



17<sup>th</sup> Annual Report 2010-2011

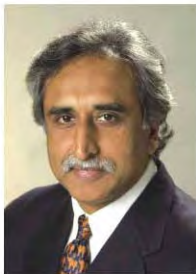
Astec LifeSciences Ltd.



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#### 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**

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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 and secure the environment.

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## Board of Directors



**L to R Standing:**

**Sitendu Sharma** - Non Executive - Independent Director,

**Mohammed Zakir** - Non Executive - Independent Director

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

**L to R Sitting:**

**Ashok V. Hiremath** - Chairman & Managing Director

**L to R Standing:**

**Laxmikant Kabra** - Non Executive - Non Independent Director

**Vinod Malshe** - Non Executive - Independent Director

## Corporate Information

### Board of Directors

**Ashok V. Hiremath**

Chairman & Managing Director

**Dr. P. L. Tiwari**

Non Executive - Non Independent Director

**Laxmikant Kabra**

Non Executive - Non Independent Director

**Vinod Malshe**

Non Executive - Independent Director

**Sitendu Sharma**

Non Executive - Independent Director

**Mohammed Zakir**

Non Executive - Independent Director

### Bankers

AXIS Bank Ltd.

State Bank of Hyderabad

IDBI Bank Ltd.

### Company Secretary & Compliance Officer

Vikas R. Chomal

### Registrar & Share Transfer Agents

Bigshare Services Private Limited

Saki Vihar Road, Saki Naka,

Andheri (E), Mumbai-400072

Maharashtra

### Website

[www.astecfs.com](http://www.astecfs.com)

### Registered & Corporate Office

7th Floor, Elite Square, 274,

Perin Nariman Street, Fort,

Mumbai- 400001, Maharashtra

### Auditors

P. M. Kathariya & Co.,

Chartered Accountants,

Firm Reg. No.104922W

Mumbai, Maharashtra

### Plant Locations

- i) B-17, B-18 & B-21, MIDC Mahad, Birwadi Industrial Area, Mahad, Dist. Raigad - 413341, Maharashtra
- ii) B-16, MIDC Mahad, Birwadi Industrial Area, Local Unit, Mahad, Dist. Raigad., Maharashtra
- iii) Additional MIDC, Plot No: K-2/1/1, Mahad, Dist. Raigad, Maharashtra

### R&D Center & Pilot Plant

F-39, MIDC-Phase II,

Dombivali - East - 421204

Dist. Thane, Maharashtra

## Safety

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The safety of our people is extremely important to us. Our organisational and plant systems, procedures and practices are under constant review for enhancement of standards to improve safety of plant and personnel. Astec has an elaborate Safety Management System which includes: Process safety management policy, Project safety reviews, Process specific training programmes, Hazard identification and Safety review procedures, Work Permit systems, Occupational Health Programs, Process safety testing and Emergency preparedness.

Training of personnel has been given the highest priority.

## Environment

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As a conscientious corporate citizen, Astec considers the environment an inherited legacy, its protection a sacred responsibility and is a signatory to Responsible Care..

We invested this year in further upgradation of our effluent treatment facilities after interaction with the various statutory bodies. Our facilities are fully compliant with all requirements of the pollution control bodies.

As signatories to the Responsible Care Program, we have made considerable progress in our efforts to minimise waste.

## Research and development

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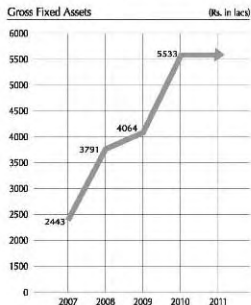
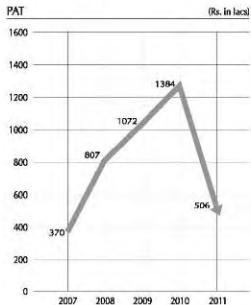
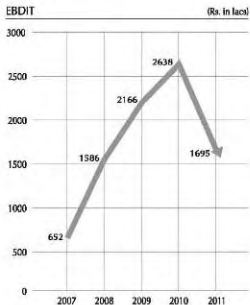
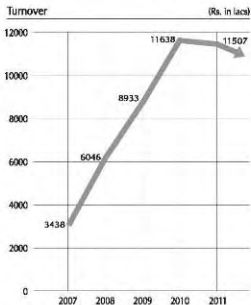
Our initiatives have resulted in various successes. We have developed novel synthetic routes for the manufacture of some products which give us a significant competitive edge over our competitors. The introduction of these products will contribute very significantly to the growth of the company going forward.

We have also successfully reduced the cost of manufacture of our existing products. Significant quality improvements have also been achieved.

We have also successfully absorbed Technology packages provided by our customers.



## Financial Performance – Last Five Years



### Financial Highlights

Rs. in lacs

	2006-07	2007-08	2008-09	2009-10	2010-11
Turnover	3,438	6,046	8,933	11,638	11507
EBDIT	652	1,586	2,166	2,638	1695
PAT	370	807	1,072	1384	506
Gross Fixed Assets	2,443	3,791	4,064	5533	9004



## NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Astec LifeSciences Limited will be held on Friday, 23rd September, 2011 at "Walchand Centre for Business Training Hall", 3rd Floor, IMC Building, IMC Mang, Churchgate, Mumbai-400020 at 3.00 P.M., to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March, 31, 2011, Profit and Loss Account for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended March 31, 2011.
3. To appoint a Director in place of Mr. Sitendu Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Zakir Mohammed, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution.

**\*RESOLVED THAT** M/s. P. M. Kathariya & Co., Chartered Accountants be and are hereby appointed as Auditors of the company, to hold office from the conclusion of this Annual General Meeting of the company until the conclusion of next Annual General Meeting of the company on such remuneration as shall be fixed by the Board of Directors."

6. To Increase in Borrowing Limits.

To consider and if thought fit, to pass following resolution as an ordinary resolution:

1. **\*RESOLVED THAT** pursuant to the provisions of section 293 (1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and Article 184(d) of the Articles of Association of the company, approval of the shareholders be and is hereby accorded to the Board of Directors for raising borrowing through loans, credit etc. from the existing limit of Rs. 55 crores to Rs.150 crores (including public deposits but excluding temporary loans obtained from the company's Bankers in the ordinary course of business) for both, domestic and foreign currency borrowing from Banks, Financial Institutions (Including External Commercial Borrowing) and other sources from time to time for the purpose of financing working capital requirements as also acquisition of capital assets and/or for the purpose of any other requirements of the company both for capital and revenue in nature, notwithstanding that the money to be borrowed together with money already borrowed by the company (apart from temporary loans obtained from the company's Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the company and its free reserves, that's is to say, reserves not set apart for any specific purposes"

**\*RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or committee thereof be and is hereby authorized to finalize, settle and execute such documents/deed(s)/writing(s)/paper(s)/agreement(s) as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise to creating mortgage/charge as aforesaid and also to delegate all or any of the above powers to the committee of directors or the chairman & Managing Director or the principle officer of the company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

2. **\*RESOLVED THAT**, the approval of the shareholders be and is hereby accorded in terms of section 293 (1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), and such other approvals as may be necessary, to the Board of Directors to mortgage and/or charge, in addition to

mortgage/charges created by the company in such may determine, on all or any of the movable/immovable properties of the company, both the present and future and/or whole or any part of undertaking (s) of the company together with the power to take over the management of the business and concern of the company in certain events of defaults, in favour of the lender(s), Agent(s) and Trustee(s) in foreign currency and or rupee currency and securities (comprising fully/partly convertible Debentures and/or Non-convertible Debentures, on all or any of the above, with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments) issued/to be issued by the company from time to time, subject to the limits approved under section 293(1)(d) of the Companies Act, 1956 together with interest at the respective agreed rates, additional interest, compounded interest, in case of default accumulated interest, liquidated damages, commitment charges premium on prepayment, remuneration of the Agents/Trustee, premium (if any) on redemption, all other costs, charges and expenses as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the company in terms of the Loan Agreement(s)/Heads of Agreement(s), Trust Deeds(s) or any other documents, entered into/to be entered into between the company and the Lender(s)/Agent(s) and trustee(s), in respect of the said loan/borrowing/debentures/bonds or other securities and containing such specific terms and conditions covenants in respect of enforcement of security as may be stipulated in that behalf from time to time."

