

Upbeat operating performance...

About the stock: Astral is the leader in the CPVC piping segment and expanding into other building material business like adhesive, paints and sanitary ware.

- Astral is the third largest piping company with a value market share of 9.6%. In FY23, plumbing, paints & adhesives contributed 73%, 27%, respectively, to its topline
- Healthy b/s reflected in strong return ratios (RoE: 17%, RoCE: ~21%)

Q4FY23 Results: Lower raw material costs supported margin expansion.

- Consolidated revenue increased 8.3% YoY to ₹ 1506 crore, driven by ~25% YoY growth in adhesive & paints segment to ~₹ 383 crore. Piping segment revenue grew 3.6% YoY to ₹ 1123.5 crore. Piping segment volume grew 15% YoY led by strong demand & new product launches
- Gross margin increased ~692 bps YoY (573 bps QoQ) supported by low raw material prices and better product mix. As a result, EBITDA margin rose ~492 bps to 20.5%
- PAT grew ~38% YoY to ₹ 199 crore tracking EBITDA margin expansion

What should investors do? Astral's share price has grown by ~4.1x over the past five years (from ~₹ 419 in May 2018 to ~₹ 1720 levels in May 2023).

- We maintain our **HOLD** rating on the stock

Target Price and Valuation: We value Astral at ₹ 1780 i.e. 55x P/E on FY25E EPS.

Key triggers for future price performance:

- Greenfield expansion in Hyderabad and Guwahati will increase company's piping capacity by 16% over FY23-25E
- Capacity expansion, new product launches and dealer addition in new geographies will help drive revenues of adhesive segments.
- The new products such as tank, faucet, sanitaryware, paint and valve will together generate revenue of ₹ 1500 crore in next five years

Alternate Stock Idea: We like Supreme Industries in the same space.

- Supreme is a market leader in the plastic piping segment with ~15% market share. Robust b/s with average RoE, RoCE of 23%, 26%, respectively
- BUY with a target price of ₹ 3200



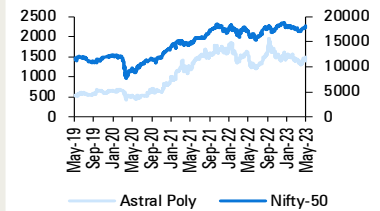
Particulars

Particular	Amount
Market Cap (₹ Crore)	46,268.0
Debt (FY23) (₹ Crore)	85.1
Cash&Inv (FY23) (₹ Crore)	627.5
EV (₹ Crore)	45,725.6
52 week H/L	1991/ 1186
Equity capital (₹ Crore)	20.1
Face value (₹)	1.0

Shareholding pattern

(in %)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	55.7	55.7	55.9	55.9	55.9
FII	17.8	16.1	16.3	14.9	13.9
DII	12.7	13.6	14.4	15.2	16.5
Others	13.8	14.6	13.5	14.0	13.8

Price Chart



Recent event & key risks

- Key Risk:** (i) Better than expected growth in both piping and adhesive revenue (ii) Volatility in raw material prices

Research Analyst

Hitesh Taunk
hitesh.taunk@icicisecurities.com

Sanjay Manyal
sanjay.manyal@icicisecurities.com

Ashwi Bhansali
ashwi.bhansali@icicisecurities.com

Key Financial Summary

₹ crore	FY20	FY21	FY22	FY23E	5 Year CAGR (FY18-23)	FY24E	FY25E	2 Year CAGR (FY23-25E)
Net Sales	2577.9	3176.3	4394.0	5158.5	19.6%	6668.9	7719.9	22.3%
EBITDA	442.9	644.5	755.3	809.9	20.7%	1066.5	1327.6	28.0%
EBITDA Margin (%)	17.2	20.3	17.2	15.7		16.0	17.2	
Net Profit	249.6	408.2	490.4	459.5	21.2%	679.5	864.4	37.2%
EPS (₹)	16.6	20.3	18.2	17.1		25.3	32.1	
P/E(x)	103.8	84.6	94.3	100.7		68.1	53.5	
Price/book value (x)	17.2	18.2	19.9	17.1		14.9	12.7	
Mcap/sales (x)	17.9	14.6	10.5	9.0		6.9	6.0	
RoE (%)	16.6	21.5	21.1	17.0		21.9	23.8	
RoCE (%)	20.5	27.5	26.7	21.3		26.2	28.7	

