

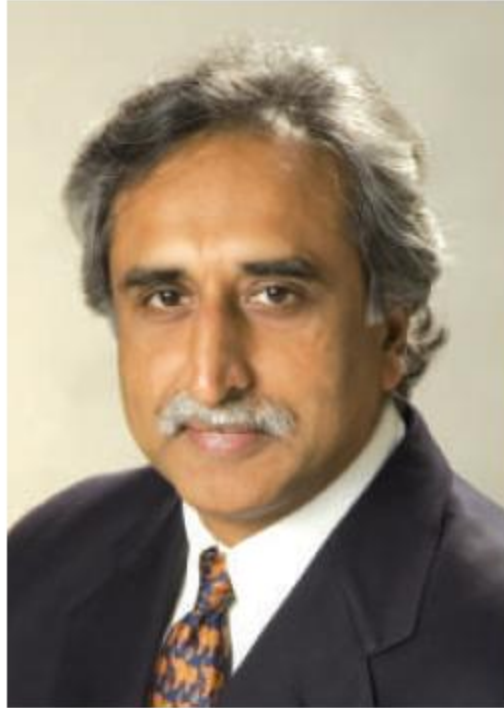


Astec LifeSciences Ltd.
21st Annual Report 2014-2015

Contents	Page No.
Corporate Information & Financial Highlights	1
Notice and Explanatory Statement	2
Director's Report	27
Annexure to Director's Report	38
Management Discussion And Analysis	51
Corporate Governance Report	54
Standalone Auditor's Report	82
Standalone Balance Sheet	86
Standalone Profit and Loss Account	87
Standalone Cash Flow Statement	88
Notes forming part of Standalone Accounts	89
Consolidated Auditor's Report	105
Consolidated Balance Sheet	111
Consolidated Profit and Loss Account	112
Consolidated Cash Flow Statement	113
Notes forming part of Consolidated Accounts	114
Attendance Slip	130
Proxy Form	132

Important Communication To Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.



Ashok V. Hiremath
Chairman & Managing Director

Our mission

We will add value to our stakeholders namely our shareholders, employees and customers without compromising on ethics. We will be honest and transparent in our interactions. We will foster long-term relationships with our customers. We will protect the safety of our employees and secure the environment.

Corporate Information

Board of Directors

Mr. Ashok V. Hiremath
Chairman & Managing Director

Mr. Janak Rawal
Whole Time Director

Mr. Laxmikant Kabra
Non- Executive Non-Independent Director

Dr. P. L. Tiwari
Non- Executive Non-Independent Director

Mr. Mohammed Zakir
Non-Executive Independent Director

Mr. Sitendu Sharma
Non-Executive Independent Director

Mr. Mandar Patil
Non-Executive Independent Director

Mr. Vinod Malshe
Non-Executive Independent Director

Dr. Leena Raje
Non-Executive Independent Director

Company Secretary & Compliance Officer
Ms. Tejal Jariwala

Chief Financial Officer
Mr. Ravindra Inani

Statutory Auditor
M/s. Shah & Kathariya- Chartered Accountants
Firm Reg. No.115171W, Mumbai, Maharashtra

Cost Auditor
M/s NNT & Co., Cost Accountants
Nikita Nimesh Talati
Membership No.28904

Registrar & Share Transfer Agents
Bigshare Services Private Limited
E-2, Ansa Industrial Estate, Saki Vihar Road,
Saki Naka, Andheri (E),
Mumbai-400072, Maharashtra

Website
www.astecsls.com

Bankers
ICICI Bank Ltd
State Bank of Hyderabad
IDBI Bank Ltd

Audit Committee

Mr. Sitendu Sharma (Chairman)
Mr. Laxmikant Kabra
Mr. Mohammed Zakir
Mr. Mandar Patil

Stakeholders Relationship Committee

Mr. Laxmikant Kabra (Chairman)
Mr. Mohammed Zakir
Mr. Sitendu Sharma

Nomination & Remuneration Committee

Mr. Mohammed Zakir (Chairman)
Mr. Vinod Malshe
Mr. Laxmikant Kabra

ESOP Committee

Mr. Sitendu Sharma (Chairman)
Mr. Mohammed Zakir
Mr. Laxmikant Kabra
Mr. Mandar Patil

