. Rania
7. Bhubaneswar
8. Aurangabad
9. Sangli
10. Hosur

Map not to scale

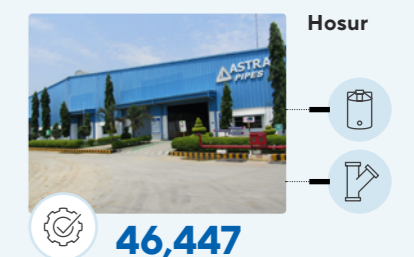
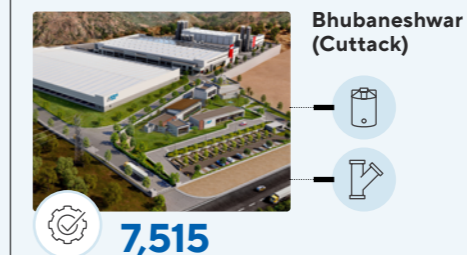
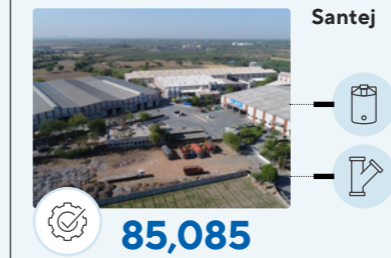
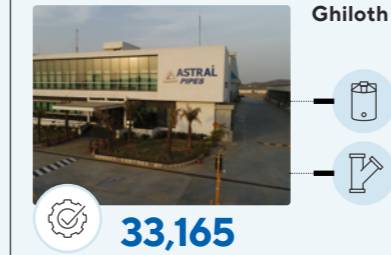
EXPANDING HORIZONS

DOMESTIC FACILITIES

ADHESIVES & SEALANTS



PIPES & WATER TANKS



TOTAL DOMESTIC INSTALLED CAPACITY

(IN M.T.)

