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

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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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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