

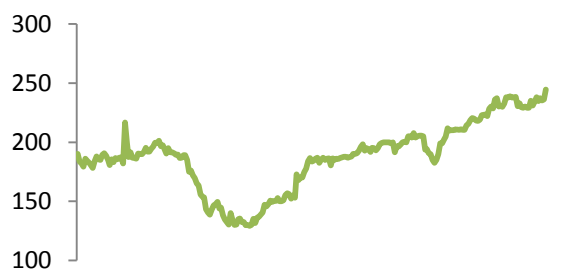
Astral Poly Technik Ltd.

Recommendation	HOLD
CMP	Rs.241
Target Price	Rs.270
Sector	Plastic Products

Stock Details

BSE Code	532830
NSE Code	ASTRAL
Bloomberg Code	ASTRA IN
Market Cap (Rs cr)	550
Free Float (%)	36.2
52- wk HI/Lo (Rs)	240.5/124
Avg. volume BSE (Quarterly)	3089
Face Value (Rs)	5.0
Dividend (FY 12)	22.5%
Shares o/s (Cr)	2.25

Relative Performance	1Mth	3Mth	1Yr
Astral	-7.5%	1.4%	6.4%
Sensex	-8.2%	-12.1%	-11.5%



Shareholding Pattern	30-Jun-12
Promoters Holding	63.82%
Institutional (Incl. FII)	7.60%
Corporate Bodies	6.30%
Public & others	22.28%

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Results above our expectations

- For the Quarter, Revenues grew 52.4% YoY at Rs.152.6 crore on the back of 6% price hike taken on various products during the quarter and 46% growth in volumes. The revenue growth is well ahead of our projections and company's guidance.
- EBIDTA margins have improved by 55 bps YoY to 13%. Margins are not comparable on a QoQ basis since Q4FY12 quarter contained benefits of lower raw material cost due to rupee appreciation during that period.
- During the quarter the company incurred exceptional loss of Rs.2.2 crore due to changes in the exchange rates on repayment of loans.
- Depreciation increased 39% YoY at Rs.4.3 crore.
- Tax rate for the quarter stood flat YoY at 20%.
- PAT grew 38.5% YoY on the back of higher revenues and stable margins.
- Adjusted PAT grew 60% YoY to Rs.9.5 crore during the quarter.
- CPVC and PVC contribution was at 60:40 respectively.
- MTM loss arising out of foreign currency borrowings due to currency fluctuations stood at Rs. 12.35 crore during the quarter. The same was not given any effect in the current quarter's results and would be taken into account in the end of the year.
- Guidance:** On the back of high demand of its products, the company has guided for 25-30% growth in revenues in FY13E with stable margins.

Valuation and Recommendation

Astral has been growing at a CAGR of 40% + in the past 5 years. Company continues to enjoy market leadership in the CVPC products, plans to expand capacity and is adding many new products in the coming years. We feel the PVC proportion could reduce with upcoming CPVC products and profitability is likely to improve.

At CMP, the stock is trading at 9.3x its FY13E earnings and we continue to remain positive about the future prospects of the company with a HOLD recommendation.