Key takeaways of recent quarter & conference call highlights

Q4FY23 Results: Strong operating performance driven by growth across segments

- Astral’s consolidated revenue grew 8.3% YoY to ₹ 1506.2 crore in Q4FY23 driven by ~25% revenue growth in the adhesives & paints segment. Consolidation of paints business helped drive revenue of the segment, Paints business reported revenue of ~₹ 58 crore in Q4. Piping revenues grew ~3.6% YoY led by 15% YoY increase in volume offtake. Higher volume offtake was on account of pick up in construction activities and launch of new products
- Usage of low-cost inventory and better product mix helped drive gross margin up by 692 bps YoY. This resulted in improvement in EBITDA margin by ~492 bps YoY to 20.5%
- Expansion of EBITDA margin coupled with lower interest outgo (down ~1.6x YoY) resulted in ~38% YoY growth in PAT to ₹ 199 crore

Q4FY23 Earnings Conference Call highlights

- **Plumbing segment (Pipes, fittings, water tanks, faucets and sanitary ware):**
 - The piping industry is pegged at ₹ 37000 crore in India. Astral commands ~9.6% market share in the overall piping industry. It is market leader in the CPVC pipe segment
 - The management has reiterated piping segment volume growth of 15% over the next five years against industry volume growth of ~10%
 - According to the management, launch of new products, dealer additions in the new geographies and market share gains from unorganised players will continue drive volume growth for the company. The company expects strong growth in the newly launched water tank and valve business over the next five years
 - Looking at robust demand in southern market, Astral is planning to set up a new greenfield plant at Hyderabad with capacity of 70,000 MT with an investment of ~₹ 100 crore. The plant will be completed in a phased manner by FY26
 - The company also plans to start manufacturing capacity in Guwahati to serve eastern markets. The plant will be on lease and the capex will be only for machineries
 - Astral plans to increase its pipe manufacturing capacity by ~16% to 3.4 lakh MT by the end of FY25
 - The company plans to double its infra pipes (DRAINPRO, SILENCI) manufacturing capacity in FY24 due to strong demand led by increased government spends on infra related work
 - The company’s water tank revenue increased 2.2x in FY23 to ₹ 94 crore. New product launch and dealer expansion in new geographies helped drive overall segment revenue
 - The company has started receiving revenue from its valves business. It plans to push the product into international markets
 - The company has set up a new manufacturing plant in Jamnagar for manufacturing faucets. Astral clocked faucets revenue of ₹ 22 crore in FY23. The company has 383 showrooms/display centres and plans to add another 177 showrooms/display in the various states by the end of FY24
- **Adhesives & paints:**
 - The adhesive industry is pegged at ₹ 18000 crore in India wherein Astral’s market share is at 4.7%. The industry is likely to grow at a CAGR of 10% supported by increased construction activities and housing demand. The company’s domestic adhesive business is likely to grow ~15% led by market share gains through new product launches and dealer additions
 - In the adhesive segments the company’s user base is classified into four subcategories in the adhesive segments 1) Maintenance 2) wood 3) constructions 4) Industrials

Astral - ESG Disclosure Score*			
Score	FY20	FY21	FY22
Environmental	27.7	29.5	30.4
Social	17.4	28.0	38.6
Governance	84.9	84.9	84.9
Overall ESG Score	43.4	47.5	51.3

Source: Bloomberg, ICICI Direct Research, *Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures

- In the paint division, the company clocked revenue of ₹ 216 crore with EBITDA margin of 14.5%. Decorative and industrial paints contribute 50% each in revenue
- No major capex in the paint segments, as the current capacity (at peak utilisation) has potential to generate revenue of ₹ 800 crore
- The company will leverage its existing dealer network to drive segment revenue in the next few years
- Paints – The paint business has grown by 15% in 9MFY23. The company is working on rebranding and redesigning the product line. The management expects a better performance in the paints business from FY24 onwards
- **Margins:**
 - PVC prices have now become stable and the management does not see significant volatility in the gross margin in FY24E. The company will continue investing into brand building exercise in the next two year in order to increase the visibility of new products
 - The EBITDA margin in Q4 is higher owing to improved product mix and benefit of lower raw material prices
- **Others:**
 - The management has guided that the new products such as tank, faucet, sanitaryware, paint and valve will together generate revenue of ₹ 1500 crore in next five years
 - As on FY23, the company has total cash balance of ₹ 682 crore. The company will utilise the cash for future growth opportunities