For & on behalf of the Board of Directors



Ashok V. Hiremath  
Managing Director

Dated: May 27th, 2011

Place: Mumbai

**Notes:**

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy and vote on a poll instead of himself and a proxy need not be a member of the company. The instrument appointing proxy should, however be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
3. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
4. In case of joint holders attending meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the company on all working days, except Saturdays, after 1.00 p.m. up to the date of the Meeting.
6. The Register of Members and Share Transfer Books of the company will remain closed from Monday, 19th September, 2011 to Friday, 23rd September, 2011, both days inclusive.
7. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between 24th September, 2011 to 30th September, 2011 to those members whose names shall appear on the company's Register of Members on 19th September, 2011; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the company/Registrars and Transfer Agents, M/s. Big Share Services Private Limited.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company / Registrars and Transfer Agents, M/s. Big Share Services Private Limited.
11. Non-Resident Indian Members are requested to inform Big Share Services, immediately of:
  - a. Change in their residential status on return to India for permanent settlement.
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
12. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to address their questions in writing to the company secretary at least seven days before the date of meeting, so that the information required may be made available at the meeting.
13. As per the provisions of section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the company cannot, except with the permission of the shareholders in General Meeting, borrow monies in excess of the aggregate of the paid-up capital of the company and its free reserves.

The Increasing business operations and future growth plans of the company would necessitate restructuring of the borrowing limit by authorizing the Board of Directors to borrow monies, which may exceed at any time the aggregate of the paid up capital of the company and its free reserves but not exceeding 150 crore.

The borrowing of the company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/or immovable properties of the company in such form, manner and ranking as may be determined by the Board of Directors of the company, from time to time, in consultation with the lender(s).

The mortgage/ or charge by the company of its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the company in favour of the lenders/agents/trustees with a power to take over the management of the business and concern of the company in certain events of default by the company, may be regarded as disposal of the company's undertaking(s) within the meaning of section 293(1) (a) of the Company's Act, 1956. Hence it is necessary to obtain approval for the same from the shareholders'.

Your Directors recommend the resolution for your approval. None of the Directors of the company is in any way, concerned or interested in passing of said resolution as an ordinary resolution.

14. Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (pursuant to clause 49 of the listing agreement entered into with the Stock Exchanges).

Name of Director	Mr. Sitendu Sharma	Mr. Zakir Mohammed
Date of Birth	31.07.1969	06.06.1940
Relationship with other Directors interse	None	None
Date of Appointment	27.09.2007	27.09.2007
Expertise in specific Functional Area	Mr. Sitendu Sharma is an eminent Chartered Accountant. He has over 16 years of experience in the area of finance, tax planning, service tax etc. He has been an Independent Director of our company since September 2007.	Mr. Mohammed Zakir has a Bachelor of Science (Mechanical) degree from Bihar Institute of Technology. He brings with him over 37 years of experience in the field of finance and industry. He started his career as a design engineer in Research, Designs and Standards Organization (RDSO), Lucknow, and was Ministry of Railways in 1963, where he worked for more than 10 years in railway equipment design and development. In 1976, he joined Industrial Development Bank of India (IDBI), Mumbai where he worked for about 24 years at various levels including Chief General Manager. There he was involved in the field of project implementation, monitoring and financing of various projects. He is on our Board since September 2007.
Qualification	B.com, F.C.A.	Graduate - Mechanical Engineering
No. of Equity Shares held in the company	Nil	Nil
Directorship in other Indian Public Companies	NJP Trading Company Limited	Rajasthan Explosives and Chemicals Limited
Chairmanship/Membership of Committees in other Indian Public Limited Companies	Nil	Nil

## Management Discussion & Analysis

### 1. Business environment discussion and analysis:-

The company is engaged in the business of intermediates, active ingredients and formulations in the off patent-proprietary category with a focus on agrochemical and pharmaceutical industry.

After the robust market growth of FY 2009, FY 2010 was disappointing for the agrochemical industry with a number of agrochemical product prices declining. This coupled with a decline in crop prices contributed to a fall in the agrochemical market value in FY 2010.

The market in 2010 was characterized by weaker prices with price discounting for many agrochemical products continuing. However, in the latter half of the year, crop prices began to increase, leading to growth in the market in most regions during the period, particularly in Latin America. In the current year, growth in Latin America Market has continued, sustained by higher crop prices resulting in the increase in Soybean Planted area. In the USA, there is an anticipation of growth in maize, wheat and cotton with a slight reduction in soybean. In the EU, cereal and maize are forecast to rise but oilseeds rape is expected to decline.

Over the past few years, the global pharmaceutical market has been facing multiple pressures arising from increasing R&D cost, the implementation of cost control measures by developed countries, issues related to pricing of patented products and absence of a strong product pipeline. By 2014, the top 10 innovator companies alone would face the expiry of patents on Brands that generated revenues in excess of US\$ 120 billion (Sales in 2008). With the increase in overall healthcare costs, several countries are currently implementing strong pro-generic policies with stricter norms for reimbursement of costs.

The emerging markets are expected to touch US\$ 400 billion by 2020, with India being a key market as well as supply base. This scenario has led the pharma MNCs reorienting their strategies and resource allocation and key sourcing strategies from emerging markets like India. They are now seeking to establish a significant presence in branded generics and Over-The-Counter (OTC) drugs, launch off patent products and adopt local pricing of patented drugs to attain volumes and capture market share.

### 2. Opportunities and Threats:-

Agriculture sector is vital for the food and nutritional requirement of the nation. The sector remains the principal source of livelihood for the more than 55% of the population. India has the largest area under agriculture in the world for major crops such as paddy and wheat.

Also, increase in agricultural productivity is a key thrust of the government, which intends to herald the second green revolution in the country to meet demands of a large population. There is a need to adopt a two pronged approach—increase the per-hectare production and reduce the crop losses.

As much as 30% of the potential crop production in India is destroyed due to insects, fungus and weeds. One of the reasons for high crop losses is the low consumption of agrochemicals in India compared to other countries. The main reason of low agrochemical consumption was lack of affordability and lack of knowledge about potential yield losses caused by insect pests, diseases and weeds. However, the Indian agriculture is witnessing changes in the recent years. The consumption of crop protection products in India has shown a marked improvement as the Indian farmer has become more 'market savvy' in terms of ensuring both qualitative and quantitative produce. The rising demand for food grain has also been a contributing factor.

The industry has built up large capacities in India and has many manufacturers, especially in formulation business and has a fairly high level of competition. The seasonal nature of business and the climatic uncertainties compel the industry to carry a large inventory for long periods. Domestic markets have been attracting attention of multinationals who visualize good growth opportunity in the domestic market. The domestic industry has been witness to a steady increase in market share by new generation and patented molecules.

Demand for agricultural products will increase for the following reasons:

1. Increasing affluence of the emerging economies and hence increase in food requirements
2. The population of the world is increasing. It is expected to increase from the current level of around 6.8 billion to 9 billion by 2050.
3. Increasing demand for bio-fuels as governments stipulate higher levels of renewable fuels in gasoline.

Agriculture is the mainstay of rural economy and supports over two-thirds of the country's population. It continues to receive attention of the central and state governments through favorable agriculture policies, minimum support price for the produces, subsidies, developmental programs and schemes and availability of credit and finance through various schemes.

With attractive minimum support/open market prices for several crops, farmers are receiving remunerative prices for their produce and can afford to spend on quality farm inputs as well as for personal consumption. Private sectors also visualize good growth potential for investment in agriculture and agro-based businesses. Rapidly developing food processing industry is helping in large measure the growth of the farming sector.

The outlook of agrochemical for the current year looks encouraging as the country has witnessed a good start to the monsoons nationwide. Government policies that encourage agriculture, the increased purchasing power in the hands of the farmer and better price realizations provide an incentive for the farmer to increase production.

All these factors point to reasonably good growth prospects for agriculture and by logical extension, for the agrochemicals industry.

In the last two decades, the Indian economy has posted spectacular growth. However, the growth of agriculture which supports about 70% of the population but accounts for less than 25% of the GDP, is sluggish. This accordingly dictates the growth prospects of the agrochemicals industry.

The agrochemicals industry is directly affected by climatic conditions. Again, different climatic conditions throw up different and complex needs and requirements and the demand for different molecules and products changes accordingly. All these

factors point to a high degree of uncertainties and complexities.

In 2010-11, erratic behavior of monsoon and climate in different regions and times gave anxious moments to the farmers and common man. This resulted in loss of agrochemicals off take to some extent.

Some of the developing countries in Asia, Africa and South America offer good export opportunities with attractive returns. However, these countries also pose increased credit and political risks.

Large capacity built up in the domestic industry leading to skewed demand – supply position and significant imports are leading to high competition, ultimately leading to undercutting of prices and gradually falling margins, high credit periods, higher levels of receivables and the attendant costs and risks.

Availability of cheap but spurious products in the market is a matter of concern to the industry. The negative image created in the public mind through misinformation campaign about the adverse impact of pesticides on food, water, and environment and human health continues to be a serious cause of concern for the industry. The industry needs to effectively counter such campaign by putting forth in the right perspective the fact that the use of chemical pesticides (and chemical fertilizers) over the last several decades has resulted in manifold increase in food production to meet the needs of the large population which also increased manifold in this period. Organic farming cannot feed such a large population. The alleged ill-effects of chemical pesticides are owing to their overuse, unsafe use and improper handling.