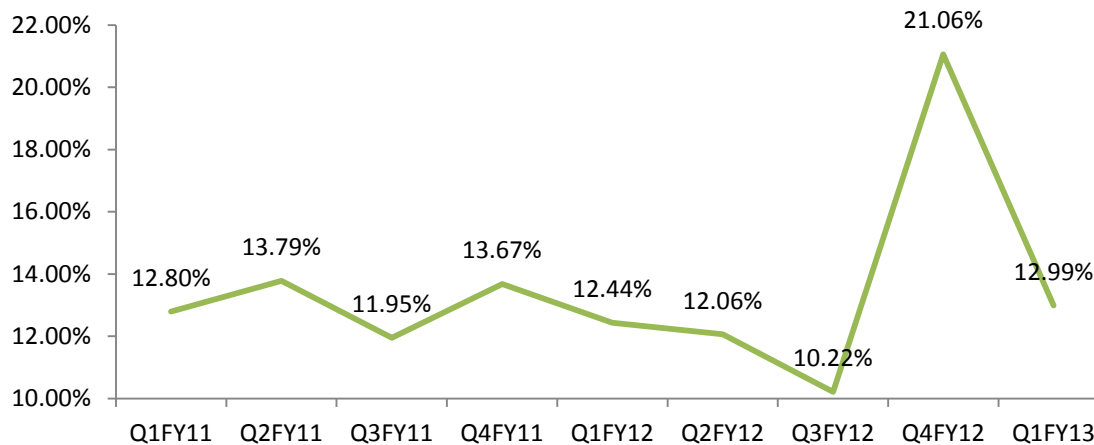
Year	Net Sales (Rs in Crs)	Growth %	EBITDA (Rs in Crs)	Margin %	PAT (Rs in Crs)	Growth %	EPS	PE (x)	EV/Sales
FY11A	410.8	41.6%	56.6	13.8%	33.4	22.6%	15.0	13.5	2.2
FY12A	579.3	41.0%	83.7	14.5%	51.9	55.5%	17.7	11.4	1.6
FY13E	767.6	32.5%	103.2	13.4%	58.4	12.4%	26.0	9.3	1.3
FY14E	933.6	21.6%	125.1	13.4%	72.3	23.9%	32.2	7.5	1.1

Astral Poly Technik Ltd.

Quarterly Income Statement					
Financials	Q1FY13	Q1FY12	YoY (%)	Q4FY12	QoQ (%)
Net Sales	152.6	100.2	52.4%	182.8	-16.5%
Raw Material Cost	104.1	70.1	48.6%	120.5	-13.6%
Personnel Cost	4.7	3.2	48.4%	4.0	18.8%
Other Expenditure	24.0	14.7	63.6%	20.6	16.7%
Total Expenditure	132.8	87.9	51.1%	145.0	-8.4%
EBIDTA	19.8	12.5	59.1%	38.5	-48.5%
Interest	2.1	1.0	103.7%	2.3	-8.8%
PBDT	17.7	11.4	55.0%	36.2	-51.1%
Depreciation	4.3	3.1	38.9%	3.7	16.0%
Other Income	0.7	0.5	51.7%	0.3	168.0%
Exceptions	-2.2	-0.2	1002.1%	-8.2	-73.2%
Tax	2.4	1.7	38.8%	5.3	-54.6%
Reported Profit After Tax	9.5	6.9	38.5%	19.3	-50.5%
Adj PAT	11.3	7.1	60.4%	25.7	-56.1%
EPS (Unit Curr.)	4.3	3.1	38.7%	8.6	-50.5%
Margins (%)					
EBIDTA %	13.0%	12.4%		21.1%	
Adj PAT %	7.4%	7.0%		14.1%	

Source: Nirmal Bang Research, Company Data

EBIDTA Margins over the Quarters



Source: Company data, Nirmal Bang Securities

The sudden spurt in EBITDA margins in the Q4FY12 quarter was because of price hike that was taken in the Q3FY12 quarter and lower raw material cost due to rupee appreciation in Q4FY12.

Astral Poly Technik Ltd.

