

July 30, 2024

Astec LifeSciences Limited: Change of limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long Term-Fund Based-Cash Credit	348.0	346.0	[ICRA]AA- (Stable)
Long Term-Fund Based-Term Loan	208.0	119.0	[ICRA]AA- (Stable)
Short Term-Non Fund Based-Others	425.0	425.0	[ICRA]A1+
Commercial Paper	300.0	300.0	[ICRA]A1+
Total	1,281.0	1,190.0	

*Instrument details are provided in Annexure-1

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, the liquidity position and rating sensitivities : [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Agrochemicals Industry
Parent/Group Support	Parent/Group Company: Godrej Agrovet Limited (GAVL, rated [ICRA]AA (Stable)/[ICRA]A1+) ICRA expects GAVL to be willing to extend financial support to Astec, should there be a need.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Astec. The details are given in Annexure-2.

About the company

Astec is involved in manufacturing and sale of intermediates, active ingredients and formulations, with a focus on the agro-chemicals sector. The company has five manufacturing plants in Mahad (Maharashtra) and two R&D centres in Dombivali and Rabale (Maharashtra). While the Dombivali unit was acquired by the company in 1994, one of the three units of Mahad was procured from Behram Chemicals Private Limited in 2002. In FY2012, Astec forayed into the contract manufacturing segment by securing contracts from reputed global players. The company also started manufacturing herbicides from August 2021 onwards.

In August 2015, the company's erstwhile promoters sold 45.29% of its paid-up equity shares to GAVL (rated [ICRA]AA (Stable)/[ICRA]A1+), pursuant to which an open offer was announced for an additional 26.05% of the paid-up equity shares. By the closure date of December 2015, GAVL had subscribed to an additional 6.99% in Astec, thus becoming a majority shareholder with a stake of 52.28%. Over the years, GAVL has been consistently increasing the stake held in Astec by procuring shares from the open market, and held 64.76% stake in Astec as on March 31, 2024.

Key financial indicators

Astec (consolidated)	FY2023	FY2024
Operating Income (Rs. crore)	637.0	458.2
PAT (Rs. crore)	25.6	- 46.9
OPBDIT/OI (%)	13.4%	- 1.3%
PAT/OI (%)	4.0%	- 10.2%
Total Outside Liabilities/Tangible Net Worth (times)	1.3	1.6
Total Debt/OPBDIT (times)	4.0	- 83.5
Interest Coverage (times)	4.1	- 0.2

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Source: Astec, ICRA Research; Forex gain is classified as a part of other operating income

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated	Date & Rating on		Date & Rating in FY2024	Date & Rating in FY2023			Date & Rating in FY2022
			(Rs. crore)	30-Jul-2024	10-May-2024	7-Nov-23	14-Mar-23	23-Jun-22	7-Apr-22	28-Jun-21
1	Fund-based Working Capital Facilities	Long-term	346.0	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Positive)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)
2	Term Loan	Long-term	119.0	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Positive)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)
3	Non-fund Based Facilities	Short-term	425.0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
4	Commercial Paper Programme	Short-term	300.0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Source: Company

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term, Fund-based Working Capital Facilities	Simple
Term Loan	Simple
Non-fund based limits	Very Simple
Commercial Paper Programme	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Long-term, Fund-based Working Capital Facilities	NA	NA	NA	346.0	[ICRA]AA- (Stable)
NA	Term Loan -1	Apr-2022	NA	Sep-2024 [^]	10.0	[ICRA]AA- (Stable)
NA	Term Loan -2	Jun-2023	NA	Apr-2028	101.0	[ICRA]AA- (Stable)
NA	Term Loan*	NA	NA	NA	8.0	[ICRA]AA- (Stable)
NA	Non-fund Based Limits	NA	NA	NA	425.0	[ICRA]A1+
INE563J14BQ7	Commercial Paper	29-Apr-24	NA	29-Jul-24	25.0	[ICRA]A1+
INE563J14BR5	Commercial Paper	6-May-24	NA	6-Aug-24	25.0	[ICRA]A1+
INE563J14BS3	Commercial Paper	16-May-24	NA	14-Aug-24	25.0	[ICRA]A1+
INE563J14BT1	Commercial Paper	22-May-24	NA	21-Aug-24	25.0	[ICRA]A1+
INE563J14BU9	Commercial Paper	24-May-24	NA	19-Aug-24	25.0	[ICRA]A1+
INE563J14BV7	Commercial Paper	11-Jun-24	NA	10-Sep-24	25.0	[ICRA]A1+
INE563J14BW5	Commercial Paper	18-Jun-24	NA	17-Sep-24	25.0	[ICRA]A1+
INE563J14BX3	Commercial Paper	3-Jul-24	NA	3-Oct-24	25.0	[ICRA]A1+
INE563J14BY1	Commercial Paper	11-Jul-24	NA	7-Jan-25	25.0	[ICRA]A1+
INE563J14BZ8	Commercial Paper	19-Jul-24	NA	17-Oct-24	25.0	[ICRA]A1+
INE563J14CA9	Commercial Paper	22-Jul-24	NA	18-Oct-24	25.0	[ICRA]A1+
Not placed	Commercial Paper Program	NA	NA	7-365 days	25.0	[ICRA]A1+

Source: Company; *proposed; [^]maturity date for the disbursement of final tranche of the term loan

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-2: List of entities considered for consolidated analysis

Company Name	Astec Ownership (March 31, 2023)	Consolidation Approach
Behram Chemicals Pvt Ltd	65.63%	Full Consolidation
Comercializadora Agricola Agroastrachem Cia Ltda	100.00%	Full Consolidation

Source: Company

ANALYST CONTACTS

Shamsher Dewan

+91 124 4545328

shamsherd@icraindia.com

Sahil Jogesh Udani

+91 22 6114 3465

sahil.udani@icraindia.com

Kinjal Shah

+91 22 6114 3442

Kinjal.shah@icraindia.com

Yashowardhan Swami

+91 20 6606 9923

yashowardhan.swami@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



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



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