Exhibit 1: Peer comparison

Company	Mcap ₹ cr	Revenue				EBITDA margin				PAT				RoCE				RoE				PE			
		FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E
Supreme Ind	35,555	7773	9202	10455	12323	16	13	14	14	968	865	1056	1252	26	21	26	27	25	20	24	24	37	41	34	28
Astral	46,268	4394	5159	6669	7720	17	16	16	17	490	460	680	864	27	21	26	29	21	17	22	24	94	101	68	54

Source: Bloomberg, ICICI Direct Research

We believe Astral Ltd has reported a healthy performance in Q4FY23 led by strong volume growth and robust EBITDA margins. For FY23, the company reported revenue growth of 17% YoY to ₹ 5159 crore supported by addition of new business segments. The paints & adhesive segments revenue came in at ₹ 1391 crore (revenue contribution ~27%) led by consolidation of paint business (in FY23) and dealer expansions in the adhesive segment. The plumbing segment (revenue contribution of ~73%) revenue increased by ~12% YoY supported by strong volume growth (up by ~19% YoY). We believe new product launches (such as water tank, faucets) and revival in the piping demand amid stabilising PVC prices helped drive segment volume growth in FY23. Going forward, we believe the company will continue to report strong revenue growth ~22% over FY23-25E led by ~23% and ~21% growth in the plumbing and paint & adhesive segment respectively. We believe demand uptick in the piping segment, ramp up of sanitary ware and paints business will drive revenue growth over FY23-25E.

On the margin front, we believe the exit EBITDA margin at ~21% is mainly due to use of low-cost inventories. We believe subsiding impact of low-cost inventories and higher A&P spends will lead to a normalised EBITDA margin of 16% in FY24E i.e. flat on a YoY basis. The EBITDA margin is likely to improve from FY25E onwards supported by improved operating leverage. We revise our FY24 and FY25E PAT estimate upward by ~5% and ~2%. Respectively, supported by strong revenue growth. We build in consolidated revenue, PAT CAGR of ~22%, ~37% over FY23-25E. However, at current valuation of 67x FY24E & ~53x FY25E earnings respectively, the upside on the stock is capped. We maintain our HOLD rating with a revised target price of ₹ 1780/share, ascribing P/E multiple of 55x FY25E EPS.

Exhibit 2: Variance Analysis

	Q4FY23	Q4FY23E	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	Comments
Revenue	1,506.2	1,533.7	1,390.6	8.3	1,267.8	18.8	Revenue growth was mainly driven by ~25% growth in the paint & adhesive segment, however Plumbing segment revenue grew albeit a slow pace of ~4% YoY
Other Income	6.6	16.0	16.4	-59.8	-2.0	-430.0	
Raw Material Exp	928.1	1,036.8	953.1	-2.6	853.8	8.7	Gross margin up by ~692 bps YoY (~573 bps QoQ) led by lower RM costs
Employee Exp	86.2	81.3	64.1	34.5	80.1	7.6	Higher employee cost is attributable to addition of headcounts in the new business segments
Other expenditure	183.0	180.7	156.6	16.9	147.5	24.1	Higher advertisement expenses led to increase in other expenditure
EBITDA	308.9	234.9	216.8	42.5	186.4	65.7	
EBITDA Margin (%)	20.5	15.3	15.6	492 bps	14.7	581 bps	Sharp fall in the raw material costs drove EBITDA margin upward in Q4
Depreciation	44.5	45.3	32.8	35.7	45.5	-2.2	
Interest	3.3	9.7	5.2	-36.5	9.4	-64.9	
PBT	265.9	196.0	195.2	36.2	129.5	105.3	
Total Tax	65.4	49.4	49.2	32.9	34.6	89.0	
PAT	199.0	146.6	144.1	38.1	94.9	109.7	PAT growth is largely driven by EBITDA margin expansion in
Key Metrics							
Plastic Piping	1,123.5	1,143.9	1,084.1	3.6	931.8	20.6	Plumbing segment volumes were up by ~15% YoY supported by revival in piping demand and new product launches during FY23. However passing of lower raw material prices dragged overall realisations Q4
Paints & Adhesive	382.7	389.9	306.5	24.9	336.0	13.9	Consolidation of paint business helped drive segment revenue in Q4