Financials

	FY11	FY12E	FY13E	FY14E
Y/E - March				
Revenues - Net	436.8	611.5	816.6	993.2
% change	43.4%	40.0%	33.6%	21.6%
EBITDA	56.6	83.7	103.2	125.1
% change in EBITDA	35.0%	47.8%	23.2%	21.3%
Interest	4.6	6.6	9.4	11.5
EBDT	52.0	77.2	93.8	113.6
Depreciation	10.7	13.4	20.2	22.0
Other Income	0.6	2.0	0.7	0.0
Extraordinary	0.2	-15.4	-2.2	0.0
PBT	42.2	50.4	72.1	91.6
Tax	8.6	10.6	15.5	19.3
PAT	33.6	39.8	56.6	72.3
Adj PAT	33.4	51.9	58.4	72.3
Shares o/s (No. in Cr.)	2.2	2.2	2.2	2.2
EPS	15.0	17.7	26.0	32.2
Cash EPS	19.7	23.6	34.2	42.0
DPS (Rs.)	1.1	1.1	1.1	1.1
Quarterly (Rs. In Cr)				
	Sep.11	Dec.11	Mar.12	Jun.12
Revenue	135.81	160.51	182.84	152.61
EBITDA	16.40	38.50	19.82	22.00
Interest	1.20	2.00	2.32	2.12
EBDT	15.20	36.50	17.50	19.88
Dep	3.17	3.42	3.70	4.29
Other Inc.	0.49	0.75	0.27	0.73
Extraordinary	-1.22	-5.80	-8.21	-2.20
PBT	11.31	28.03	5.86	14.11
Tax	2.44	1.19	5.26	2.39
PAT	8.85	4.74	19.28	9.55
EPS (Rs.)	3.94	2.11	8.58	4.25
Operational Ratio				
	FY11	FY12	FY13E	FY14E
EBITDA margin (%)	13.8%	14.5%	13.4%	13.4%
Adj.PAT margin (%)	8.2%	6.9%	7.4%	7.7%
Adj.PAT Growth (%)	19.8%	18.3%	42.4%	27.7%
Price Earnings (x)	13.1	11.1	7.8	0.0
Book Value (Rs.)	148.8	185.6	239.3	308.6
ROE (%)	25.0%	31.1%	27.5%	26.4%
Price / Book Value (x)	1.32	1.06	0.82	0.64
EV / Sales	2.15	1.63	1.26	1.05
EV / EBITDA	16.61	11.88	9.97	8.34

Source: Nirmal Bang Research, Company Data

	FY11	FY12	FY13E	FY14E
Financial Health (Rs. In Cr)				
Y/E - March				
Shareholder's Funds				
Share Capital	11.2	11.2	11.2	11.2
Reserves	137.5	174.4	228.0	297.4
Long Term Borrowings	31.1	63.5	79.4	91.4
Deffered Tax Liabilities	1.7	1.7	1.7	1.7
Trade Payables	113.3	169.2	213.8	260.9
Other Current Liabilites	28.4	50.2	67.7	71.1
Short Term Provisions	3.2	4.8	5.0	5.3
Total	326.5	475.1	606.9	739.0
Assets				
Fixed assets	112.1	167.4	217.7	272.1
Non Current Investments	0.1	1.9	2.0	2.1
Long Term loans and advances	9.6	9.1	9.1	9.1
Other Non current assets	1.9	0.1	0.1	0.1
Current Assets				
Inventories	86.2	125.5	167.8	204.1
Trade Receivables	78.4	102.5	136.8	166.4
Cash and Cash equivalents	10.2	35.0	39.8	49.1
Short term loans and advances	27.5	32.7	35.9	39.5
Other current assets	0.5	0.8	0.8	0.8
Total	326.5	475.1	610.0	743.3
Cash Flow (Rs. In Cr)				
	FY11	FY12	FY13E	FY14E
Operating				
OP before WC	56.6	83.7	103.2	125.1
Change in WC	14.3	9.2	-17.7	-19.0
(-) Tax	-8.6	-10.6	-15.5	-19.3
CF from Operation	62.3	82.3	69.9	86.8
Investment				
Capex	-10.7	-65.2	-46.2	-60.4
Other Investment	0.0	-1.8	-0.1	-0.1
Other Income	0.6	2.0	0.7	0.0
Total Investment	-10.2	-65.0	-45.6	-60.5
Financing				
Dividend Paid	-3.0	-3.4	-3.0	-3.0
Interest Paid	-4.6	-6.6	-9.4	-11.5
Loan & Others	-39.0	17.5	-7.2	-2.6
Total Financing	-46.6	7.5	-19.6	-17.0
Net Chg. in Cash	5.6	24.9	4.8	9.3
Cash at beginning	4.6	10.2	35.0	39.8
Cash at end	10.2	35.0	39.8	49.1

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