### 3. Contract manufacturing opportunity:-

Your company has identified contract manufacturing as a platform for future growth. India is well positioned to capitalize on this opportunity as multinationals are moving manufacturing from high cost western economies to India and China. India has a strong pool of scientific manpower and a well developed eco-system for the production of fine chemicals.

Your company is pleased to inform you that company has signed a long term mutually exclusive confidential MANUFACTURING AND SUPPLY AGREEMENT with multinational major to supply an herbicide product.

The signing of this agreement will have a substantial positive impact on the company's agrochemical business in coming years.

### 4. Research and Development:-

Astec is able to provide its customers value addition due its strong R&D capabilities. The company has made substantial investments to bring its EHS standards to international levels. We are therefore optimistic of making substantial strides in developing this business segment and developing of new products.

### 5. Company's performance:-

2010-11 was a challenging year for ASTEC as we were affected by continued destocking of inventory by our consumers. The Turnover of the company was at Rs. 115.06 Crores as against Rs. 116.38 crores in the previous year, resulting in decrease of 1.13%. Exports for the year were at Rs. 25.10 crores as against Rs. 34.56 crores in 2010. Sales of Crop protection Products constituted 84% of the total and pharma intermediates constituted the balance.

The company has increased capacities of its plants. It has also implemented many cost reduction measures. In addition to this it has introduced new measures to improve its EHS performance.

The company has obtained many new registrations in various parts of the world. Many more registrations are expected to come through.

### 6. Subsidiary Operations:-

During the year, company has incorporated a 100% subsidiary namely Astec CropCare Pvt. Ltd. with the main object to start the business of trading in agrochemicals and pesticides formulations to sell products in its own brand names. Initially, this company proposes to launch its products in the state of Gujarat, Karnataka and Maharashtra. Company has also appointed a dedicated team to take the new venture ahead.

### 7. Risks and concerns:-

The potential for overcapacity can put pressure on margins. In order to safeguard against this, the company has a strong focus on R&D that enables it to remain competitive.

The strengthening of the rupee is another cause of concern. The company has a natural hedge as its imports more or less balance its exports.

### 8. Internal Control & Systems:-

The company has proper and adequate system of internal controls which ensures that all the assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorized recorded and reported correctly. The company has successfully organized the program on Total Productive Maintenance (TPM) at the factory which has helped the company to achieve reduction in downtime, rejections and wastages and improvement in delivery schedule. The company has assigned internal audit functional to professional firm of chartered Accountants. The company in process to implement the SAP module for better internal control system. All major findings and suggestions arising out in internal audit are reported to and reviewed by the audit committee. A strong internal audit system and an effective Audit Committee of the Board have led to the further strengthening of the internal controls within the organization.

**9. Dividend:-**

The Board of Directors have recommended a dividend for the year 2010-11 @ 5% on Equity shares (50 Paise per share of Rs. 10/- each).

**10. Health, Safety & Environment:-**

The company has continued to invest in Health, Safety & Environment and continues to be compliant with all statutory permissions and approvals. The company lays considerable emphasis on achieving high standards of EHS practices. It has modernized its plants and have obtained ISO 14001 and OSHA 18001 certification.

The company is regularly conducting safety awareness programs among the employees. Safety and ecological protection are prime concerns of the company and it is committed to uphold them.

**11. Human Resources:-**

The company ensures that it has adequate human skills commensurate with its requirements. The company continuously strives to upgrade skills and competence of its human resources. Measures for safety, training, welfare and development of the employees receive top priority.

The employee strength of the company as on 31st March, 2011 was 127.

**12. Cautionary Statement:-**

Statement in this report on Management Discussion and Analysis relating to the company's objectives, Projections, estimates, expectations or prediction may be forward looking within the meaning of applicable securities laws and regulation. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand –supply conditions, finished goods prices, raw material cost and availability, foreign exchange market movements, changes in Government regulations and tax structure, economic and political developments within India and the countries which the company has business and other factors such as litigation and industrial relations.

The company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.



## Report on Corporate Governance

### Company's philosophy on Code of Corporate Governance

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders aspirations and societal expectations. Astec is committed to high standards of Corporate Governance practices. The company believes that a sound Corporate Governance policy drives healthy business growth and is an important instrument for enhancing investor confidence. Astec complies with the Corporate Governance code enshrined in Clause 49 of the Listing Agreement. The company has constituted various committees and discloses information to the public through its Annual report, web-site, press releases, etc.

### Board of Directors

The Chairman of the Board of Directors is an Executive Director. The composition of Board of Directors is one Executive Director and five Non-Executive Directors. Three out of six Directors are Independent Directors. Composition and category of Directors as of March 31, 2011 was as follows:

Composition and category of Directors as of March 31, 2011 was as follows:

Ashok Hiremath	Chairman & Managing Director
Dr. P. L. Tiwari	Non Executive, Non Independent Director
Laxmikant Kabra	Non Executive, Non Independent Director
Sitendu Sharma	Non Executive, Independent Director
Prof. Vinod Malshe	Non Executive, Independent Director
Mohammed Zakir	Non Executive, Independent Director

Four Board meetings were held during the year from April 01, 2010 to March 31, 2011. The dates on which the meetings were held were 24th May, 2010, 5th August, 2010, 10th November, 2010 & 5th February, 2011. The attendance of each Director at the Board meetings, last Annual General Meeting and Number of other Directorship and Chairmanship/membership of Committee of each Director in various Companies are as under:

Name of Director	Attendance		Directorships (excluding Directorship In Private Companies)*	Committee Memberships#	Committee Chairmanships
	Board Meeting	Last AGM			
Ashok V. Hiremath Chairman & Managing Director	4	Present	2	Nil	Nil
Dr. P. L. Tiwari Non Executive & Non Independent Director	4	Present	1	2	Nil
Laxmikant Kabra Non Executive & Non Independent Director	4	Present	3	3	1
Sitendu Sharma Non Executive & Independent Director	4	Present	1	2	1
Prof. Vinod Malshe Non Executive & Independent Director	3	Present	3	1	Nil
Mohammed Zakir Non Executive & Independent Director	4	Present	1	3	1

\*excludes directorship in our own company

# includes membership/Chairmanship in own company

### Audit Committee

The Company has an Audit Committee consisting of Non-Executive Directors. The terms of reference of the Audit Committee include

- a. Review of:
  - Financial statements before submission to the Board
  - Draft financial statements and Auditors' Report (before submission to the Board)
  - Accounting policies and practices
  - Risk Management Policies and practices
  - Compliance with stock exchange and legal requirements concerning Financial statements
  - Related party transactions
  - The internal control systems and internal audit reports and their compliance thereof
  - Compliance with accounting standards, and
- b. Recommending the appointment of auditors and fixing their fees.

### Objective

The audit committee assists the board in its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the company and its compliance with the legal and regulatory requirements. The committee's purpose is to oversee the accounting and financial reporting process of the company, the audits of the company's financial statements, the appointment, independence and performance of the statutory Auditors.

Four meetings were held during the year from April 01, 2010 to March 31, 2011 i.e on 24th May, 5th August, 10th November in 2010 and on 5th February in 2011.

The constitution of the Committee and the attendance of each member of the Committee as on March 31, 2011 are given below:

Name	Category	Number of Meetings Attended
Sitendu Sharma Chairman	Non-Executive, Independent	4
Laxmikant Kabra	Non-Executive, Non-Independent	4
Mohammed Zakir	Non-Executive, Independent	4
Prof. Vinod Malshe	Non-Executive, Independent	2

—The Chairman of the Audit Committee, Mr. Sitendu Sharma was present at the Annual General Meeting of the company held on August 23, 2010.

—Prof. Vinod Malshe has resigned from Audit Committee on 10th November, 2010. He has attended 2 out of 2 meeting for this financial year.

—The company Secretary is the Secretary of the Audit Committee.

### Remuneration Committee

The Remuneration Committee determines and recommends the remuneration payable to the Executive Directors on the basis of their performance as well as company's performance, subject to consents as may be required. The Non-Executive Directors are not paid any remuneration except for the sitting fees for attending the Board meetings /Committee meetings. The remuneration to the Executive Directors comprises a fixed salary and other perquisites. The leave travel allowance is paid as per the company rules. Provident Fund and Superannuation are provided for as per the company's policy. Wherever applicable the perquisites are considered a part of remuneration and taxed as per Income Tax laws. The commission recommended by the Remuneration Committee to the Board is paid to the Managing Director in accordance with the provisions of the Companies Act, 1956.

The Remuneration Committee comprises Mr. Mohamed Zakir, Chairman, Mr. Vinod Malshe & Mr. Laxmikant Kabra, all Non-Executive Directors. The Committee deals with all elements of remuneration

package, stock options, service contracts, etc. of whole-time director. Two meetings of Remuneration Committee were held on 24th May, 2010 and on 10th November 2010 during the financial year 2010-2011 and all the members of the committee attended the meeting.