3,46,686

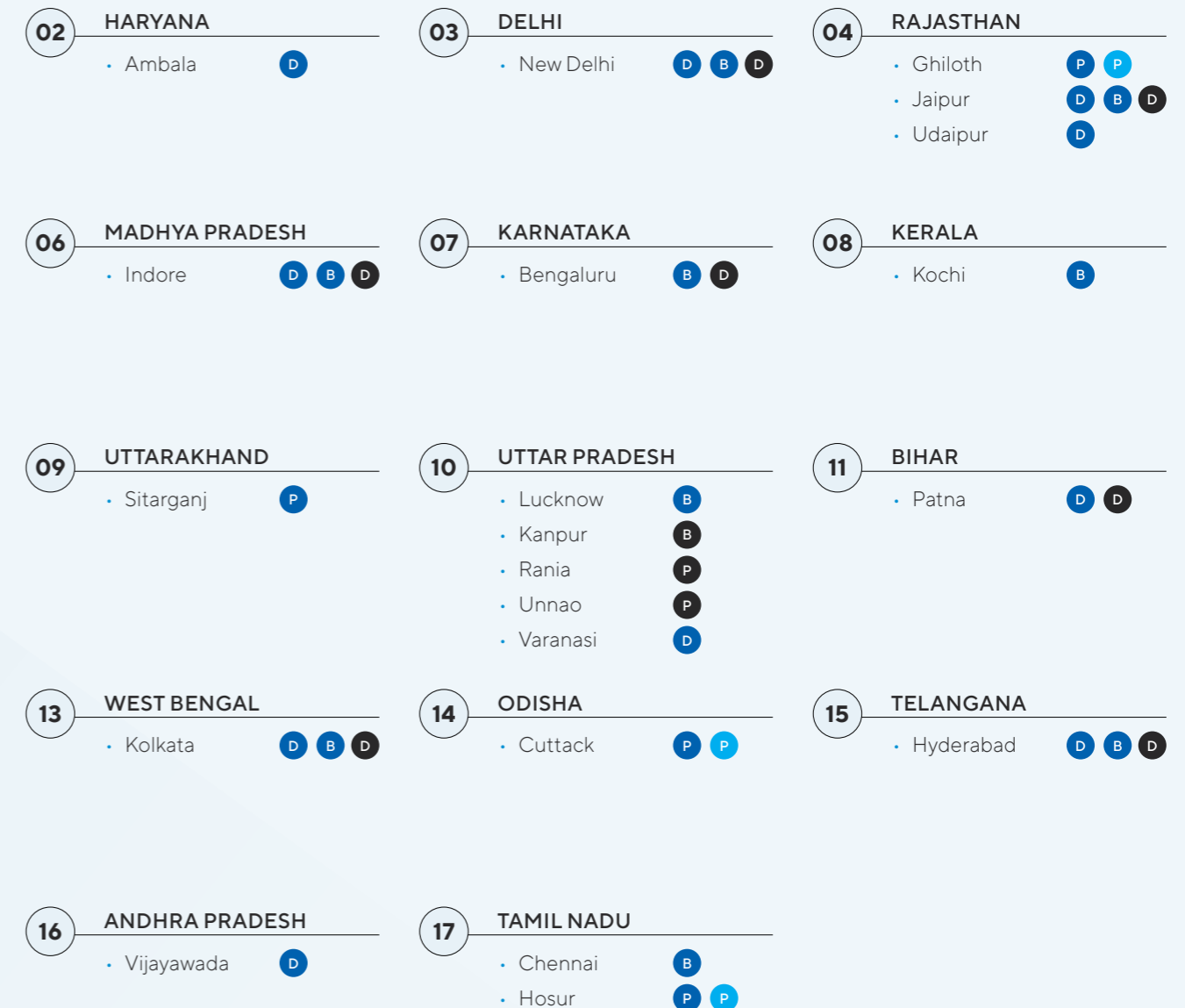
