Astral Limited

July 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	805.00	CARE AA+; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Astral Limited (Astral) continue to derive strength from its strong business risk profile marked by an established track record in the plastic pipes and fittings segment, with a market leadership position in the chlorinated polyvinyl chloride (CPVC) pipe segment in India. The strong brand franchise of 'Astral' is supported by sustained spending on advertisement and sales promotion, complemented by a widespread distribution network and multi-location manufacturing facilities. Ratings also derive strength from its diversified product portfolio in pipes, water tanks and adhesives, with backward integration into CPVC compounding. Its foray into faucets, sanitary ware, and paint segments is expected to support medium-term growth. Ratings further factor in a strong financial risk profile, marked by continuous growth in total operating income (TOI) and profitability supported by capacity expansions, deeper market penetration, launch of new products, industry-leading growth, and strong debt coverage and return indicators.

However, the long-term rating remains constrained by the susceptibility of profitability to raw material price and foreign exchange rate fluctuations, supplier concentration risk, and intense competition in the plastic pipes industry due to low entry barriers. CARE Ratings Limited (CareEdge Ratings) also notes the demand headwind faced by plastic pipe business, sharp fall in PVC prices and intense competition in the paints segment, resulting in marginally lower-than-envisaged revenue and profitability growth for FY25 (FY refers to period April 01 to March 31).

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the capacity utilisation for pipes and adhesive segments, increase in its TOI through greater geographical and product diversification and achieving significant market leadership position across key business segments.
- Improvement in profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 20% and return on capital employed (ROCE) above 30% while keeping total outside liabilities to tangible net worth (TOL/TNW) ratio below 0.10x and total debt/ PBILDT below 0.25x on a sustained basis.
- Significant diversification of its raw material supplier base and efficient working capital management.

Negative factors

- Decline in the scale of operations with TOI going below ₹3,500 crore and PBILDT margin below 15% and ROCE below 15% on a sustained basis.
- Major debt-funded capex or acquisition leading to deterioration in TOL/TNW to over 0.75x and total debt/PBILDT to over 1.0x (net of cash and liquid investment) on a sustained basis, and significant moderation in liquidity.
- Elongation in operating cycle beyond 80 days having an adverse impact on its cash flow from operations and liquidity.
- Unrelated diversification having adverse impact on the company's credit profile.

Analytical approach: Consolidated

CareEdge Ratings has considered consolidated financials of Astral considering business synergies with its subsidiaries. Subsidiaries have been set up/acquired in different geographies to cater to a wider market and to complement its existing product portfolio. Subsidiaries operate under common management. Details of entities consolidated in Astral are listed in **Annexure-6**.

Outlook: Stable

CareEdge Ratings expects sustained improvement in Astral's operating performance, backed by its diversified revenue profile and healthy demand prospect in end-user industries over a medium-to-long-term. The financial risk profile is expected to remain strong in the absence of long-term debt and lower reliance on working capital borrowings.

Detailed description of key rating drivers:

Key strengths

Established track record of operations in plastic pipes and fittings business

Established in 1996, Astral is promoted by Sandeep Engineer (Chairman and Managing Director). He is a Chemical Engineer by qualification and has over three decades of industry experience. He is supported by his two sons in overall management. Astral

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

is among leading players in the high-margin CPVC pipes and fittings business in India. It was the first company to launch CPVC piping system in 1999 and to get National Sanitation Foundation approval for it in 2007. It was also the first company to launch lead-free PVC pipes in 2004 and lead-free uPVC column pipes in 2012. Astral forayed into related adhesives business in 2014 with the acquisition of Seal IT Services Limited (UK), later acquired Resinova Chemie Limited (RCL) in November 2014. It forayed into paint business with acquisition of Gem paints in 2022. It acquired Al-Aziz Plastics Private Limited (AAPPL) with effect from April 2025. These acquisitions added a variety of products to Astral's portfolio.