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

₹ Crore)	FY24E			FY25E			Comments
	Old	New	% Chg	Old	New	% Chg	
Revenue	6,556	6668.9	1.7	7,660.6	7719.9	0.8	We have marginally tweaked our revenue estimate upward factoring in Q4 performance and launch of new products
EBITDA	1028.7	1066.5	3.7	1305.0	1327.6	1.7	
EBITDA Margin %	15.7	16.0	29bps	17.0	17.2	20bps	We believe low raw material prices and positive operating leverage from new manufacturing plants will help drive EBITDA margin over FY23-25E
PAT	649.0	679.6	4.7	844.3	864.4	2.4	
EPS (₹)	24.1	25.3	4.7	31.4	32.1	2.4	

Source: ICICI Direct Research

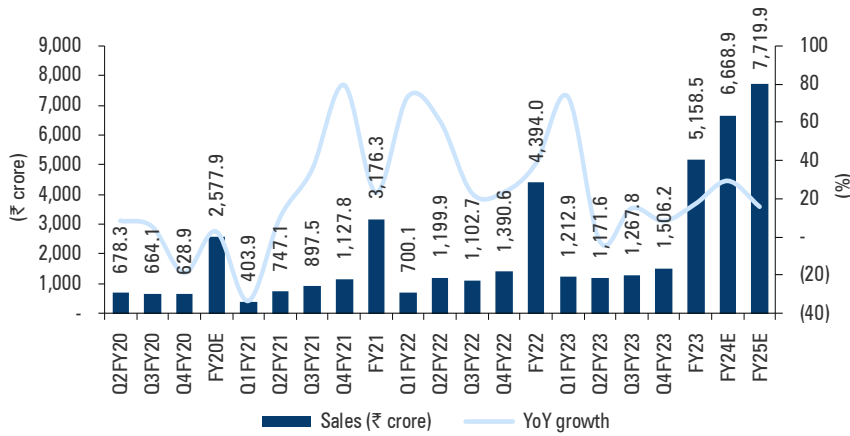
Exhibit 4: Assumptions

	Current					Earlier		Comments
	FY21	FY22	FY23E	FY24E	FY25E	FY24E	FY25E	
Plumbing	21.9	39.2	11.9	31.1	15.3	17.1	14.3	We model Plumbing segment revenue CAGR of ~17% supported by volume CAGR of ~15% over FY23-25E
Adhesives & Paints	27.5	35.7	35.3	24.3	16.9	24.4	17.0	Adhesive & Paints segment revenues are likely to grow at CAGR of 21% over FY23-25E supported by dealer additions and new product launches in the paint segment