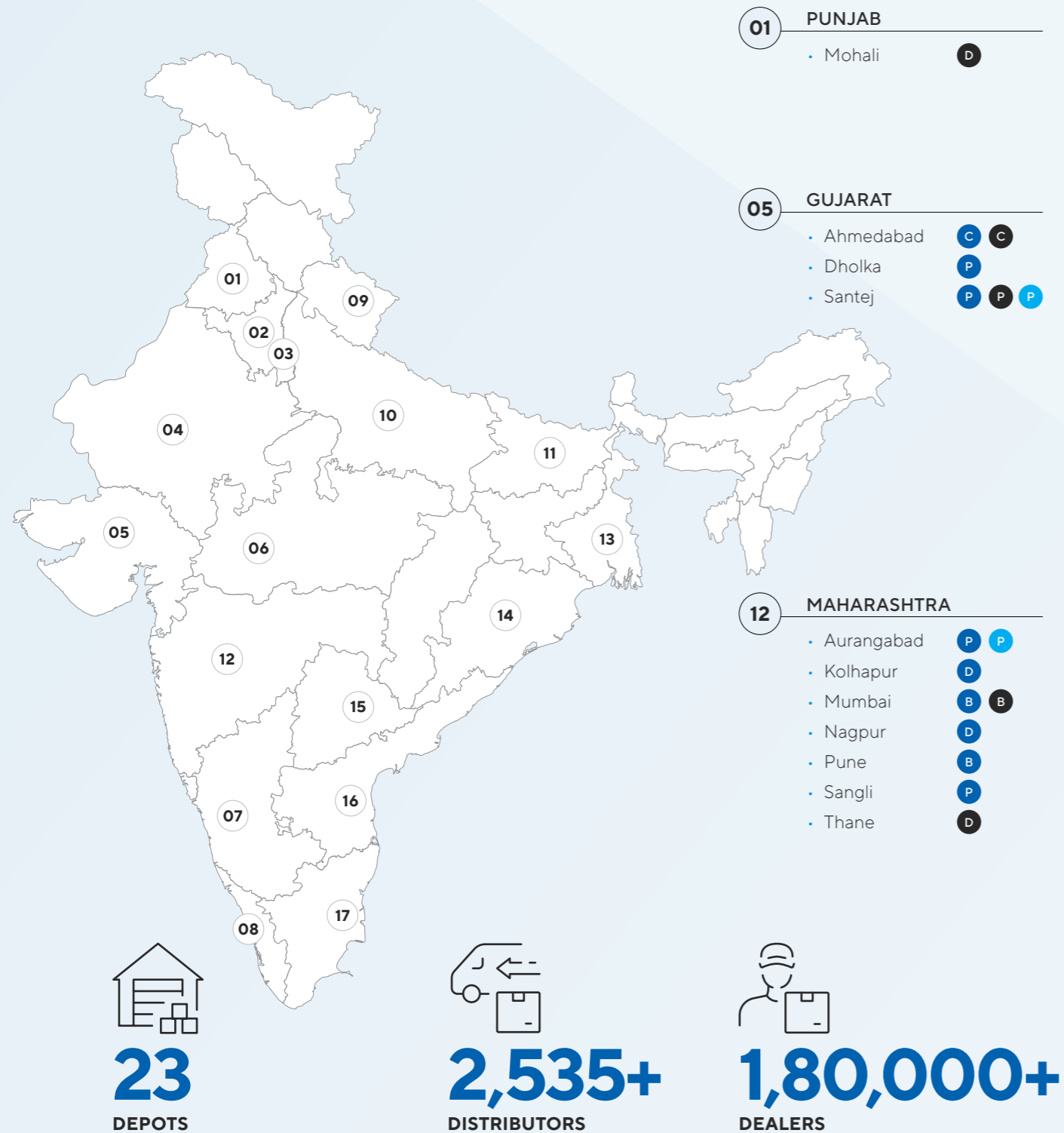
FY22 **3,46,686**