Wide product portfolio in plumbing and adhesive business with market leadership position in CPVC pipe segment

Astral has a wide variety of products for PVC, CPVC, PTMT, O-PVC, and lead-free PVC plumbing systems and fittings for drainage systems, agriculture systems, fire sprinkler systems, electrical conduit pipes, and other industrial applications. In the pipes and fittings segment, Astral has significant presence in value-added CPVC products. Acquisition of Rex Polyextrusion Private Limited (Rex; amalgamated with Astral in FY20) further added products including corrugated pipes, cable protection systems for telecommunication lines and pipes for sub-surface drainage. Astral's product portfolio for the adhesive business include sealants and adhesives used across multiple applications such as, household, construction, furniture, engineering, automobile and insulation among others. Astral has continually expanded its product portfolio in piping and adhesive segments by introducing plumbing system for hot and cold water, low noise drainage and sewerage piping system, cyanoacrylate, surface drainage system, solvent cement, and rescue tapes. Acquisition of gems paints in FY23 added variety of industrial and decorative paints products to its portfolio. AAPPL's acquisition has added electro fusion fittings, compression fittings, clamp saddles and various other products for water, gas and electrical applications. The company will continue to benefit from its wide range of products in the future as well.

Widespread dealer and distribution network leading to geographically diversified operations

Astral has developed a pan-India distribution network with over 3,600 distributors and over 2,51,000 dealers for its plumbing and adhesives segments. It has 26 manufacturing units and 52 sales depots across India. For the piping business, it has strong presence in West and Southern India. In last few years it has also expanded its presence in North and East India, with commissioning of new plants in Rajasthan, Odisha, Telangana and Assam. It is expected to commission new manufacturing facility near Kanpur, Uttar Pradesh in FY26. The adhesive business currently has strong presence in North India. Its paint business has good presence in Southern India. Paint business is being expanded in West and Central India. Astral is expected to leverage its pan-India distribution network for introducing its relatively young products to newer geographies. Astral's share of revenue from outside India (overseas sales) in its total net sales stood at ~8%-10% in FY21-FY25.

Strong brand franchise of 'Astral' aided by sustained advertising and sales promotion spend

Astral is consistently investing in brand building with branding activities involving national television advertisement, in-film branding, on-ground cricket match branding, associate sponsoring of Indian Premier League (IPL) Teams, train/bus/auto banners, advertisement hoardings, shop hoarding boards, plumber/architects/distributors meet, and digital marketing. Astral's branding strategy has always been to grow by commanding a strong brand recall in minds of customers. On a consolidated level, on an average, Astral spends ~3% to 4% of net sales on advertisement and sales promotion which is higher compared to its peers. Higher expenditure on advertisement and sales promotion by Astral resulted into higher growth in sales volume compared to peers supported by a strong brand recall.

Multi-location manufacturing facilities, provide ease of market access and enable cost saving on logistic

At present, Astral has 18 manufacturing units for piping, water tank and bathware segment, five manufacturing units for adhesive business segment (three in India and one each in UK and the US) and three manufacturing units for its paints business. Due to the bulky nature of pipe and water tank, they require a large storage capacity and involves substantial freight/ logistic cost. To minimise the logistic cost, Astral has set-up its manufacturing capacities across India targeting each region, North, West, South, and East. Astral commissioned new pipe and water-tank manufacturing units in Hyderabad in FY25. It is expected to commission new manufacturing unit in Kanpur in FY26. After commissioning of its manufacturing facility at Kanpur, Astral does not have major capex or expansion plans in near to medium-term. Its annual capex is expected to be ~₹200 crore to ~₹250 crore in near-to-medium-term. The capex will entirely be funded from internal accruals.

Expected benefits of diversification from new businesses

Astral has a track record of successful acquisitions and integrations contributing to diversification of its product portfolio. In 2022, Astral forayed into paints, faucets, sanitary ware, uPVC and CPVC valves segments. In June 2022, Astral entered the paint segment through acquisition of operating paint business of Gem Paints Private Limited (now known as Astral Coatings Private Limited). Astral also acquired a ready facility on asset purchase basis at Jamnagar, Gujarat, to manufacture faucets. These new business segments have synergies with Astral's existing business segments. Astral plans to leverage its vast and deep entrenched pan-