Source: ICICI Direct Research

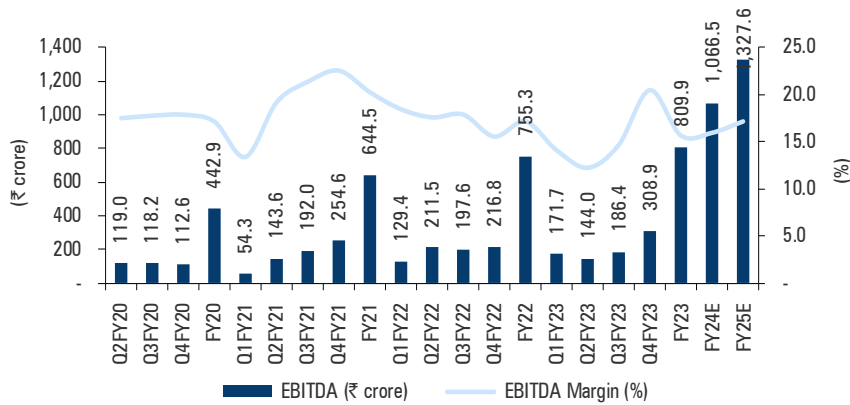
Financial story in charts

Exhibit 5: Revenue trend



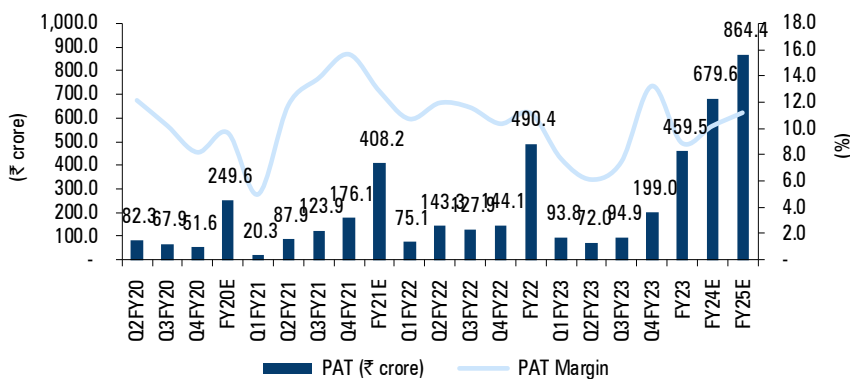
Source: Company, ICICI Direct Research

Exhibit 6: EBITDA margin movement



Source: Company, ICICI Direct Research

Exhibit 7: PAT movement



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 8: Profit and loss statement ₹ crore

Year end March	FY22	FY23	FY24E	FY25E
Net Sales	4394.0	5158.5	6668.9	7719.9
YoY (%)	38.3	17.4	29.3	15.8
Other income	34.9	26.7	40.0	46.3
Total Revenue	4428.9	5185.2	6708.9	7766.2
Expenditure				
Cons of raw material	2896.6	3374.3	4383.5	5017.9
Pur. of traded goods	31.4	60.4	73.3	84.8
Employee cost	245.3	319.3	365.3	401.8
Other expenses	465.4	594.6	780.3	887.8
Total expenses	3638.7	4348.6	5602.3	6392.3
EBITDA	755.3	809.9	1066.5	1327.6
YoY (%)	17.2	7.2	31.7	24.5
Interest	12.9	40.0	8.0	9.9
PBDT	777.3	796.6	1098.5	1364.0
Depreciation	126.9	178.1	190.1	208.4
Profit before tax	650.4	618.5	908.5	1155.6
Total Tax	158.1	155.7	228.9	291.2
PAT before MI	492.3	461.0	679.5	864.4
Exc. Items	-1.9	-1.5	0.0	0.0
PAT	490.4	459.5	679.5	864.4

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement ₹ crore

Year end March	FY22	FY23	FY24E	FY25E
Profit/(Loss) after taxation	490.4	459.5	679.5	864.4
Add: Depreciation & Amortization	126.9	178.1	190.1	208.4
Add: Interest Paid	12.9	40.0	8.0	9.9
C/F bef working capital chg.	630.2	677.6	877.6	1082.7
Net Increase in Current Assets	-302.5	-268.6	-682.0	-323.7
Net Increase in Current Liabilities	227.8	395.9	167.4	229.1
Net CF from operating act	555.5	804.9	362.9	988.1
(Inc)/Dec in Goodwill on Cons	0.3	-55.8	-50.0	-50.0
(Purchase)/Sale of Fixed Assets	-375.3	-579.7	-300.0	-300.0
Others	6.6	220.7	1.0	1.0
Net Cf from Investing Act	-358.8	-631.5	-349.0	-349.0
Pro/(Rept) of/from Loan	31.9	-7.8	20.0	20.0
(Payment) of Div & Div Tax	-56.8	-73.0	-324.3	-324.3
Others	-20.1	-37.5	22.8	-9.9
Net Cf from Financing Act	-44.9	-118.3	-281.5	-314.2
Net Cash flow	151.8	55.1	-267.6	324.9
Cash and Cash Equi at the beg	475.7	627.5	682.6	415.0
Cash and Cash Equi at the end	627.5	682.6	415.0	739.9