Details of remuneration paid to the Chairman & Managing Directors for the year 2010-11 are given below:

(Rs. Lacs)

Name of Director	Remuneration paid during the year 2010-2011			
	Salary	Commission/ Bonus/Incentives	Sitting Fees	Total
Ashok V. Hiremath Chairman & Managing Director	48.00	-	-	48.00
<b>Total</b>	<b>48.00</b>	<b>-</b>	<b>-</b>	<b>48.00</b>

The Non-Executive Directors are paid sitting fees at the rate of Rs.5000/- for Audit Committee Meeting and Rs.5000/- for Board Committee Meeting. No sitting is paid for attending Shareholders' Grievance & Share Transfer Committee Meetings and Remuneration Committee Meetings.

Sitting fee and commission to the Non-Executive Directors, for 2010-2011 are detailed below:

Name of Non-Executive Director	Sitting Fee	Professional Fees	Total
Laxmikant Kabra	35,000/-	8,00,000/-	8,35,000/-
Dr. P. L. Tiwari	20,000/-	-	20,000/-
Prof. Vinod Malshe	20,000/-	-	20,000/-
Sitendu Sharma	35,000/-	-	35,000/-
Mohammed Zakir	35,000/-	-	35,000/-

#### Share Transfer and Investor's Grievance Committee

The Board has constituted an Investor grievance committee under the Chairmanship of Mr. Laxmikant Kabra. The other members of the committee are Mr. Mohammed Zakir & Mr. Sitendu Sharma. The Committee looks into grievances of the investors of the company.

Four meetings of investor's grievance committee were held during the year April 1, 2010 to March 31, 2011. The Committee met on 24th May, 2010, 5th August, 2010, 10th November, 2010 & 5th February, 2011.

The Board has designated Mr. Vikas R. Chomal, company Secretary as the Compliance Officer.

The following table shows the complaints status as on 31st March, 2011 all of which were responded within one month..

Sr. No.	Nature of complaints	No. of complaints received	No. of complaints resolved	No. of complaints pending
1	Non receipt of dividend	4	4	0
2	Pending before SEBI	1	1	0
	<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>

#### Disclosures

There are no materially significant transactions made by the company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the company at large. The Register of Contracts containing transactions in which Directors are interested is placed before the Board regularly for its approval.

The Company has been providing the Chairman of the company with the resources required to implement his role.

The company has a Code of Conduct for its employees. The Board members and Senior Management personnel of the company affirm that they have complied with this code.

The company complies with all mandatory requirements and also adopted some of the non-mandatory requirements as detailed below.

The company has been complying with the requirements of the Stock Exchanges, SEBI and other authorities on all matters relating to capital markets. The Stock Exchange, SEBI and other statutory authorities relating to the above have imposed no penalties or strictures on the company..

#### **Means of communication**

Financial results are published by the company in Business Standard, English & Mumbai Lakshdweep, Marathi-Maharashtra.

Results are also displayed on our website i.e. [www.astecsl.com](http://www.astecsl.com). Official news releases are also updated on the site.

Presentations made during the year are available on the company's website [www.astecsl.com](http://www.astecsl.com)

Key developments are communicated to the Stock Exchanges and media as and when they occur.

#### **Subsidiary company**

The company does not have material non-listed Indian subsidiary company whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively of the company and its subsidiary in the immediate preceding accounting year.

The company however have two Indian subsidiary Companies,

1. Behram Chemicals Pvt. Ltd which was incorporated on April 6, 1993 having registered office at Arman Residency, 1st floor, 102, R.W. Sawant Road, Opp, Mumbai-Nasik Fly Over, Thane (West), Thane-400601 with a paid up capital of Rs.60,00,000/-, and
2. Astec CropCare Private Limited registered on October 25, 2010 having registered office at Elite Square, 7th Floor, 274, Perin Nariman Street, Fort, Mumbai-400001 with a paid up capital of Rs.50,00,000/-.

Auditors report and Balance Sheet with Profit & Loss accounts with schedules thereon are forming part of the Annual Report as details of subsidiary companies on page no. 64.

The company monitors the performance, inter alia, by the following means:

- The Audit Committee of the company reviews the financial statements.
- The minutes of the Board meeting of the subsidiary company are noted at the Board meeting of the company.

#### **CEO/CFO certification**

As required under Clause 49 of the Listing Agreement, a certificate duly signed by Mr. Ashok Hiremath, Managing Director of the company was placed at the meeting of the Board of Directors held on May 27, 2011. (Certificates attached to this report).

#### **Auditors certificate on compliance of conditions of Corporate Governance**

Certificate from the Auditor is attached along with this Report.

#### **General Shareholder Information and Management's Discussion and Analysis**

**Registered Office :** Elite Square, 7th Floor, 274, Perin Nariman Street,  
Fort, Mumbai-400001, Maharashtra, India.

#### **Date, Time & Venue of Annual General Meeting**

**Annual General Meeting Date:** Friday, 23rd September, 2011.

**Time:** 3.00 P.M. onwards

**Venue:** "Walchand Centre for Business Training Hall", 3rd Floor, IMC Building, IMC Marg, Churchgate, Mumbai-400020.

#### **Date of Book Closure**

The Share Transfer books and Register of Members will remain closed from 19th September, 2011 to 23rd September, 2011 (both days inclusive).

#### **Dividend**

Equity Shares

Dividend @ 50 paise per Share on 1, 69, 29,130 equity shares of face value Rs. 10/- each.

#### **Dividend Payment Date**

Credit/dispatch within 7 days from the date of Annual General Meeting.

#### **Financial Calendar**

Financial Reporting for

Quarter ending 30th June

Second week of August, 2011

Quarter ending 30th September

Second week of November, 2011

Quarter ending 31st December

Second week of February 2012

Year ending 31st March

Last week of May, 2012

#### **Listing on Stock Exchange**

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street,

Mumbai-400001

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra-Kurla Complex,

Bandra (E), Mumbai-400051

#### **Listing & Custody fees**

Company has paid annual listing fees & annual custody fees for the year ended 31st March, 2011 to the stock exchanges and depository participants before due date.

#### **Stock Code**

BSE code-533138

NSE Code-ASTEC

ISIN-IN563J01010

#### **Corporate Identification Number (CIN)**

The company's CIN, allotted by the Ministry of Corporate Affairs is U99999MH1994PLC076236. The company is registered at Mumbai in the State of Maharashtra, India.

#### **Market Price Data**

Monthly High & Low market price at BSE & NSE for the year 2010-11:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April, 2010	64.70	49.00	64.60	48.70
May, 2010	66.30	52.00	66.25	54.50
June, 2010	75.80	58.00	76.00	58.10
July, 2010	79.90	69.00	79.80	68.60
August, 2010	83.15	69.90	83.30	69.40
September, 2010	86.00	74.50	86.30	74.60
October, 2010	92.90	81.00	92.95	79.25
November, 2010	88.90	57.10	88.80	56.10
December, 2010	67.35	56.00	67.40	55.75
January, 2011	63.40	52.50	63.15	52.05
February, 2011	56.75	46.60	59.80	46.70
March, 2011	49.70	44.70	52.45	44.05

(Source: BSE & NSE websites)

**Registrar & Share Transfer Agents**

Bigshare Services Private Limited

E-2 &amp; 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri (E), Mumbai - 400 072, Maharashtra.

Tel: 91-22-2847 0652 | 404302001 Fax: 91-22-2847 5207

E-mail: investor@bigshareonline.com

**Share Transfer System**

Bigshare Services Private Limited are the Registrar and Share Transfer Agents for servicing activities relating to both Physical and Electronic segments. The shareholders who wish to transfer their shares held in physical form can lodge the duly completed request for registration of transfer of shares with the Registrar & Share Transfer Agents. The duly transferred share certificates are normally returned to the shareholders within a period of 20 to 25 days from the date of lodgment.