FY21 3,22,294

KEYS

- Pipes
- Water tanks
- Adhesives & sealants
- Installed Capacity (IN M.T.)

DEALER DISTRIBUTION NETWORK

Strategic Presence
that Enables Efficiency

KEYS



Pipes

- P PLANTS
- D DEPOTS
- C CORPORATE OFFICE
- B BRANCH OFFICE



Water tanks

- P PLANTS

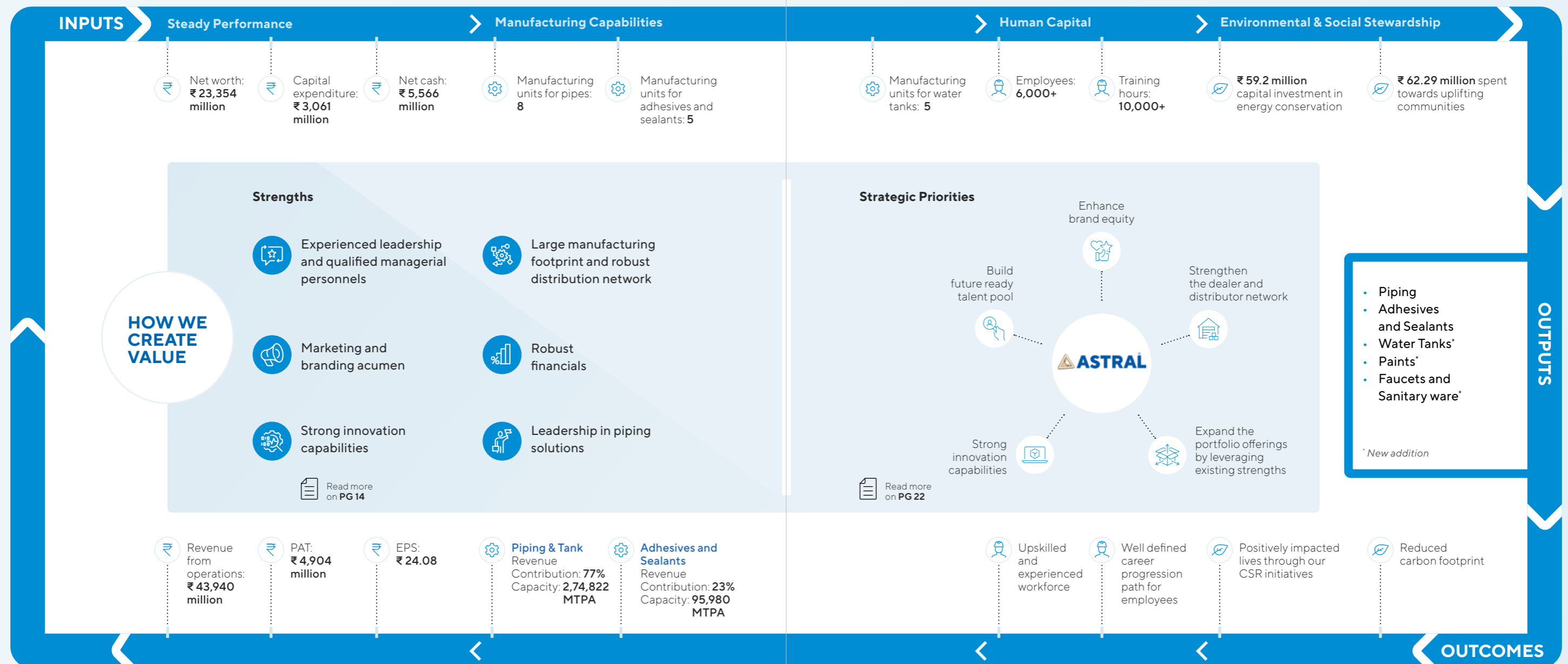


Adhesives & sealants

- P PLANTS
- D DEPOTS
- C CORPORATE OFFICE
- B BRANCH OFFICE

BUSINESS MODEL

Our Canvas of Value Creation



VALUES

Safety

Excellence

Integrity

Equitability

Teamwork

KEYS



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship capital



Natural Capital

OUR STRENGTHS

Leveraging Our Robust Fundamentals

Our decades of experience in the industry has enabled us to build a robust company with a sharp competitive edge. We've adopted best-in-class practices and adopted strategies that have strengthened our presence, supply chain network, and product quality, resulting in a trusted brand name.



Experienced Leadership and Qualified Managerial Personnel

Our management comprises professionals with extensive industry knowledge and vast as well as varied experience. Their experience in numerous facets of the industry provides the Company with the necessary industry knowledge and keen insight, which we can leverage for future growth and expansion. In addition, our leadership strives to preserve the Company's founding vision and a sense of purpose, leading to an innovation-led and high-performance culture that propels it onto new growth trajectories.



Large Manufacturing Footprint and Robust Distribution Network

Our distribution network of 1,80,000+ dealers and 2,535+ distributors gives us a strong competitive advantage. We have an in-house marketing team to service this extensive network of dealers and distributors. Many of these dealers and distributors have been affiliated with the Company for decades. Through the years, our distribution prowess and long-standing relationships with our partners have contributed to our market dominance. The company has been strong in the West part of the country in the past. In recent years, the company has improved its position in the south and east with new plants as a part of the decentralisation strategy. Pipes and fittings are a bulk item with high logistics costs. As a result, a wide manufacturing footprint is needed to provide high service levels to distributors and maintain low cost of operation.



Marketing and Branding Acumen

Over the last few years, the Company has developed a strong brand. Astral's name is synonymous with quality and a track record of exceeding customer expectations. The Company has a strong legacy in the industry, and in recent years it has strengthened its brand positioning through sustained investments in marketing and brand promotional activities. The emphasis has been on increasing brand awareness and customer loyalty through innovative promotions and marketing via both digital and traditional channels.



Robust Financials

The company's balance sheet is robust, and its profitability has steadily increased over the years. Despite unprecedented inflation and a challenging macroeconomic environment in FY22, the company's financial performance remained strong. The financial position remains solid, with a net cash position of over ₹ 5,566 million and the industry's shortest working capital cycle. The Company continues to be one of India's most profitable piping solutions companies. For the eighth consecutive year, the profitability has grown. The Company has favourable return ratios, and with most of the capital expenditures to be completed by FY23, these metrics are expected to further improve over time. Our robust balance sheet and cash flows have sustained us through various cycles, and we are committed to maintaining our disciplined capital management strategy.



Strong Innovation Capabilities

Innovation remains one of Astral's key strengths, allowing the company to achieve product differentiation and provide consumers with a unique value proposition. The company's commitment to innovation to introduce new products and services and continuously improve customer engagement have led to sustained investments in manufacturing, research & development, information technology and sustainability. The allocation of capital to all of these needs has ensured that these investments advance the business growth objectives and generate a sustainable return on investment for shareholders.

