



ANNUAL REPORT | 2019-20

Astec LifeSciences Limited
Chemistry at **Work**

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IMPORTANT COMMUNICATION TO SHAREHOLDERS

The Ministry of Corporate Affairs (MCA) 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 through e-mail to the Shareholders. Further, in compliance with the provisions of the Companies Act, 2013, the Rules framed thereunder and the recent Circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), electronic copies of the Notice of the 26th (Twenty-Sixth) Annual General Meeting (AGM) and the Annual Report for the Financial Year 2019-20 will be sent to all the Shareholders whose e-mail addresses are registered with the Company / Depository Participant(s). Shareholders may note that the Notice of the AGM and Annual Report 2019-20 will also be available on the Company's website (at www.astecsl.com), on the websites of the Stock Exchanges where the Equity Shares of the Company are listed, i.e., BSE Limited (at www.bseindia.com) and National Stock Exchange of India Limited (at www.nseindia.com) and on the website of National Securities Depository Limited (NSDL) (at www.evoting.nsdl.com).

BOARD OF DIRECTORS



Mr. Nadir B. Godrej
Chairman



Mr. Ashok V. Hiremath
Managing Director



Mr. Balram Singh Yadav
Director



Mr. Rakesh Dogra
Director



Mr. Arijit Mukherjee
Whole Time Director



Mr. R. R. Govindan
Independent Director



Dr. Leena Raje
Independent Director



Mr. Vinod Malshe
Independent Director



Dr. Brahma Nand Vyas
Independent Director



Mr. Vijay Kashinath Khot
Independent Director

CORPORATE INFORMATION

BOARD OF DIRECTORS	: Mr. Nadir B. Godrej (Chairman) Mr. Ashok V. Hiremath (Managing Director) Mr. Arijit Mukherjee (Whole Time Director) Mr. Balram Singh Yadav Mr. Rakesh Dogra Mr. Vinod Malshe Dr. Leena Raje Dr. Brahma Nand Vyas Mr. Vijay Kashinath Khot Mr. R. R. Govindan (w.e.f. 30 th January, 2020) Mr. Sitendu Sharma (upto 30 th January, 2020)
STATUTORY AUDITORS	: B S R & Co. LLP, Chartered Accountants
SECRETARIAL AUDITORS	: BNP & Associates, Company Secretaries
COST AUDITORS	: NNT & Co., Cost Accountants
BOARD COMMITTEES	
AUDIT COMMITTEE	: Mr. R. R. Govindan (Chairman) (w.e.f. 31 st January, 2020) Mr. Sitendu Sharma (Chairman) (upto 30 th January, 2020) Mr. Vinod Malshe Dr. Leena Raje Mr. Vijay Kashinath Khot Dr. Brahma Nand Vyas Mr. Ashok V. Hiremath Mr. Balram Singh Yadav
NOMINATION AND REMUNERATION COMMITTEE	: Mr. Vinod Malshe (Chairman) Dr. Leena Raje Mr. Balram Singh Yadav
STAKEHOLDERS' RELATIONSHIP COMMITTEE	: Mr. Balram Singh Yadav (Chairman) Mr. Vinod Malshe Mr. R. R. Govindan (w.e.f. 31 st January, 2020) Mr. Sitendu Sharma (upto 30 th January, 2020)
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	: Mr. Vinod Malshe (Chairman) Dr. Leena Raje Mr. Ashok V. Hiremath Mr. Balram Singh Yadav
RISK MANAGEMENT COMMITTEE	: Mr. Ashok V. Hiremath (Chairman) Mr. Balram Singh Yadav Mr. R. R. Govindan (w.e.f. 31 st January, 2020) Mr. Sitendu Sharma (upto 30 th January, 2020) Mr. Saurav Bhala