**Distribution of Shareholding in shares as on 31st March, 2011**

Category	Number of Shareholders	Percentage	No. of Shares	Percentage
1 - 500	8893	84.31	1429872	8.45
501 - 1000	920	8.72	753250	4.45
1001 - 2000	359	3.41	565383	3.34
2001 - 3000	128	1.22	332392	1.96
3001 - 4000	73	0.69	267477	1.58
4001 - 5000	49	0.46	229890	1.36
5001 - 10000	67	0.63	493759	2.92
10001 & above	59	0.56	12857107	75.95
<b>Total</b>	<b>10548</b>	<b>100.00</b>	<b>16929130</b>	<b>100.00</b>

**Distribution of shareholding in Rupees as on 31st March, 2011**

Category	Number of Shareholders	Percentage	Shares Amount	Percentage
1 - 5000	8893	84.31	14298720	8.45
5001 - 10000	920	8.72	7532500	4.45
10001 - 20000	359	3.40	5653830	3.34
20001 - 30000	128	1.21	3323920	1.96
30001 - 40000	73	0.69	2674770	1.58
40001 - 50000	49	0.46	2298900	1.36
50001 - 100000	67	0.64	4937590	2.92
100001 & above	59	0.60	128571070	75.95
<b>Total</b>	<b>10548</b>	<b>100.00</b>	<b>16929130</b>	<b>100.00</b>

**Category wise Summary of all Shareholders as on 31st March, 2011**

Category	Number of Shareholders	Percentage	No. of Shares	Percentage
Clearing Member	56	0.54	21391	1.26
Corporate Bodies	389	3.69	2175456	12.85
Directors & their Relatives	4	0.04	1657700	9.79
Financial Institutions	1	Negligible	4030	0.02
Mutual Fund	1	Negligible	654360	3.86
Non Resident Indians	152	1.44	160471	0.94
Promoters	3	0.02	7771280	45.90
Public	9942	94.26	4484442	26.48
<b>Total</b>	<b>10548</b>	<b>100.00</b>	<b>16929130</b>	<b>100.00</b>

### Dematerialization of shares

The shares of the Company are actively traded at BSE and NSE in dematerialized form. International Securities Identification Number (ISIN) for both the depositories, viz., NSDL and CDSL is INE563J01010. The Shareholders who wish to get the shares dematerialized can submit the share certificates together with the Demat Request Form to the Depository Participant with whom they have opened a demat account. Shares dematerialized up to March 31, 2011 are:

Mode	No. of Shares	Percentage
Demat shares with NSDL	13404011	79.18
Demat Shares with CDSL	1864114	11.01
Shares in Physical mode	1661005	09.81
<b>Total</b>	<b>16929130</b>	<b>100.00</b>

### Shareholding Pattern as on 31st March, 2011

Category	No. of Equity Shares	% of Equity Share holding
Promoters	9428,980	55.69
Financial Institutions & Banks	4030	0.23
Mutual Funds	654360	3.86
Bodies Corporate	2175456	12.85
Resident Individuals	4484442	26.48
NRIs	160471	0.94
Clearing members	21391	0.12
<b>Total</b>	<b>16929130</b>	<b>100.00</b>

### GDR's/ADR's/Warrants or any Instrument, Conversion date and impact on equity dates

As of date, the company has not issued these types of Securities.

### Plant Locations

- 1) B-17/18, B-21 MIDC Mahad, Bhirewadi, Mahad, District Raigad-413341 Maharashtra
- 2) B-16, MIDC Mahad, Bhirewadi, Mahad, District Raigad-413341, Maharashtra
- 3) Additional MIDC, Plot No:K-2/1/1, Mahad, District Raigad, Maharashtra

### R & D Centre/Pilot Plant

- 4) F-39, MIDC, Phase-II, Dombivili (E), District Thane-421 204, Maharashtra

### Address for correspondence

- 1) For all matters relating to share, dividends, annual report:

#### Registrar & Share Transfer Agent

Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai - 400 072, Maharashtra Phone No: 022- 40430200 Fax No: 022 - 28475207  
investor@bigshareonline.com ; investors@astecsl.com / Website: www.bigshareonline.com

- 2) For all general matters or in case of any difficulties/grievances and matters not resolved by the Registrar to the satisfaction of the investor:

Mr. Vikas R. Chomal, Company Secretary & Compliance Officer  
Elite Square, 7th Floor, 274, Perin Nariman Street, Fort, Mumbai-400001, Maharashtra  
Phone: 022-2261 8212 Fax: 022 2261 8289  
vikas@astecsl.com / Website: www.astecsl.com

## Non-mandatory Requirements

### 1. Chairman's office

The Company maintains an office for the Chairman at its registered office at Elite Square, 7th Floor, 274, Perin Nariman Street, Fort, Mumbai-400001.

### 2. Remuneration Committee

All details of remuneration to Directors have been disclosed above.

The details of shares held by the Non-Executive Directors as on 31st March, 2011 are as given below:

Name of Director	No. of Shares Held
Mr. Laxmikant Kabra	1100
Mr. Sitendu Shama	-
Dr. P. L. Tiwari	1650000
Prof. Vinod Maishe	-
Mr. Zakir Mohammed	-

### 3. Details of Directors to be appointed/re-appointed

Details of Directors being appointed/re-appointed have been disclosed in the Notice for the Annual General Meeting (AGM) i.e. brief resume, nature of expertise in specific functional areas, names of Directorship and Committee memberships and their shareholding in the company.

### 4. Shareholders rights

The quarterly financial results were published in the newspapers as mentioned in "Means of Communication" above in this report. The results are also displayed on the company's website.



**Certificate by the Managing Director pursuant to  
Clause 49 of the Listing Agreement**


To,  
The Members  
**Astec LifeSciences Limited**

This is to certify that up to the date of certificate, there has been due compliances of all laws, orders, rules, regulations and other legal requirement of the Central, State and other Government and Local authorities concerning the business affairs of the company, and in particular:-

- a. That all sums required to be deducted in accordance with the relevant provisions of the Income tax Act, 1961 have been properly deducted and further certify that all the sums so deducted have been paid or will be paid within the prescribed time to the credit of the Central Government in pursuance of section 200 of the Income Tax Act, 1961.
- b. That all returns and forms have been filed and particulars furnished to the Registrar of the Companies and/or authorities as required by the Companies Act, 1956 and the rules made there under.
- c. That proper deductions have been made from the salaries of the employees of the company employed at the company's registered office, as required by the Employee's Provident Fund Act, Family Pension Fund Act and Employees' State Insurance Act and the Scheme there under, and that such deductions along with employers contribution have been duly paid to the authorities concerned and the prescribed particulars and forms with these authorities have also been filed within the time limited.
- d. That there been no breach by the company, if any, of the provisions for the Industrial Disputes Act, Payment of Bonus Act, and other Labour Legislations governing the company.

The Certificate is given by the undersigned knowing fully well that on the faith and strength of what is stated above, Board of Directors of the company places full reliance.


**For Astec LifeSciences Limited**

  
Ashok V. Hiremath  
Managing Director  
Dated: May 27th, 2011  
Place: Mumbai

To,  
The Members  
**Astec LifeSciences Limited**

It is hereby confirmed that during the quarter ended March 31st, 2011, the company has followed all acts, rules and regulations and complied with requisite requirements, formalities and procedures under various acts, rules and regulations as applicable to the company including, inter alia, the requirement under The Factories Act, 1948; The Environment Protection Act, 1986; The Water (Prevention Control of Pollution) Act, 1974; The Air (Prevention and Control of Pollution) Act, 1981; Explosives Act of 1984, Indian Boilers Act, 1923; Petroleum Act and other applicable laws.


**For Astec LifeSciences Limited**

  
Ashok V. Hiremath  
Managing Director  
Dated: May 27th, 2011  
Place: Mumbai

To,  
The Members  
**Astec LifeSciences Limited**

This is to certify that during quarter ended March 31st, 2011, the company has paid all the statutory dues and complied with various provisions of the Employees' Provident Fund & Miscellaneous Provisions Act 1962, ESIC Act 1948, Income Tax Act 1961, Central Sales Tax Act, 1956, Central Excise and Salt Act 1944 and other applicable Acts, Rules, Regulation.


**For Astec LifeSciences Limited**

  
Ashok V. Hiremath  
Managing Director  
Dated: May 27th, 2011  
Place: Mumbai

### Declaration under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct

The Board of Astec LifeSciences Limited laid down a code of conduct for all Board members and senior management. The code of conduct has been posted in the company's website [www.astecsls.com](http://www.astecsls.com). All the Board members and the senior management affirmed compliance to the code for the year 2010-11.

**For Astec LifeSciences Limited**

  
Ashok V. Hiremath  
Managing Director  
Dated: May 27th, 2011  
Place: Mumbai

## Certificate of compliance from the Auditors

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To the members of **Astec LifeSciences Limited**

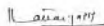
We have examined the compliance of conditions of Corporate Governance by Astec LifeSciences Limited, for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company..

**For P. M. Kathariya & Co.**  
**Chartered Accountants**  
 Firm Reg. No.104922W



CA. P. M. Kathariya  
 (Proprietor)

**M. No: 31315**

**Date: 27th May, 2011**

**Place: Mumbai**

## Directors' Report

To,  
The Members,  
Astec LifeSciences Ltd.

The Directors' have pleasure in presenting the 17<sup>th</sup> Annual Report and the audited accounts for the year ended March 31, 2011.