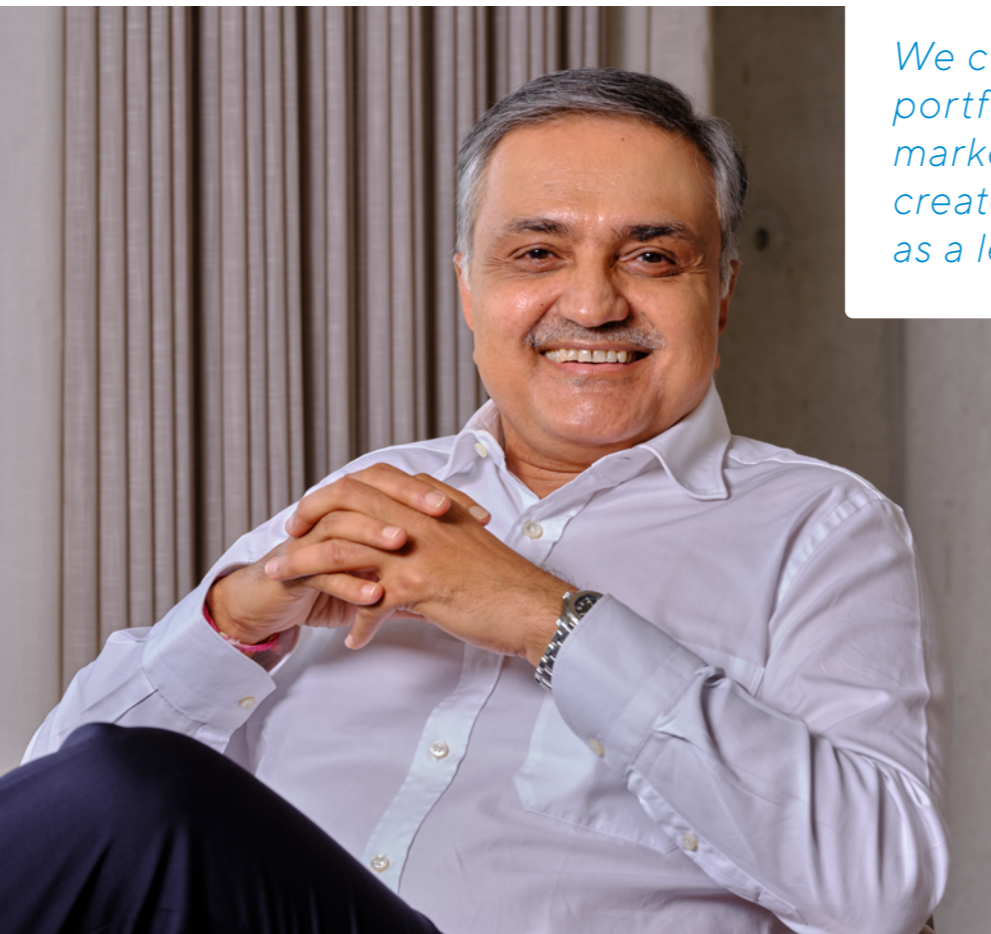


Leadership in Piping Solutions

Astral is one of the largest piping solutions companies in India, catering to the needs of the real estate, infrastructure, and agricultural industries with various product offerings. Our state-of-the-art manufacturing facilities respond to the need for operational synergies and the ever-changing demands of our customers. The company intends to leverage its strengths, scale, and learnings in the piping business and implement them in the newer product categories to rapidly scale them.

MESSAGE FROM MANAGING DIRECTOR

Creating Possibilities for Progress



We continue to map our portfolio against the dynamic market environment to create a portfolio that serves as a lever for our ambitions.

66

To this effect, we mobilised a host of support services for our employees and their families, which include critical medical equipment supplies, doctor consultations and financial assistance. We also stepped up our partnerships with various NGOs, volunteering our time and financial support to provide COVID-19 relief.

The year in retrospect

During the year, we achieved the highest ever top line and profitability. This robust performance in a year marked with challenges was a result of our relentless focus on execution, wherein we reinforced our core strengths by investing in expanding our capacities and distribution networks. The year saw surging input costs and supply-side constraints. However, we mitigated the situation by taking a balanced approach of price hikes and cost optimisation initiatives. Our attempts at widening our distribution network also yielded results, and so did our efforts to enhance the brand visibility.