Risk Management Committee

Mr. Ashok V. Hiremath (Chairman)
Mr. Laxmikant Kabra
Mr. Sitendu Sharma
Mr. Ravindra Inani

Corporate Social Responsibility Committee

Mr. Vinod Malshe (Chairman)
Mr. Laxmikant Kabra
Mr. Sitendu Sharma

Registered Office

7th Floor, Elite Square,
274, Perin Nariman Street, Fort
Mumbai- 400001, Maharashtra

Plant Locations

I) B-17, B-18 & B-21, MIDC Mahad
Birwadi Industrial Area, Mahad,
District Raigad-402301, Maharashtra

II) B-16, MIDC Mahad, Birwadi Industrial
Area, Local Unit, Mahad,
District Raigad-402301, Maharashtra

III) Additional MIDC Plot No: K-2/1/1,
Mahad, District Raigad-402301,
Maharashtra

R&D Center

F-39, MIDC-Phase-II
Dombivili(East)-421201,
District Thane, Maharashtra

CIN: L99999MH1994PLC076236

Financial Highlights

(Rs.in Lacs)

	2014-15	2013 -14	2012 -13	2011 -12	2010 -11
Turnover (Gross)	28,281	22,004	19,431	11,937	11,357
EBDIT	4,450	3,516	2,806	1,611	1,685
PAT	1,478	865	590	127	488

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the members of Astec LifeSciences Limited will be held on 22nd September, 2015 at 4.00PM at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kaala Ghoda, Mumbai-400001, Maharashtra, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Standalone Financial Statements as at 31st March, 2015 together with Reports of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements as at 31st March, 2015 together with Reports of Directors and Auditors thereon.
3. To declare Dividend for the year 2014-15 on Equity Shares.
4. To appoint a Director in place of Mr. Laxmikant Kabra (DIN: 00061346), who retires by rotation and, being eligible offers himself for re-appointment.
5. **Appointment of Statutory Auditors and fixing their remuneration**
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of section 139, 142 of the Companies Act, 2013 and other applicable provisions, if any, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Shah & Kathariya, Chartered Accountants, Mumbai (Firm Registration No. 115171W), the retiring Auditors of the Company, be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting, on a remuneration as may be mutually agreed upon by the Board of Directors of the Company and the Auditors."

Special Business

6. **Re-appointment of Mr. Vinod Malshe (DIN: 00642540) as an Independent Director**
To re-appoint Mr. Vinod Malshe (DIN:00642540) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof at any time being in force) and Clause 49 of the Listing Agreement, Mr. Vinod Malshe (DIN:00642540), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of 5(five) consecutive years starting from 22nd September, 2015 to 21st September, 2020."
7. **Re-appointment of Mr. Sitendu Sharma (DIN: 01956423) as an Independent Director**
To re-appoint Mr. Sitendu Sharma (DIN:01956423) as an Independent Director and in this regard

to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof at any time being in force) and Clause 49 of the Listing Agreement, Mr. Sitendu Sharma (DIN:01956423), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of 5(five) consecutive years starting from 22nd September, 2015 to 21st September, 2020."

8. **Re-appointment of Mr. Mohammed Zakir (DIN: 00331018) as an Independent Director**
To re-appoint Mr. Mohammed Zakir (DIN:00331018) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof at any time being in force) and Clause 49 of the Listing Agreement, Mr. Mohammed Zakir (DIN:00331018), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of 5(five) consecutive years starting from 22nd September, 2015 to 21st September, 2020."

9. **Re-appointment of Mr. Mandar Patil (DIN: 05284076) as an Independent Director**
To re-appoint Mr. Mandar Patil (DIN:05284076) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof at any time being in force) and Clause 49 of the Listing Agreement, Mr. Mandar Patil (DIN: 05284076), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of 5(five) consecutive years starting from 22nd September, 2015 to 21st September, 2020."

10. **Re-appointment of Dr. Leena Raje (DIN: 06961551) as an Independent Director**
To re-appoint Dr. Leena Raje, (DIN: 06961551) as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof at any time being in force) and Clause 49 of the Listing Agreement, Dr. Leena Raje (DIN:06961551), an Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is

eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of 5(five) consecutive years starting from 22nd September, 2015 to 21st September, 2020."