COMPENSATION COMMITTEE	: Mr. R. R. Govindan (Chairman) (w.e.f. 31 st January, 2020) Mr. Sitendu Sharma (Chairman) (upto 30 th January, 2020) Mr. Vinod Malshe Mr. Balram Singh Yadav
MANAGING COMMITTEE	: Mr. Balram Singh Yadav (Chairman) Mr. Ashok V. Hiremath Mr. Rakesh Dogra
CHIEF FINANCIAL OFFICER	: Mr. Saurav Bhala
COMPANY SECRETARY & COMPLIANCE OFFICER	: Ms. Tejashree Pradhan
REGISTRAR AND SHARE TRANSFER AGENT	: Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059, Maharashtra Tel. No.: 022- 6263 8200, Fax: 022 – 6263 8299 Website: www.bigshareonline.com E-mail: investor@bigshareonline.com
REGISTERED OFFICE	: “Godrej One”, 3 rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra Contact Number:- Telephone No.: 022 – 2518 8010 Fax No.: 022 – 2261 8289 Website: www.astecsl.com E-mail: astecinfo@godrejastec.com Corporate Identity Number (CIN): L99999MH1994PLC076236
FACTORIES	: (1) Plot Nos. B-17, B-18 & B-21, MIDC Mahad, Birwadi Industrial Area, Taluka Mahad, District Raigad – 402 309, Maharashtra (2) Plot No. B-16, MIDC Mahad, Birwadi Industrial Area, Taluka Mahad, District Raigad – 402 309, Maharashtra (3) Plot No. K-2/1/1, Additional MIDC Mahad, Village Kalinj, Taluka Mahad, District Raigad – 402 302, Maharashtra (4) Plot No. K-2/1/2, Additional MIDC Mahad, Village Kalinj, Taluka Mahad, District Raigad – 402 302, Maharashtra
RESEARCH & DEVELOPMENT CENTRE	: F-39, MIDC-Phase-II Dombivili (East), District Thane – 421 204, Maharashtra
BANKERS	: ICICI Bank Limited

MANAGING DIRECTOR'S MESSAGE



Mr. Ashok V. Hiremath
Managing Director

Dear Shareholders,

Financial Year 2019-20 represented another year of robust growth for Astec. Total Revenues grew by 20.8% from ₹44,200 Lakh during 2018-19 to ₹53,415 Lakh during 2019-20. Exports increased by 21.6% during the Financial Year 2019-20. Profit After Tax (PAT) improved by 33.0% from ₹3,569 Lakh during 2018-19 to ₹4,747 Lakh during 2019-20. The Company was also able to reduce its borrowings from ₹17,567 Lakh to ₹9,871 Lakh. Thereby, the debt-equity ratio reduced from 0.87 to 0.40.

Return on Capital Employed (ROCE) was 19.2% and Return on Equity (ROE) was 19.3%. The consistent performance resulted in a 4-year Compounded Annual Growth Rate (CAGR) of 19.9% in revenues and 36.4% in Profit After Tax (PAT). All the above indicators demonstrate the strong financial health of the Company.

Last year was characterised by continuing disruptions in supply chain from China followed by the outbreak of COVID in China. This resulted in challenges and opportunities and our team managed the circumstances well to return a strong performance in Q3 and Q4 of 2019-20.

Our plants were shut down in the last week of March 2020 due to the nationwide lockdown. However, through proactive actions by our team, we resumed production in our plants in a phase-wise manner from April 10, 2020. Extensive precautions have been taken to ensure safety of our people. While the lockdown has been eased, we continue to be vigilant and continue to manage the changing environment.

The Company's contract manufacturing business also performed well and we saw strong demand for our products. We commissioned two new products for multinationals. We also have several projects in the pipeline which will be rolled out over the next few years.

Construction of a new herbicide plant is expected to be completed by the end of the year and we propose to introduce two new products this year. We will also continue our programme of backward integration to reduce our dependence on China.

Our Research & Development (R&D) team continues to develop new products at a healthy pace.