We progressed on our journey to make Astral structurally, financially and operationally future-ready. The

Dear Shareholders,

It gives me immense pleasure to write to you after yet another eventful year of progress. We are proud to have continued our industry-leading growth momentum through a year that was relentless with the unprecedented inflationary pressures, ongoing war and supply chain constraints. Also, intermittent COVID-19 virus outbreaks continued its impact across the globe with various disruptions to businesses, and caused social and economic upheaval and lockdowns in some parts of the world.

While we are learning from this new order of conducting business in this new environment, the most important responsibility for us at Astral has been to ensure the health of our people. We will always prioritise the safety and well-being of our employees, partners, customers, and community at large.

EXPANDING HORIZONS

modernisation and de-bottlenecking journey continued for existing facilities, as we added innovative and disruptive products in our Pipes and Adhesives category.

Continuous upheavals notwithstanding, we recorded strong growth across all our business segments, with the Pipes and Adhesives business segment recording the highest production volumes historically. We also made impressive progress on the Water Tanks business and remain confident of doubling our revenues in the same in FY23.

Focusing on the next

In a future-oriented move, our Board, in a meeting held on April 29, 2022, approved to acquire 51% controlling equity stake in the operating paint business of Gem Paints Private Limited. Strategically, the entry into paints gives us the opportunity to harness synergies with the existing sales and distribution network and legacy of the Astral brand, and has the potential to create significant value for all our stakeholders.

We continue to map our portfolio against the dynamic market environment to create a portfolio that serves as a lever for our ambitions. Thus, we have reworked our product offerings to also include faucets and sanitaryware, transforming us into a complete building material player.

Revenue potential from new product categories over the next five years

(₹ IN MN)

15,000

We will leverage our vast and deeply entrenched pan-India distribution network to drive growth in new businesses. Our go-to-market strategy will be to gradually scale up the new offerings by focusing on specific geographies and then eventually metamorphosing into a pan-India player. We anticipate that these two new product categories alongwith other newly launched products will add ~ ₹ 1500 crores to our top line over the next five years with no additional CAPEX. Gem Paints' current capacity allows for a threefold increase in sales from our existing levels. Furthermore, we have acquired a ready facility on asset purchase basis at Jamnagar to manufacture faucets.

Purpose beyond profit

In addition to our obligations to our customers, we think that social and environmental responsibility is necessary for long-term success. Through a variety of projects, the Astral Foundation made considerable progress in its objective to serve and empower marginalised communities.

In line with our commitment to achieving holistic progress, we are working continuously to empower our people. This year we ensured better training and up-skilling of our team members as we recorded a threefold increase in training man-hours compared to the previous year. We endeavour to make Astral a truly enriching workplace with supportive policies and appropriate health and safety measures. I am happy to announce that our commitment to employee care and career development earned us Great Place to Work® Institute's certification as a Great Place to Work® in India for 2021-22.

We continued to prioritise our ESG (environment, social and governance) initiatives, and the efficient utilisation of energy from cleaner sources at our facilities remained one of our primary

focus areas during the year. The year also witnessed us consuming the highest ever solar units, as we doubled our installed solar power capacity compared to last year, and now ~ 20% of our Santej and Dholka plants' power needs are met by solar energy.

Looking ahead

Although the economic environment remains uncertain, the long-term growth opportunities remain favourable for us. Over the past few years, we have made substantial investments to support our decentralisation strategy by expanding our manufacturing capacities. We now believe we have reached a point where all of our investments will bear fruit and accelerate the growth of our company.

The past year has been a pivotal one, with numerous initiatives undertaken which were essential to accelerate the growth of our business. As we tread new avenues to capitalise on growth opportunities and enhance value, we impetrate our stakeholders to remain as committed to us as they have been in the past. We believe in our ability to endure the ebbs and flows of the business cycle and will continue to work to the best of our abilities to deliver value.

In closing, I would like to express my sincere appreciation to all our stakeholders for their confidence and support. I am certain that we will script an exciting growth journey ahead. Looking forward to our prosperous future at Astral Limited, thank you.

Regards

Sandeep Engineer

CHAIRMAN & MANAGING DIRECTOR