Source: Company, ICICI Direct Research

Exhibit 10: Balance Sheet ₹ crore

Year end March	FY22	FY23	FY24E	FY25E
Equity Capital	20.1	26.9	26.9	26.9
Reserve and Surplus	2302.1	2684.3	3070.4	3610.4
Total Shareholders funds	2322.2	2711.2	3097.3	3637.3
Total Debt	85.1	77.3	97.3	117.3
Other Non Current Liabilities	143.4	587.0	589.0	591.0
Total Liability	2482.9	3087.0	3494.0	4055.0
Fixed Assets				
Gross Block	1958.9	2535.7	2835.7	3135.7
Accumulated Depreciation	719.6	897.7	1087.7	1296.2
Net Block	1239.3	1638.0	1747.9	1839.5
Capital WIP	123.2	126.1	126.1	126.1
Total Fixed Assets	1362.5	1764.1	1874.0	1965.6
Goodwill on Consolidation	256.7	312.5	362.5	412.5
Current Assets				
Inventory	733.4	874.6	1187.6	1374.8
Debtors	269.1	354.5	639.5	740.3
Loans and Advances	0.5	20.8	26.9	31.1
Other Current Assets	100.4	122.1	200.1	231.6
Cash	627.5	682.6	415.0	739.9
Total Current Assets	1730.9	2054.6	2469.0	3117.6
Current Liabilities				
Creditors	748.4	800.0	913.5	1057.5
Provisions	3.5	5.7	6.5	7.5
Other current liabilities	138.4	480.5	533.5	617.6
Total Current Liabilities	890.3	1286.2	1453.6	1682.6
Net Current Assets	840.6	768.4	1015.5	1435.0
Deferred Tax Assets	0.3	11.0	11.0	11.0
Total Asset	2482.9	3087.0	3494.0	4055.0

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios

Year end March	FY22	FY23	FY24E	FY25E
Per share Data				
EPS*	18.2	17.1	25.3	32.1
Cash EPS	22.9	23.7	32.3	39.9
Dividend per share	2.1	2.7	12.1	12.1
BV per share	86.3	100.8	115.1	135.2
Profitability Ratio				
EBITDA margin	17.2	15.7	16.0	17.2
PAT margin	11.2	8.9	10.2	11.2
Return Ratios				
RoCE	26.7	21.3	26.2	28.7
RoNW	21.1	17.0	21.9	23.8
RoC	39.5	28.7	30.4	35.5
Valuation Ratios				
P/E	94.3	100.7	68.1	53.5
EV / EBITDA	60.5	56.4	43.1	34.4
Market Cap / Sales	10.5	9.0	6.9	6.0
Price to Book Value	19.9	17.1	14.9	12.7
Activity Ratios				
Inventory Days	60.9	61.9	65.0	65.0
Debtor Days	22.4	25.1	35.0	35.0
Creditor Days	62.2	56.6	50.0	50.0
Gross Block Turnover	2.2	2.0	2.4	2.5
Solvency Ratio				
Debt / Equity	0.0	0.0	0.0	0.0
Debt / EBITDA	0.1	0.1	0.1	0.1
Current Ratio	1.5	1.7	2.2	2.2
Quick Ratio	0.5	0.6	0.9	0.9

Source: Company, ICICI Direct Research

Exhibit 12: ICICI Direct universe (Consumer Discretionary)