### 1. Financial Highlights

	Rs. in lacs	
	2010-11	2009-10
Sales and other operating Income	11506.68	11638.50
Other Income	120.24	102.36
Total Income	11626.92	11740.86
Profit before Interest & Depreciation	1694.90	2638.42
Less: Interest & Depreciation	980.86	921.56
Profit before Tax	714.04	1716.86
Less: Provision for Income Tax	135.20	305.00
Less: Provision for Deferred Tax	72.59	28.17
Profit after Tax	506.25	1383.68
Less : Prior Period Adjustment	(2.18)	62.78
Amount available for appropriation	508.43	1320.91
Appropriation		
Proposed Dividend	84.65	169.29
Tax on Proposed Dividend	13.73	28.77
Transfer to General Reserve	100.00	300.00
Balance of Profit Carried Forward	310.05	822.84

2010-11 was a challenging year for Astec and we were affected by continued de-stocking of inventory by our customers. The Turnover of the company has decreased from Rs. 116.38 crores in FY 2010 to Rs. 115.07 crores in the year under review, thereby resulting in a decrease of 1.13%. It is mainly due to reduced pricing of our products by customers. Despite a challenging business environment, the company has achieved a net profit of Rs. 5.06 crores in FY 2011 as compared to Rs. 13.84 crores in FY 2010. Our sales was decreased primarily due to inventory correction of major multinational crop protection companies and the profit was down mainly due to price correction of our finished products and company's inability to pass on the increase in raw material prices to our customers.

### 2. Operations

The company was successful in stabilizing production of the products introduced in the previous year and in increasing production efficiencies.

Our efforts have resulted in receipt of many new registrations in various parts of the world. Many more registrations are in the pipeline. We are in dialogue with some multinational companies for manufacturing products on contractual basis. On finalization of the agreements, the company will witness a substantial increase in sales and corresponding increase in profitability. The business will

be predictable and will provide a platform of stability of the company. During the year the company established a relationship with a major multinational for supply of one of our products into the global supply chain.

We were successful in tapping markets in South East Asia and South America.

In Mahad we made investments to increase the capacity of our manufacturing facility and to improve the quality of our products. We also made the investments in line with our commitment to responsible care to improve our EHS standards.

We invested in R & D and were successful in developing products and intermediates that are unique and will give the company substantial growth in the coming years.

**3. Ongoing expansion at newly acquired site:**

Work was started on construction of our new 40,000 sq m site at Mahad in April 2011. We expect to commission the first phase by January 2012 and the second phase in March 2012.

The output from the new site will contribute substantially to the growth of the company's sales and profits.

**4. Appropriations:**

Amount of Rs. 100 lacs is credited to General Reserve. Out of the amount available for appropriation, Your Director's have recommended a dividend of 5% on Equity Shares ( 50 Paise per share of Rs. 10/- each). The dividend tax on the proposed dividend is Rs.13.73 lacs.

**5. Joint Venture:**

Your company has invested in a joint venture in Europe which will be engaged in product registration activities.

**6. Subsidiary Companies:**

- a) Your Company has formed a 100% subsidiary company namely M/s. Astec CropCare Pvt. Ltd. with the main object to start the business of trading in Agrochemicals & Pesticides formulation to sell in local as well as in export market with its own brand name. Initially, this company proposes to launch its products in the state of Gujarat, Karnataka & Maharashtra. company has also appointed a dedicated team to take the new venture ahead.
- b) Behram Chemicals Pvt. Ltd. is a 65.63% subsidiary of Astec. Behram has a manufacturing facility at Mahad, which has been given on lease to Astec.

**7. Rresearch And Development:**

Your company continues to focus on R&D. We believe that a productive R & D is a key ingredient for success. During the year a number of new products were developed and many cost reduction schemes were initiated.

**8. Risk Management:**

Our company continuously monitors business and operational risk. All key functions and divisions are independently responsible to monitor risk associated within their respective areas of operations such as production, insurance, legal and other issues like health safety and environment.

**9. Listing Fees: -**

The company has paid requisite annual listing fees to Bombay Stock Exchange and National Stock Exchange where its securities are listed.

**10. Public Deposits:**

The company has not accepted any deposits and as such there are no overdue deposits outstanding as on 31st March' 2011.

#### 11. Particulars of Employees:

The Particulars of Employees, as required under Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 are as stated here under.

#### 12. Directors:

Mr. Sitendu Sharma retires by rotation and, being eligible, offers himself for reappointment.

Mr. Mohammed Zakir retires by rotation and, being eligible, offers himself for reappointment.

Appropriate resolutions for the reappointment of the aforesaid Director are being moved at the ensuing Annual General Meeting, which the Board commands for your approval.

None of the board members are interested in the resolution except Mr. Mohammed Zakir & Mr. Sitendu Sharma.

#### 13. Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo:

In accordance with the requirements of section 217(1)(e) of the Company's Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1980, the following information is provided:

a) Conservation of Energy, etc: Steps have been taken to reduce the power consumption of agitators and pumps. A new coal fired boiler was commissioned which has resulted in considerable savings in fuel cost.

b) Technology Absorption: A majority of the technologies utilized by your company are developed by in-house R & D department. Some processes have been provided by potential customers and those have been suitably absorbed.

c) Foreign Exchange Earnings and outgo:

1. Activities relating to Export, initiatives to increase exports, Development of new export markets for products and services and Export promotion plans:

The company is constantly trying to increase its exports. Strategic alliances are made with various parties to increase exports. The company is obtaining registration in various parts of the world. During the year, the company had exports (FOB value) of Rs. 2510 Lacs.

2. Total Foreign Exchange earned and used:

	Rs. in lacs	
	2010-11	2009-10
1. Earnings/Inflow		
i. Exports at FOB	2510.00	3460.73
2. Expenditure / Outflow		
i. Traveling	6.91	9.74
ii. R & D Expenses	Nil	1.55
iii. Commission	35.00	27.63
iv. Import of Raw Material (CIF)	1555.78	2970.67

#### 14. Director's Responsibility Statement:

Pursuant to the requirement u/s 217(2AA) of the companies Act, with respect to Director's responsibility statement, it is hereby confirmed:

i) That in the preparation of the accounts for the financial year ended 31st March, 2011 the applicable accounting standards have been followed along with explanations relating to material departures.

- ii) That the Directors have selected such accounting policies and applied them entirely and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the annual accounts for the financial year ended 31st March, 2011 on going concern basis.

**15. Auditors:**

M/s P. M. Kathariya & Co., Chartered Accountants, Mumbai retire as the Auditors of the company at the ensuring Annual General Meeting and being eligible offer themselves for reappointment.

Members are requested to appoint the Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration..

**16. Corporate Governance:**

A report on the corporate governance code alongwith a certificate from the auditors of the company regarding the compliance of the code of corporate governance and also the management discussion and analysis report as stipulated under clause 49 of the listing agreement are annexed to this report.

**17. Appreciation:**

Your Directors wish to record their appreciation for the support and co-operation received from the customers, suppliers and the banks.

Your Directors express their warm appreciation to all the Employees of the company for their diligence and contributions.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 27<sup>th</sup> May, 2011

  
Ashok V. Hiremath  
Managing Director

**INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1998 FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31st MARCH' 2011.**

**1. Conservation of Energy**

**a. Energy conservation measures taken:**

- Daily monitoring of boiler efficiency.
- Installation of capacitors to improve power factor.
- Streamlining of boiler and steam system, optimum use of chilling units.
- Energy efficient insulation for hot and cold services.

**b. Total energy consumption and energy consumption per unit as per Form-A of the annexure to the rules in respect of industries specified in the schedule thereto.**

**A. Power & Fuel Consumption**

	2010-11	2009-10
<b>1. Electricity</b>		
<b>a. Purchased</b>		
Unit (KWH in thousands)	2860.00	2841.67
Total amount (Rs.in lacs)	154.72	150.17
Rate/KWH (Rs.)	5.41	5.28
<b>b. Own Generation</b>		
<b>i. Through Diesel generator</b>		
Unit (KWH in thousands)	169.76	102.67
Unit per Ltr. of Diesel	2.36	3.36
Oil cost/Unit	14.74	10.74
<b>2. Furnace Oil</b>		
Quantity (K.Ltrs.)	170.99	63.944
Total cost (Rs.in lacs)	45.51	15.78
Average rate / K.Ltrs. (Rs.)	27.00	24.68
<b>3. Coal</b>		
Quantity (MT.)	1910.26	1872.90
Total cost (Rs.in lacs)	116.25	112.37
Average rate / kg. (Rs.)	6.09	6.00
<b>4. Others</b>		
LSHS/LDO/HSD		
Quantity (K.Ltrs.) (LDO/HSD)	69.82	10.54
Total cost (Rs.in lacs)	27.81	4.26
Rate / K. Ltrs. (Rs.)	40.00	40.41

**B. Consumption per unit of Production**

The operations being of multi-cycle/ multi product type, consumption per unit for each product cannot be meaningfully determined. Hence the said information has not been furnished.

**2. Technology Absorption**

Efforts made in technology absorption as per Form-B of the annexure to the rules.