We have completed the design of our new state-of-the-art Research & Development (R&D) Centre, which will result in a quantum jump in our R&D capabilities. We hope to commission this facility by the end of the next year.

Our Environment, Health and Safety team continued its excellent work. Our safety record was excellent. We had no lost time injuries.

Your Company maintained its short term rating of "A1+" and long term rating of "AA-" in spite of the challenging conditions in the economy.

Our Corporate Social Responsibility (CSR) activities continued in line with the Group's Good and Green philosophy. We worked on projects in the area of agriculture and rural livelihoods, women empowerment and community

development. Our programme to enhance rural livelihood of communities in the areas of our manufacturing plants yielded good results.

Since we cater to the agriculture sector which will continue to function as usual in spite of the COVID situation, we do not foresee a significant impact on our demand.

Finally, I would like to express my sincere appreciation to all our employees for their contribution towards the performance of the Company. I also appreciate the support received from our customers, suppliers, various Government departments and gratefully acknowledge the continuous support of all our Shareholders.

Yours sincerely,

Ashok Hiremath
Managing Director
Astec LifeSciences Limited

FINANCIAL HIGHLIGHTS

Standalone Financial Highlights:

(₹ in Lakh)

Particulars	2019-20	2018-19	2017-18
Revenue from Operations	52,222.09	43,090.12	37,084.52
Earnings Before Interest, Tax, Depreciation and Amortization	9,713.68	8,750.98	7,685.74
Profit / (Loss) Before Exceptional Items and Tax	6,127.42	5,579.33	5,152.57
Profit / (Loss) Before Tax	6,127.42	5,579.33	5,567.78
Profit / (Loss) After Tax	4,747.19	3,568.60	3,497.08
Other Comprehensive Income (Net of Tax)	(18.21)	18.69	(28.30)
Total Comprehensive Income	4,728.98	3,587.29	3,468.78
Earnings Per Share – Basic (in ₹)	24.27	18.26	17.91
Earnings Per Share – Diluted (in ₹)	24.25	18.23	17.88
Total Equity	24,643.90	20,246.49	16,968.69
Total Debt	9,871.16	17,566.79	12,457.48
Proposed Dividend, subject to approval of Shareholders at the ensuing 26 th AGM (per Equity Share of Face Value of ₹10/- each) (in ₹)	1.50	1.50	1.50

Consolidated Financial Highlights:

(₹ in Lakh)

Particulars	2019-20	2018-19	2017-18
Revenue from Operations	52,260.61	43,090.12	37,084.92
Earnings Before Interest, Tax, Depreciation and Amortization	9,711.10	8,762.94	7,690.13
Profit / (Loss) Before Exceptional Items and Tax	6,135.25	5,590.41	5,155.95
Profit / (Loss) Before Tax	6,135.25	5,590.41	5,571.16
Profit / (Loss) After Tax	4,752.71	3,576.54	3,503.74
Other Comprehensive Income (Net of Tax)	(17.06)	19.45	(28.89)
Total Comprehensive Income	4,735.65	3,595.99	3,474.85
Earnings Per Share – Basic (in ₹)	24.29	18.28	17.88
Earnings Per Share – Diluted (in ₹)	24.27	18.26	17.84
Total Equity	24,689.43	20,279.90	16,993.41
Total Debt	9,871.16	17,566.79	12,457.48



ASTEC LIFESCIENCES LIMITED

Corporate Identity Number (CIN): L99999MH1994PLC076236

Registered Office: "Godrej One", 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra

Tel.: +91 22 2518 8010; **Fax:** +91 22 2261 8289; **Website:** www.astecsl.com;

Email: astecinvestors@godrejastec.com

NOTICE OF THE 26TH (TWENTY SIXTH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 26th (Twenty Sixth) Annual General Meeting ("AGM") of the Shareholders of **ASTEC LIFESCIENCES LIMITED ("Company")** will be held on **Wednesday, 22nd July, 2020 at 4.00 p.m. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements for the Financial Year ended 31st March, 2020:

To consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2020 and the Reports of the Board of Directors and the Statutory Auditors thereon.