India distribution network to drive growth in new businesses. The paint business earned a revenue of ~₹195 crore in FY25. Astral aims to achieve a revenue growth of 15-20% in the paint business in the next few years, driven by its strategic focus on quality and innovation. The company plans to expand its product offerings and strengthen its distribution network to capture a larger market share. The company is investing heavily in employees and marketing for its paints business which has led to weakening of operating profit margin of its paints business in FY25, however with better absorption of fixed overheads due to economics of scale, operating profitability margin is expected to improve in near-term to medium term. Astral's bathware business reported a revenue growth of ~50% in FY25, however, it is yet to achieve breakeven. Bathware business being in nascent stage is expected to maintain healthy revenue growth trajectory. Astral expects its bathware business to achieve operating breakeven in FY26. Astral aims to gradually scale up new offerings by focusing on specific geographies and then eventually establishing its presence across India.

Growing scale of operations and steady profitability margins, despite demand headwinds in FY25
Astral's consolidated TOI consists of two operating segments with pipes, water tank and sanitaryware (including faucet), referred to as plumbing business which contributed ~72% of net sales in FY25 and remaining was contributed by adhesive and paint business segments. In FY25, Astral's TOI grew by ~3% (y-o-y). Revenue from plumbing business reported modest growth of ~1% supported by sales volume growth of ~3% in plastic pipe business. Revenue from adhesives and paints business grew by ~9% (y-o-y). After healthy sales volume growth from FY21 to FY24 period, its plastic pipes business faced demand headwinds in FY25. Demand from real-estate sector declined considering fewer new projects while lower government capex in key schemes also resulted in lower demand from government projects. Sales volume growth in H1FY26 is also expected to remain muted. CareEdge Ratings expects Astral's plastic pipes sales volume to grow by ~7% in near to medium term. Its other businesses are expected to grow at higher pace. Government of India is proposing BIS standards for plastic pipes in India. If implemented, will result in market share gain for the organised players. Unorganised businesses which hold ~30% to ~35% market share. It also enjoys cost advantage considering use of poor-quality raw material are expected to lose market share post implementation of BIS standards for plastic pipes. This might give significant volume growth boost to Astral and other organised industry players.
Astral's PBILDT margin remained at ~16.34% in FY25 (PY: 16.52%), despite raw material prices volatility. Astral's gross margin improved by ~100 bps in FY25 (y-o-y). Astral's operating profit margin and its stability remains better compared to its peers. Astral's strong brand recognition enables it to command premium pricing and pass on increase in raw material prices to its customers. Astral has hired additional manpower for its new plants and new business segments. These costs are expected to normalise in coming years as the sales volume from existing and new verticals start picking-up. On a long-term basis, Astral is envisaged to maintain PBILDT margin of ~16-17%.

Strong financial risk profile
On a consolidated level, Astral's overall gearing remained comfortable at 0.15x as on March 31, 2025 (PY: 0.15x), due to its strong net worth base of ~₹3,261 crore and minimum reliance on debt. With cash and liquid investments of ~₹608 crore (PY: ~₹610 crore), Astral is net debt free company as on March 31, 2025. Astral's debt coverage indicators remained healthy marked by PBILDT interest coverage of 23x and total debt to gross cash accruals (TD/GCA) and TD/PBILDT of 0.63x and 0.51x respectively in FY25. Capital structure and debt coverage indicators are expected to remain comfortable in the absence of large debt-funded capex plan. Incremental working capital requirements are also expected to be met from internal accruals and there would not be substantial increase in working capital borrowings going ahead. ROCE continue to remain strong ~18% in FY25.

Stable growth prospect for plastic pipe and plumbing industry
Demand for building materials such as pipe, paint, sanitaryware and faucets, ceramic, plywood, and laminates are correlated to the real estate development. A significant portion of pipe demand comes from irrigation, urban infrastructure, and sanitation projects, allowing for faster growth than in other building material sectors. Because of increased end-use sector investments such as irrigation, water supply and sanitation (WSS) projects, the plastic pipes industry has historically grown faster than the GDP. Increased awareness, adoption, and replacement of metal pipes with plastic pipes also continue to aid growth of the plastic pipe segment. With growth in the construction sector (house building), development in infrastructure (railways, road, airport and malls), and application in industries (oil and gas transport), the demand for plastic pipe is expected to increase going forward. Government spending on Pradhan Mantri Krishi Sinchayee Yojana (PMKS), "Nal se Jal" scheme, a component of the Jal Jivan Mission, Pradhan Mantri Awas Yojana (PMAY) are also expected to support the growth of plastic pipe demand.