11. Ratification of Cost Auditor's Remuneration

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, Nikita Nimesh Talati, M/s NNT & Co., Cost Accountants (Firm Registration Number 28904), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, be paid the remuneration of Rs.40,000/- (Rupees Forty Thousand Only) plus Service Tax, as applicable, for conducting the Cost Audit."

12. Re-appointment of Mr. Ashok V. Hiremath (DIN: 00349345) as Managing Director

To consider and if though fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and Schedule XIII and such other applicable provisions of the Companies Act, 1956) and pursuant to the resolution passed by the Nomination and Remuneration Committee of Directors of the Company and subject to such approvals and permissions, and as agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorized by the Board in this behalf), consent be and is hereby accorded to the re-appointment of Mr. Ashok V. Hiremath (DIN: 00349345) as Chairman & Managing Director of the Company with effect from 20th January, 2015 for a period of three years on the terms and conditions as set out in the explanatory statement annexed."

"RESOLVED FURTHER THAT the remuneration and perquisites within the limits as set out in the explanatory statement be paid and allowed to Mr. Ashok V. Hiremath, Chairman & Managing Director for any financial year, notwithstanding any loss or inadequacy of profits, during such financial year subject to the necessary compliance with the provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms of appointment and remuneration of Mr. Ashok V. Hiremath, Chairman & Managing Director as it may, at its discretion deem fit from time to time, so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), or any amendments made thereto from time to time."

"RESOLVED FURTHER THAT in the event of any Statutory amendment or modification to Schedule V to the Companies Act, 2013 the Board of Directors be and is hereby authorized to vary or increase or modify the remuneration including salary, commission, perquisites, allowances etc."

"RESOLVED FURTHER THAT the members do authorize the Board to take all actions and to do all such acts, deeds and things as may be necessary, expedient or desirable for the purpose of giving effect to this resolution and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

13. Re-appointment of Mr. Janak Rawal (DIN: 05177267) as Whole Time Director

To consider and if though fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and Schedule XIII and such other applicable provisions of the Companies Act, 1956) and pursuant to the resolution passed by the Nomination and Remuneration Committee of Directors of the Company and subject to such approvals and permissions, and as agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorized by the Board in this behalf), consent be and is hereby accorded to the re-appointment of Mr. Janak Rawal (DIN: 05177267) as Whole Time Director of the Company with effect from 20th January, 2015 for a period of three years on the terms and conditions as set out in the explanatory statement annexed."

"RESOLVED FURTHER THAT the remuneration and perquisites within the limits as set out in the explanatory statement be paid and allowed to Mr. Janak Rawal, Whole Time Director for any financial year, notwithstanding any loss or inadequacy of profits, during such financial year subject to the necessary compliance with the provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms of appointment and remuneration of Mr. Janak Rawal, Whole Time Director as it may, at its discretion deem fit from time to time, so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), or any amendments made thereto from time to time."

"RESOLVED FURTHER THAT in the event of any Statutory amendment or modification to Schedule V to the Companies Act, 2013 the Board of Directors be and is hereby authorized to vary or increase or modify the remuneration including salary, commission, perquisites, allowances etc."

"RESOLVED FURTHER THAT the members do authorize the Board to take all actions and to do all such acts, deeds and things as may be necessary, expedient or desirable for the purpose of giving effect to this resolution and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

14. Professional fees to Mr. Laxmikant Kabra (DIN: 00061346)

To consider and, if thought fit, to pass, with or without modification(s), the following as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of clause 49(II)(C) of Listing Agreement and other applicable provisions of the Companies Act, 2013, if any, read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the payment of Professional Fees of Rs.15,00,000/- (Rupees Fifteen Lakhs Only) to Mr. Laxmikant Kabra (DIN: 00061346), Non-Executive Non-Independent Director of the Company".

"RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise in this regard and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

15. Approving Astec Employee Stock Option Scheme 2015

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provision, if any, of the Companies Act, 2013, ("the Act") and subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and/or any other competent authority, from time to time, to the extent applicable and subject to such the provisions contained in the Articles of Association of Company and subject to such other approvals, consents, permissions and sanctions, as may be required and necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors (which terms shall be deemed to mean and include the Compensation Committee constituted by the Board of Directors, to exercise its powers including the powers conferred by this Resolution), consent and approval of the Company be and is hereby accorded to the Board of Directors to grant, issue, offer and allot at any time or from time to time to the present and future employee(s) the Company and its director(s), whether whole time director or not but excluding Independent Directors, hereinafter referred to as "the Eligible Employees" and "Eligible Directors" of the Company, except a promoter or a person who belongs to the promoter group, both these expressions being defined in the SEBI Regulations, under a scheme titled "Astec Employees Stock Option Scheme 2015" (hereinafter referred to as "ESOS 2015"), 5,00,000 options, which shall give rise to 5,00,000 (Five Lacs Only) Equity Shares of the face value of Rs.10/- each fully paid up (constituting 2.57% of total paid up capital of the Company) on payment of the requisite exercise price, in such manner, during such period, in one or more tranches and on such other terms and conditions as the Board of Directors may decide in accordance with the regulations or other provisions of the Law as may be prevailing at the relevant time."

"RESOLVED FURTHER THAT the Compensation Committee of the Board of Directors is authorized to and/or conceptualize, formulate policy, evolve, decide and act upon and bring into effect the ESOS 2015 and determine the detailed terms and conditions of the aforementioned ESOS 2015, including but not limited to the quantum of the options to be granted under the ESOS 2015 (not exceeding 5,00,000 options convertible into Equity Shares), options to be granted per employee, vesting period, the exercise period, instances where such

options shall lapse and to grant such options, to such Eligible Employees, and Eligible Directors of the Company at such price as may be decided by the Compensation Committee, at such time and on such terms and conditions as set out in ESOS 2015 and as the Compensation Committee in its absolute discretion think fit and make any modifications, changes, variations, alterations, updation or revisions by the Compensation Committee from time to time or to suspend, withdraw or revive the ESOS 2015 from time to time as may be specified by any Competent Authority and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem fit or necessary, or desirable for such purpose and with powers on behalf of the Company to settle any question, difficulties, or doubts, that may arise in this regard without requiring the Board of Directors to secure any further consent or approval of the members of the Company."

"RESOLVED FURTHER THAT the Non-Executive Directors of the Company, excluding Independent Directors, be granted up to a maximum of 20,000 options per annum and up to a maximum of 40,000 stock options in the aggregate under ESOS 2015."

"RESOLVED FURTHER THAT the offer of options shall be in accordance with the terms and conditions as regards price, payment terms, application, allotment, entitlement to dividend and other rights, transferability and all other matters as stipulated under the SEBI Regulations and in accordance with any other rules, regulations and laws to the extent applicable and subject also to the Memorandum and Articles of Association of the Company provided that:

- i) The equity shares issued upon exercise of the options shall rank pari-passu in all respects with the existing equity shares.
- ii) In case of any corporate action(s) such as rights issues, bonus issues, consolidation, sub-division, or conversion of shares into stock, merger or amalgamation and sale of division and others, if any additional equity shares are issued by the company to the Option grantees, then appropriate adjustments shall be made.
- iii) The Board of Directors (including the Compensation Committee) be and is hereby authorized to take all the necessary steps for listing of the equity shares allotted upon conversion of the options granted under the ESOS 2015 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the listing agreement with the concerned stock exchanges and other applicable rules and regulations.
- iv) The maximum number of stock options that can be granted under the said ESOS 2015 to an Employee/Director in any financial year shall not amount to or exceed 1% of the paid up equity share capital of the Company at the date of the grant.
- v) Each option granted to an Eligible Employee/Eligible Director shall entitle him/her to one equity share of the nominal value of Rs.10/- each fully paid up.
- vi) Before granting the options to the employees under the Scheme, the Board of Directors (including the Compensation Committee) would, apart from examining and evaluating overall group corporate performance, inter alia, take into consideration the length of service, grade, performance, merit, key position, future potential contribution and conduct of the employee and such other factors as may be deemed appropriate by it.
- vii) The Company shall follow the requirements of the 'Guidance Note' on Accounting for employee share-based payments (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.
- viii) The Board of Directors (including the Compensation Committee) shall have the power to make consequential modifications or substitutions to the terms of the Scheme, as may be thought fit from time to time, provided that such modifications or alterations do not adversely affect the rights and interests of the Option Grantees or the members of the Company and is subject to the terms and conditions specified in the SEBI Regulations.
- ix) Maximum period within which the options shall be vested is 10 (ten) years from the date of grant of options.