Sector / Company	CMP (₹)	TP(₹)	Rating	M Cap (₹ Cr)	EPS (₹)				P/E (x)				EV/EBITDA (x)				RoCE (%)				RoE (%)			
					FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E	FY22	FY23E	FY24E	FY25E
Asian Paints (ASIPAI)	3,092	3,425	Hold	2,96,523	32.2	43.7	51.9	56.6	96.1	70.7	59.6	54.6	61.1	46.8	38.7	34.2	27.1	30.8	32.7	30.8	23.0	26.5	27.3	24.8
Berger Paints (BERPAI)	620	670	Hold	60,227	8.6	8.9	11.3	13.3	72.3	70.0	55.1	46.7	45.4	40.8	33.0	28.8	23.3	22.2	27.2	28.7	21.2	19.1	23.7	24.3
Kansai Nerolac (KANNER)	409	440	Hold	22,042	6.4	8.7	10.7	12.7	64.2	47.1	38.3	32.1	33.8	26.8	22.4	18.9	11.7	14.0	17.4	19.0	8.3	10.3	13.0	14.1
Pidlite Industries (PIDIND)	2,545	2,535	Hold	1,29,235	23.8	25.4	34.6	41.2	107.1	100.3	73.6	61.8	69.7	64.8	49.0	41.6	21.7	21.5	25.3	26.9	18.4	17.9	20.9	22.1
Sheela Foam (SHEFOA)	1,054	1,450	Buy	10,283	22.3	20.1	29.0	36.2	47.3	52.5	36.3	29.1	33.3	36.3	25.8	20.9	18.0	16.3	19.0	23.5	15.6	13.2	15.6	19.4
Bajaj Electricals (BAJELE)	1,175	1,275	Hold	13,495	10.8	19.5	31.1	36.8	108.5	60.3	37.8	32.0	53.6	36.9	26.6	22.6	13.5	20.2	24.6	24.3	7.8	13.5	18.2	18.1
Crompton Greaves(CROGR)	254	335	Hold	15,921	9.2	7.3	9.0	11.3	27.5	34.9	28.4	22.5	20.8	21.9	18.3	15.1	16.2	14.3	17.6	21.4	24.0	18.5	20.5	22.6
Havells India (HAVIND)	1,269	1,425	Buy	79,477	19.1	17.2	24.9	29.4	66.5	73.9	51.0	43.2	44.0	48.4	34.8	29.4	23.7	20.6	26.9	29.8	20.0	16.3	21.9	24.2
Polycab India (POLI)	3,438	3,780	Hold	51,379	61.4	85.8	93.5	108.3	56.0	40.1	36.8	31.7	39.7	26.7	24.0	20.5	20.2	25.7	25.5	25.5	15.6	19.3	19.0	19.0
Symphony (SYMLIM)	894	1,085	Hold	6,254	17.3	22.7	28.4	36.2	51.7	39.4	31.5	24.7	37.7	33.1	25.9	20.1	15.9	21.0	25.0	28.4	14.4	21.2	24.2	26.7
V-Guard Ind (VGUARD)	254	310	Buy	10,879	5.3	4.6	6.7	8.9	47.6	55.3	37.8	28.7	32.0	34.9	21.9	18.0	21.2	16.0	22.0	23.5	16.2	14.0	17.0	18.7
Voltas Ltd (VOLTAS)	803	870	Hold	26,558	15.3	4.1	20.0	25.5	52.5	195.0	40.2	31.5	38.0	45.7	30.0	23.7	14.0	11.4	17.6	19.8	9.2	4.5	13.3	15.1
Amber Enterprises (AMBEN)	2,172	2,440	Hold	7,318	33.0	48.6	64.0	88.6	65.7	44.7	33.9	24.5	27.8	18.9	16.3	13.0	6.8	9.3	12.1	14.2	6.4	8.6	10.7	13.0
Dixon Technologies (DIXTEC)	2,961	3,055	Hold	17,574	32.1	40.4	68.1	88.5	92.3	73.2	43.5	33.5	46.7	36.6	24.7	19.2	17.7	22.0	27.9	29.1	19.1	24.6	31.7	31.0
Supreme Indus (SUPIND)	2,799	3,200	Buy	35,555	76.2	68.1	83.2	98.6	36.7	41.1	33.7	28.4	28.2	29.0	23.9	19.8	25.9	21.2	26.1	27.5	25.2	19.7	23.5	24.4
Astral Ltd (ASTPOL)	1,720	1,780	Hold	46,268	18.2	17.1	25.3	32.1	94.3	100.7	68.1	53.5	60.5	56.4	43.1	34.4	26.7	21.3	26.2	28.7	21.1	17.0	21.9	23.8
EPL (ESSPRO)	197	182	Hold	6,225	7.0	6.5	8.4	11.9	28.1	30.5	23.3	16.5	11.6	11.3	9.2	7.6	12.6	12.9	17.1	20.5	12.1	11.5	14.7	19.2
Time Techno (TIMTEC)	81	95	Hold	1,832	8.5	10.4	13.0	15.2	9.5	7.8	6.2	5.3	5.1	4.3	3.8	3.4	11.3	13.0	14.5	15.4	9.3	10.9	12.4	13.0
Moldtek Packaging (MOLPLA)	948	1,110	Hold	3,144	20.4	24.2	29.1	37.0	46.6	39.1	32.6	25.6	26.4	23.5	19.2	15.1	18.6	17.0	18.6	21.3	13.9	14.4	15.1	16.5

Source: ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Hitesh Taunk, MBA (Finance), Sanjay Manyal, MBA (Finance) and Ashwi Bhansali, MBA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Anoop Goyal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.