

Sept 23, 2019

Astral Poly Technik Ltd

Astral Poly Technik Limited (APTL) is engaged in the production of plastic products. The company has remained consistent in its operations with 5 yrs CAGR in sales of 18.9% and CAGR in profits of 20.1%. In 1QFY19 the company reported 27.2% growth in revenue, which was supported by sales growth in pipe segment on account of consolidation of REX Polyextrusion.

The company recently commissioned operations at its Ghiloth, Rajasthan plant and attained 60% capacity utilisation. As on date, the company's total manufacturing capacity stands at 45000 Mtpa. The company is also outlining a structural change which would be partly passed on to distributors, thus increasing sales as well as margins. Its business unit, Resinova is undergoing parallel corrections & structural change from 3-tier distribution to 2-tier distribution. The company expects good growth in H2FY20

On the balance sheet front, the company has steadily reduced its dependence on debt. Debt equity ratio has come down to 0.2x in FY19 from 0.4x in FY15. The working capital days has also improved from 74 days in FY18 to 66 days in FY19 due to decline in receivable days from 55 days in FY18 to 47 days in FY19. Astral delivers 17.6% RoE and also pays dividend every year. Hence BUY.

BUY

CMP ₹1,230

Stock Info

Sector	Plastic Products
Market Cap (₹ cr)	18,524
Beta	0.9
52 Week High / Low	1268/653
Avg. Daily Volume	3,07,643
Face Value (₹)	1
BSE Sensex	39,090
Nifty	11,603
Reuters Code	ASPT.BO
Bloomberg Code	ASTRA IN

Shareholding Pattern (%)

Promoters	58.1
MF / Banks / Indian FIs	6.1
FII / NRIs / OCBs	22.1
Indian Public / Others	13.7

Abs. (%)	3m	1yr	3yr
Sensex	(0.1)	7.7	36.4
APTL	15.9	50.7	256.4

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Disclosure of Interest Statement

Astral

1. Financial interest of research analyst or Angel or his Associate or his relative
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives
3. Served as an officer, director or employee of the company covered under Research
4. Broking relationship with company covered under Research

No
No
No
No

Ratings (Based on expected returns over 12 months investment period):

Buy (> 15%)

Accumulate (5% to 15%)
Reduce (-5% to -15%)

Neutral (-5 to 5%)
Sell (< -15)