**1. Research & Development (R&D)**

- a. Specific areas in which the company carried out R&D: A number of products for the agrochemical industries have been developed for reputed customers in Europe, USA and Japan.
- b. Benefits derived as a result of above R&D: The R&D efforts will result in substantial increase in turnover and profitability.
- c. Future plan of action: R&D will be focused on custom synthesis projects.
- d. Expenditure on R&D

	Rs. in lacs	
	2010-11	2009-10
Capital & Recurring	231.42	171.78
Total R&D expenditure as a percentage of total Turnover.	2.01%	1.48%

**2. Technology absorption, adoption and innovation**

- a. Efforts, were made towards technology absorption, adoption and innovation. Processes provided by customers have been successfully adopted to suit local conditions and availability of raw materials in India and have been implemented on plant scale.
- b. Benefits derived as a result of the above efforts: Improved productivity through improvement in technology, new products, better safety and environmental control.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 27<sup>th</sup> May, 2011

  
Ashok V. Hiremath  
Managing Director


## Auditors' Report

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To,  
The Members,  
Astec LifeSciences Ltd.

1. W1. We have audited the attached Balance Sheet of ASTEC LIFESCIENCES LTD. as at 31st March 2011, the Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Amendment Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 (4A) of the Companies Act, 1956, and in the basis of such checks of the books and records, as we understand appropriate and according to the information and explanation given to us during the course of audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of accounts as required by law have been kept by the company as far as appears from our examination of books.
  - c. The Balance Sheet, the Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account maintained by the company.
  - d. On the basis of written representation received from the Directors as on 31st March 2011 and taken on records by the Board of Directors we report that none of the Directors is disqualified as on 31st March 2011 from being a appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
  - e. In our opinion the Balance Sheet, the Profit and Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the companies Act 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit and Loss Account and cash flow statement read together with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the principles generally accepted in India:
    - i. In case of Balance Sheet of the state of affairs of the company as at 31st March 2011.
    - ii. In the case of Profit and Loss Account of the profit for the year ended on that date and
    - iii. In the case of the cash flow statement, of the cash flows for the year ended on that date.

For P. M. Kathariya & Co.  
Chartered Accountants  
Firm Reg. No.104922W

  
C.A. P. M. Kathariya  
(Proprietor)  
M. No: 31315

Date: 27th May, 2011  
Place: Mumbai

## Annexure referred to the Auditors' Report

1. a. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. We have been informed that the management during the year has physically verified the fixed assets. In our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such physical verification.
- c. The company has not disposed off any major part of the Assets during the year.
2. a. As explained to us, inventories have been physically verified by the Management at reasonable intervals during the year, the frequency of such Verification is reasonable.
- b. As per information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the company is maintaining proper record of inventory. The discrepancies noticed on verification between the Physical stocks and the book records were not material and have been properly dealt with in the books of account.
- d. The valuation of stock is fair and proper and is in accordance with the generally accepted accounting principles.
3. a. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The company has taken unsecured loans from directors, companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,76,47,174/- and the year end balance of loans taken from such person was Rs. 1,47,17,701/-
- b. In our Opinion and according to the information given to us, the terms and conditions are not prima facie prejudicial to the interest of the company.
- c. As the loans taken by the company are repayable on demand the question of overdue amounts does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with size of the company and nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control.
5. a. In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. According to the information and explanations given to us, and having regard to the explanations that some of the items purchased, sold or services availed are of a special nature for which comparable alternative price are not available, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Companies Act, 1956 during the year have been made at prices which are considered reasonable.
6. As per the information and explanation given to us, the company has not accepted any public deposits within the purview of section 58 A of the Companies Act.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We are informed that the central government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, in respect of the products manufactured by the company.

9. a. The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess were in arrears, as at 31st march 2011 for a period of more than six month from the dates they became payable.
10. The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or banks.
12. According to our examinations of the records of the company and the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. According to informations & explanations given to us, the company has given guarantee for loans taken by subsidiary from banks. The terms & conditions whereof in our opinion are not prim facie prejudicial to the interest of the company.
14. In our opinion, the term loans have been applied for the purpose for which they were raised.
15. According to the information and explanations provided to us by the management, we are of the opinion that, funds raised for short-term sources were not utilised for long-term investments and funds raised on long-term basis have not been used for short-term investments.
16. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
17. The company has not issued any secured debentures during the year and accordingly the provision of clause 4(xix) of the Companies (Auditors Report) Amended Order, 2004 are not applicable.
18. The company is not a sick industrial company within the meaning of clause (O) of sub section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986).
19. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted practice in India, and in according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor we have been informed such case by the management..

For P. M. Kathariya & Co.  
Chartered Accountants  
Firm Reg. No.104922W



CA. P. M. Kathariya  
(Proprietor)  
M. No: 31315

Date: 27th May, 2011  
Place: Mumbai

**Balance Sheet as at 31<sup>st</sup> March 2011**

Particulars	Schedule	In Rupees	
		31.03.11	31.03.10
<b>Sources of funds:</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	16,92,91,300	16,92,91,300
Reserves & Surplus	2	80,03,92,949	75,93,87,664
<b>Loan Funds:</b>			
Secured Loans	3	40,19,45,002	33,90,98,889
Unsecured Loans	4	2,12,62,203	2,82,76,422
Deferred Tax Liability		2,41,28,814	1,68,69,343
<b>Total</b>		<b>1,41,70,20,268</b>	<b>1,31,29,23,618</b>
<b>Application of Funds :</b>			
Fixed Assets	5		
Gross Block		90,03,59,377	55,32,58,550
Less : Depreciation		18,04,98,417	12,40,02,946
Net Block		71,98,60,960	42,92,55,604
Capital work-in-progress (Including Capital Advances)		8,99,47,523	7,94,31,551
		<b>80,98,08,483</b>	<b>50,86,87,155</b>
<b>Investments</b>	6	<b>8,85,29,353</b>	<b>26,11,23,498</b>
		<b>8,85,29,353</b>	<b>26,11,23,498</b>
<b>Current Assets , Loans &amp; Advances</b>			
Inventories	7	35,34,79,631	33,25,31,875
Sundry Debtors	8	34,25,25,803	32,34,72,731
Cash & Bank Balances	9	3,00,90,223	1,81,70,958
Loans & Advances	10	15,26,75,643	8,79,43,426
		87,87,71,300	76,21,18,989
<b>Less : Current Liabilities &amp; Provisions</b>	11	36,06,34,146	22,07,67,612
<b>Net Current Assets</b>		<b>51,81,37,154</b>	<b>54,13,51,378</b>
<b>Miscellaneous Expenditure</b>			
(To the extent not written off or adjusted)	12	5,45,277	17,61,587
<b>Total</b>		<b>1,41,70,20,268</b>	<b>1,31,29,23,618</b>
Significant Accounting Policies and Notes to Financial Statements	20		

As per our report of even date

**For P. M. Kathariya & Co.**

Chartered Accountants  
Firm Reg. No.104922W



**CA. P. M. Kathariya**

Proprietor

Membership No. - 31315

Place: Mumbai Date: 27th May 2011

For and on behalf of the Board

  
**Ashok V. Hiremath**  
Managing Director

  
**Laxmikant Kabra**  
Director

  
**Vikas R. Chomal**  
Company Secretary & Compliance Officer

# Profit & Loss Account for the year ended 31<sup>st</sup> March 2011

Particulars	Schedule	In Rupees	
		31.03.11	31.03.10
<b>Income</b>			
Sales	13	1,15,06,67,582	1,16,38,49,800
Other Income	14	1,20,23,839	1,02,36,025
Increase/(Decrease) of Stock	15	4,62,51,881	44,11,206
<b>Total</b>		<b>1,20,89,43,302</b>	<b>1,17,84,97,031</b>
<b>Expenditure</b>			
Materials & Manufacturing Cost	16	91,40,88,370	80,01,54,726
Excise Duty Paid		4,12,28,428	4,55,02,137
Personnel Expenses	17	3,92,64,700	3,22,28,256
Selling & Admn. Expenses	18	4,48,71,905	3,67,70,223
<b>Profit Before Interest and Depreciation</b>		<b>16,94,89,899</b>	<b>26,38,41,688</b>
Less : Financial Charges	19	4,03,54,163	5,11,47,841
Less : Depreciation	5	5,77,31,760	4,10,08,112
<b>Profit Before Tax</b>		<b>7,14,03,977</b>	<b>17,16,85,735</b>
Less: Provision for Income Tax		1,35,19,718	3,05,00,000
Less: Deferred Tax Expenses/(Credit)		72,59,472	28,17,337
<b>Profit After Tax</b>		<b>5,06,24,787</b>	<b>13,83,68,398</b>
Less : Prior Period Adjustment		(2,18,227)	62,77,796
<b>Profit available for appropriation</b>		<b>5,08,43,014</b>	<b>13,20,90,603</b>
<b>Appropriations</b>			
Less: Transfer to General Reserve		1,00,00,000	3,00,00,000
Less: Proposed Dividend		84,64,565	1,69,29,130
Less: Tax on Dividend		13,73,164	28,77,106
<b>Balance</b>		<b>3,10,05,285</b>	<b>8,22,84,367</b>
<b>Add : Balance brought forward from Previous Year</b>		<b>22,42,16,882</b>	<b>14,19,32,515</b>
<b>Balance carried forward to Balance Sheet</b>	<b>Total</b>	<b>25,52,22,167</b>	<b>22,42,16,882</b>
Significant Accounting Policies and Notes to Financial Statements	20		

As per our report of even date

For P. M. Kathariya & Co.

