Astec LifeSciences Limited

September 19, 2018

Summary of Rated Instrument:

Instrument	Rated Amount (Rs. crore)	Rating Action
Long-term, Fund-based limits	146.00	[ICRA]A+%; Placed on rating watch with positive implications
Short-term, Non-fund based limits	49.00	[ICRA]A1+; Re-affirmed
Long-term/Short-term, Fund-based/Non-fund based limits	260.00	[ICRA]A+%; Placed on rating watch with positive implications [ICRA]A1+; Re-affirmed
Commercial Paper Programme	100.00	[ICRA]A1+; Re-affirmed
Total	**555.00**	

Material Event

On September 14, 2018, Astec LifeSciences Limited (Astec) announced the approval of its Board of Directors for the scheme of amalgamation of the company with Godrej Agrovet Limited (GAVL) in an all-stock transaction. The proposed amalgamation is aimed at simplifying the Group and management structure as well as to optimise the use of resources. The scheme is subject to further approvals from the shareholders and other regulatory authorities. As per the scheme, the shareholders of Astec will receive 11 shares of GAVL for every 10 shares held in Astec. As on June 30, 2018, GAVL held a 57.39% equity stake in Astec.

Impact of the Material Event

ICRA has taken note of the above event and believes that the transfer of Astec's debt to GAVL (rated [ICRA]AA (Stable) / [ICRA]A1+), post successful conclusion of the proposed amalgamation, will have a positive impact on the debt servicing capabilities with respect to Astec's rated debt. Hence, ICRA has placed the long-term rating of [ICRA]A+ (pronounced ICRA A plus) on 'watch with positive implications' and re-affirmed the short-term rating of [ICRA]A1+ (pronounced ICRA A one plus). ICRA will continue to monitor the developments with respect to the approvals for the amalgamation.

The previous detailed rating rationale is available on the following link: Click here

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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