Liquidity: Strong
Astral's liquidity has remained strong marked by strong cash generation from operations and minimum reliance on external debt. On a consolidated basis, Astral had free cash & liquid investment of ~₹608 crore as on March 31, 2025. The strong cash generation results into lower dependency on working capital borrowings. Average utilisation of its working capital limits (mostly buyer's credit) stood low at ~48% in 12-months ended April 2025. Its debt repayment obligation is ~₹30 crore each in FY26 and FY27.

Its unencumbered cash and liquid investment, internal accruals and available unutilised bank lines are adequate to meet term-debt repayment obligation, its incremental working capital and capex requirement in near to medium term. With low overall gearing ratio, Astral has sufficient gearing headroom, to raise additional debt for its capex, if any.

Key weaknesses

Profitability susceptible to raw material price volatility and foreign exchange rates

Astral's raw materials majorly constitute CPVC resin (comprises ~30-35% of total raw material requirement and majorly imported) and PVC resin (majorly procured domestically). PVC is a synthetic resin manufactured from polymerisation of vinyl chloride. Being a crude derivative, PVC prices are correlated with crude prices. Raw materials required for adhesives are also crude derivative products. Thus, Astral is exposed to raw material price fluctuation. In 2021 and 2022, PVC resin prices remained highly volatile with price surging to nearly ₹160/kg from ~₹75-80/kg, which now again trades at ~₹75-78/kg in March 2025. Substantial and sharp fall in raw material cost leads to inventory losses. The ability to consistently maintain gross margin amidst raw material volatility remains crucial for the success of plastic pipe manufactures including Astral. Astral is exposed to fluctuations in foreign exchange rates since it imports ~21% of its total raw material requirement against which exports are minimal. Astral uses foreign currency buyer's credit of 180 days and does not hedge its open forex cover beyond 60 days, exposing it to fluctuations in foreign exchange rate.

Competitive intensity in plastic pipes and paints industry and supplier concentration risk

The Indian plastic pipes industry is highly competitive with the market share of unorganised players comprising ~30-35% of the industry. A significant portion of the industry comprises the unorganised segment considering low entry barriers in the plastic pipes industry and commoditised nature of product leading to low product differentiation and pricing pressure. The Indian plastic pipe industry primarily derives its demand from infrastructure/construction and agriculture sector and replacement/substitution of metal pipes by cost-effective plastic pipes. However, amidst economic slowdown exacerbated by COVID-19 followed by GST implementation, many unorganised players are experiencing liquidity stress. As a result, organised players with robust credit profile, wide product portfolio, strong brand and distribution network continue to gain sizeable market share. Astral majorly imports CPVC resin from Sekisui Chemical Co Limited and procures domestically from Epigral Limited. It relies on Reliance Industries Limited (RIL), DCW Limited, and Chemplast Sanmar Limited for PVC resins. Astral also imports PVC resins depending on pricing differential between RIL and landed cost of imported PVC resin. Indian paint industry is also marred by intense competition considering entry of several new entrants with large capacities, aggressive marketing and pricing by new entrants. The competitive intensity is likely to persist in near term.