2. Declaration of Final Dividend on Equity Shares for the Financial Year ended 31st March, 2020:

To declare Final Dividend @ 15% (Fifteen per cent) [i.e., @ ₹1.50 (Rupee One Paise Fifty Only) per Equity Share of Face Value of ₹10/- (Rupees Ten Only)] for the Financial Year ended 31st March, 2020.

3. Re-appointment of Mr. Nadir B. Godrej as a "Director", liable to retire by rotation, who has offered himself for re-appointment:

To appoint a Director in place of Mr. Nadir B. Godrej (DIN: 00066195), who retires by rotation and, being eligible, offers himself for re-appointment.

The Shareholders are requested to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the Shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Nadir B. Godrej [Director Identification Number (DIN): 00066195] as a "Director", who shall be liable to retire by rotation."

SPECIAL BUSINESS:

4. Re-appointment of Mr. Ashok V. Hiremath as the "Managing Director" of the Company:

To re-appoint Mr. Ashok V. Hiremath (DIN: 00349345) as the "Managing Director" of the Company for a period of 2 (two) years commencing from 1st April, 2020 upto 31st March, 2022, and to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force], read with Schedule V to the Companies Act, 2013 (as may be amended from time to time), the applicable

provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time) and the provisions of the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors at their respective Meetings held on 31st March, 2020, approval of the Shareholders of the Company be and is hereby accorded for re-appointment of Mr. Ashok V. Hiremath [Director Identification Number (DIN): 00349345] as the “Managing Director” of the Company for a period of 2 (two) years commencing from 1st April, 2020 upto 31st March, 2022, on the terms and conditions as set out in the Explanatory Statement annexed to the Notice of the 26th (Twenty Sixth) Annual General Meeting of the Company.”

“RESOLVED FURTHER THAT the remuneration and perquisites within the limits as set out in the said Explanatory Statement be allowed and paid to Mr. Ashok V. Hiremath in his capacity as the “Managing Director” for the period from 1st April, 2020 to 31st March, 2022, notwithstanding any loss or inadequacy of profit during the said period, subject to necessary compliance with the provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force].”

“RESOLVED FURTHER THAT the Board of Directors and / or the Nomination and Remuneration Committee thereof be and is hereby authorized to alter and vary the terms and conditions of the said re-appointment and remuneration of Mr. Ashok V. Hiremath as the “Managing Director”, including any change in his designation, at its / their discretion and as may be deemed fit from time to time, so as to not exceed the limits specified under Schedule V to the Companies Act, 2013 and/or any other provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force].”

“RESOLVED FURTHER THAT the Board of Directors and / or the Nomination and Remuneration Committee thereof be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of the powers herein conferred to any Committee of Directors or Director(s) or Key Managerial Personnel to give effect to the aforesaid resolution.”

5. Appointment of Mr. R. R. Govindan as an “Independent Director” of the Company:

To appoint Mr. R. R. Govindan (DIN: 02148801) as an “Independent Director” of the Company for a period of 5 (five) years commencing from 30th January, 2020 upto 29th January, 2025, and to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and such other Rules framed under the Act, as may be applicable [including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force] and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time) (“the SEBI Listing Regulations”), Mr. R. R. Govindan [Director Identification Number (DIN): 02148801], who was appointed by the Board of Directors as an “Additional Director” to hold office of “Non-Executive, Independent Director” of the Company with effect from 30th January, 2020, in terms of Section 161(1) of the Act and who meets the criteria for Independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, be and is hereby appointed as an “Independent Director” of the Company not liable to retire by rotation, for a period of 5 (five) years from 30th January, 2020 upto 29th January, 2025.”

“RESOLVED FURTHER THAT any Director or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto.”