

May 10, 2019

Astec LifeSciences Limited: Update on Material Event

Summary of Rated Instruments:

Instrument	Rated Amount (Rs. crore)	Rating Action
Long-term, Fund-based Limits	146.00	[ICRA]AA- (Stable); outstanding
Short-term, Non-fund Based Limits	49.00	[ICRA]A1+; outstanding
Long-term / Short-term, Fund-based / Non-fund Based Limits	260.00	[ICRA]AA- (Stable) / [ICRA]A1+; outstanding
Commercial Paper Programme	150.00	[ICRA]A1+; outstanding
Total	605.00	

Material Event

On September 14, 2018, Astec LifeSciences Limited (Astec) had announced the approval of its Board of Directors for the scheme of amalgamation of the company with Godrej Agrovet Limited (GAVL, rated [ICRA]AA (Stable) / [ICRA]A1+) in an all-stock transaction. On May 6, 2019, Astec announced that its board of directors reviewed the proposed scheme of amalgamation and decided not to pursue the scheme further at this time, on the basis of its interaction with multiple stakeholders across Astec and GAVL.

Impact of the Material Event

ICRA has taken note of the above event and does not expect any material impact on the company based on the understanding that Astec will continue to derive benefits from the existing strong linkages with its parent company, GAVL (which holds 57.67% stake in the company as on March 31, 2019), in terms of expansion of operations and strengthening of its research and development (R&D) function, despite the withdrawal of the scheme of amalgamation. ICRA also notes that GAVL has reiterated its backing to Astec for aiding its growth. ICRA will continue to monitor the performance of Astec as well as its synergies with GAVL.

The previous detailed rating rationale is available on the following link: [Click here](#)

ANALYST CONTACTS

Subrata Ray

+91 22 6114 3408

subrata@icraindia.com

Kinjal Shah

+91 22 6114 3442

kinjal.shah@icraindia.com

Rushit Doshi

+91 22 6114 3422

rushit.doshi@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
Ahmedabad+ (91 79) 2658 4924/5049/2008
Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 2556 0194/ 6606 9999

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