Environment, social, and governance (ESG) risks

Parameter	Compliance and action by the company
Environment	▪ Plumbing and Adhesive manufacturing is an energy-intensive process requiring substantial quantities of chemicals, resulting in greenhouse gas emissions, waste generation and pollution. As such, the industry's (and Astral's) exposure to litigation/penalties arising from issues related to waste and pollution management remains relatively high. ▪ Astral is fully compliant with all environmental rules and regulations with dedicated environment managers, handling compliance at respective units. Monitoring mechanisms are in place to ensure effective compliance. Astral has never paid environmental compensation against show cause or closure notices. ▪ All plants are zero liquid discharge plants. Hence, there is no discharge of water outside plant premises and wastewater generated is used within the plant. ▪ Most of the waste generated is recycled and reused in processes and rest is disposed through authorised vendors. ▪ Increase in use of solar energy by 31% in FY24. Energy consumption through renewable source was 16% and 17% respectively in Santej and Dholka plant. ▪ Astral is certified with ISO 14001:2015 (environmental management systems), ISO 9001:2015 for quality management system and ISO 45001:2018 (occupational health and safety management systems) for integrated management system implementation. ▪ Conducted life cycle assessment for drain pro pipes and CPVC pipes.
Social	▪ Social risks in the industry stem from the health and safety concerns of employees involved in operations, among other things such as fire safety measures among others. ▪ Astral make conscious efforts to ensure that its suppliers adhere to the highest sustainability standards. Its supplier code of conduct embodies its commitment to internationally recognised standards, Universal Declaration of Human Rights, prevalent industry standards, and all other relevant and applicable statutory requirements. Astral has continuously involved in helping poor in healthcare, education, and infrastructure development initiatives. Constant training is provided to employees for safety, hygiene and lifestyle. There was substantial increase in training hours to 23,107 hours in FY24.

Parameter	Compliance and action by the company
	▪ Astral supported 6,99,090 beneficiaries through CSR projects in FY25. ▪ Reduced high-consequence work-related injuries reduced from one to nil for employees and from four to one for workers.
Governance	▪ Astral's board of directors consists of 50% independent directors (5 of 10). There are separate Code of Conducts for Board Members and senior management personnel. Policy on whistle blower and vigil mechanism is in place. Transparency in sharing of required information and consistency in adoption of accounting policies in preparation of financial statements also indicates fair governance practices.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Plastic Products - Industrial

Astral was established in 1996 as a private limited company by Sandeep Engineer. In 2007, the company was reconstituted as a public limited company with its initial public offering. The company's name changed from Astral Poly Technik Limited to its present one in April 2021. Astral manufactures PVC and CPVC-based plastic pipes, plumbing systems, and adhesives. As on March 31, 2025, Astral had combined pipe and water tanks manufacturing capacity of ~3,81,000 MTPA at its plants spread across Gujarat, Tamil Nadu, Rajasthan, Telangana, Maharashtra, Uttarakhand, Assam, and Odisha. Astral had total adhesive manufacturing capacity of ~1,31,000 MTPA at its plants in Santej (Gujarat), Dahej (Gujarat), and Rania (Uttar Pradesh), the USA and the UK as on March 31, 2025. It has also ventured into paint, faucet and sanitaryware businesses.

Brief Financials (₹ crore - Consolidated)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	5,650	5,841
PBILDT	934	954
PAT	546	519
Overall gearing (times)	0.15	0.15
Interest coverage (times)	32.08	23.10

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA:
Not applicable

Any other information:
Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based/non-fund-based-LT/ST	-	-	-	-	170.00	CARE AA+; Stable/ CARE A1+
Fund-based/non-fund-based-LT/ST	-	-	-	-	635.00	CARE AA+; Stable/ CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based/Non-fund-based-LT/ST	LT/ST	170.00	CARE AA+; Stable / CARE A1+	-	1)CARE AA+; Stable / CARE A1+ (03-Oct-24)	1)CARE AA+; Stable / CARE A1+ (04-Oct-23)	1)CARE AA+; Stable / CARE A1+ (20-Sep-22)
2	Fund-based/Non-fund-based-LT/ST	LT/ST	635.00	CARE AA+; Stable / CARE A1+	-	1)CARE AA+; Stable / CARE A1+ (03-Oct-24)	1)CARE AA+; Stable / CARE A1+ (04-Oct-23)	1)CARE AA+; Stable / CARE A1+ (20-Sep-22)
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	-	-	-	-	-	1)Withdrawn (20-Sep-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based/non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Seal It Services Limited, UK	Full	Subsidiary
2	Seal It Services Inc., USA		
3	SISL (Bond IT) Ireland Limited		
4	Astral Foundation		
5	Astral Coatings Private Limited		
6	Al -Aziz Plastics Private Limited*		
7	Astral Pipes Limited, Kenya	Moderate	Joint Venture

**Al-Aziz Plastic Private Limited was acquired after March 31, 2025. It is expected to get fully consolidated in FY26.*

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
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