Chartered Accountants  
Firm Reg. No.104922W



CA. P. M. Kathariya

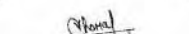
Proprietor  
Membership No. - 31315

Place: Mumbai Date: 27th May 2011

For and on behalf of the Board

  
Ashok V. Hiremath  
Managing Director

  
Laxmikant Kabra  
Director

  
Vikas R. Chomal  
Company Secretary & Compliance Officer

**Cash Flow Statement for the year ended 31st March, 2011**

		(Rs. in Lacs)	
	Particulars	2010-11	2009-10
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit after Tax and Extra Ordinary Items	506.25	1,383.68
	Adjustment for :		
	Depreciation for the year	577.32	410.08
	Provision for Taxation	207.79	333.17
	Misc/ Preliminary Expenditure w/off	12.16	12.83
	Dividend Income	(21.26)	(19.12)
	Interest Income	(81.54)	(36.72)
	Interest Expenses	344.22	426.73
	Loss of Sale of Fixed Assets	7.57	-
	Unrealised Foreign Exchange Gain	(8.73)	(22.86)
	<b>Operating Profit Before Working Capital Changes</b>	<b>1,543.78</b>	<b>2,487.80</b>
	Adjustment for Working Capital Changes		
	Trade and Other Receivables	(164.41)	(388.27)
	Inventories	(209.48)	(419.67)
	Other Loans & Advances	(412.05)	(286.03)
	Trade and other Payables	1,361.97	(58.20)
	Cash Generated from Operations	2,119.82	1,335.63
	Income Tax Paid	(307.87)	(339.11)
	<b>Net Cash Used in Operating Activities (A)</b>	<b>1,811.96</b>	<b>996.52</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets/ Capital Expenditure	(3,571.40)	(2,262.67)
	Proceed from Sale of Fixed Assets	10.09	-
	Investment	1,725.94	(2,563.66)
	Dividend Received	21.26	19.12
	Interest Income	81.54	36.72
	Misc/ Preliminary Expenses Incurred	-	(1,117.53)
	<b>Net Cash used in Investing Activities</b>	<b>(1,732.56)</b>	<b>(5,888.02)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Secured Loans (Net)	652.22	(665.55)
	Unsecured Loans Taken /Repaid (Net)	(70.14)	(7.10)
	Proceeds from Share Capital	-	750.02
	Share Premium Received	-	5,400.11
	Interest Expenses	(344.22)	(426.73)
	Dividend Paid	(198.06)	(82.74)
	<b>Net Cash used in Financing Activities</b>	<b>39.80</b>	<b>4,968.01</b>
	<b>Net Increase (-Decrease) in Cash &amp; Cash</b>	<b>119.19</b>	<b>76.49</b>
	<b>Equivalents (A+B+C)</b>	<b>181.71</b>	<b>105.22</b>
	<b>Cash &amp; Cash Equivalent at the beginning of the Year</b>	<b>300.90</b>	<b>181.71</b>
	<b>Cash &amp; Cash Equivalent at the end of the Year</b>	<b>300.90</b>	<b>181.71</b>

As per our report of even date

For and on behalf of the Board

**For P. M. Kathariya & Co.**

Chartered Accountants


Firm Reg. No.104922W


**CA. P. M. Kathariya**

Proprietor

Membership No. - 31315

Place: Mumbai Date: 27th May 2011


  
**Ashok V. Hiremath**  
Managing Director


  
**Laxmikant Kabra**  
Director


  
**Vikas R. Chomal**  
Company Secretary & Compliance Officer

## Schedules forming part of the Balance Sheet and Profit & Loss Account

Particulars	In Rupees	
	31.03.11	31.03.10
<b>Schedule 1</b>		
<b>Share Capital</b>		
(A) Authorised Capital		
I. 1,70,00,000 Equity Shares of Rs. 10/- each (Pr. Yr. 1,70,00,000 Equity Shares of Rs. 10/- each)	170,000,000	170,000,000
<b>Total</b>	<b>170,000,000</b>	<b>170,000,000</b>
(B) Issued, Subscribed & Paid-up Capital		
I. 1,69,29,130 Equity Shares of Rs. 10/- each (Pr. Yr. 94,28,980 Equity Shares of Rs. 10/- each)	169,291,300	169,291,300
<b>Total</b>	<b>169,291,300</b>	<b>169,291,300</b>
[Note : Out of the above 85,71,800/- (Pr. Yr. 85,71,800) Equity Shares of Rs. 10/- each fully paid-up, issued as Bonus Shares by way of capitalisation of General Reserve]		
<b>Schedule 2</b>		
<b>Reserves &amp; Surplus</b>		
i. General Reserve		
As at the beginning of the year	94,927,685	64,927,685
Add: Trf. from Profit & Loss Account	10,000,000	30,000,000
	104,927,685	94,927,685
ii. Profit & Loss Account		
As at the beginning of the year	224,216,883	141,932,516
Add: Traf. from Profit & Loss Account	31,005,285	82,284,367
	255,222,168	224,216,883
iii. Share Premium Account		
As at the beginning of the year	440,213,096	21,716,123
Add:- Premium Received (On 75,00,150/- equity shares @ Rs. 72/- each)	-	540,010,800
<b>Total</b>	<b>440,213,096</b>	<b>561,726,923</b>
Less:- IPO Expenditure	-	76,337,026
Less :- Brand Building & General Corporate Expenditure	-	45,176,801
	440,213,096	440,213,096
iv. Capital Redemption Reserve	30,000	30,000
	30,000	30,000
<b>Total (i+ii+iii+iv)</b>	<b>800,392,949</b>	<b>759,387,664</b>
<b>Schedule 3</b>		
<b>Secured Loans</b>		
1. Term Loan from Banks (Secured by hypothecation of Plant & Machineries both present and future)	44,452,049	71,575,179
2. Working Capital facilities from Banks (Secured by hypothecation of stock in trade, WIP, Finished Goods & Book Debts and backed by Personal Guarantee of a Director, extension of equitable mortgage of Land & building, Plant & Machinery and Flat at Dombivali.)	357,492,953	267,430,540
3. Vehicles Loan (Secured by hypothecation of vehicles)	-	93,170
<b>Total</b>	<b>401,945,002</b>	<b>339,098,889</b>



Particulars	In Rupees	
	31.03.11	31.03.10
<b>Schedule 4</b>		
<b>Unsecured Loans</b>		
1 Loans from Directors (Maximum amount outstanding at any time during the year was Rs. 1,76,47,174/-, Pr. Yr. - 1,76,47,174/-)	14,717,704	17,647,174
2 Loan from Banks & Others	6,544,499	10,629,248
<b>Total</b>	<b>21,262,203</b>	<b>28,276,422</b>

#### Schedule 6

##### Investments (at Cost, Unquoted)

1. Investment in Astec Europe Sprl 7,600 (Previous Year 7,600) Shares of Euro 1/- each	446,880	446,880
2. 2,100 Equity Shares (Pr. Yr. 2,100 Equity Shares) of The Shamrao Vithal Co. Op. Bank Ltd.	52,500	52,500
3. Investment in Subsidiary 39,380 Equity Shares (P.Y. 39,380 ) in subsidiary company, M/s Behram Chemicals Pvt. Ltd.	4,217,633	4,217,633
4. Investment in Subsidiary 5,00,000 Equity Shares in 100% subsidiary company, M/s Astec CropCare Pvt. Ltd. (Pr. Yr. Nil)	5,000,000	-
5. National Savings Certificate	40,300	40,300
6. Unutilised money raised by public issue invested in :-		
a) Debt Mutual Fund		
1) 9,19,104 ( Previous year 4,54,3, 107,551 )units of Rs. 10/- each of BSL Dyanamic Bond Fund-Retail QD reinvest	10,400	50,017,869
2) 3,22,1,056.507 units of Rs. 10/-each of HDFC Income Fund-DP	35,357,859	
3) 18,29,353. 165 units of Rs. 10/- each of IDFC Money Manager Fund-Invest-Plan A-MDP	18,404,025	
4) 2442145.571 units of Rs. 10/- each of DWS Premier Bond Fund Inst-MDP	24,999,756	
5) Nil (Previous year 3,29,3,552.831) units of Rs. 15/- each of Birla Sun Life Cash Plus Instl. Prem. Growth		50,567,513
6) Nil (Previous year 2,89,043.044) units of Rs. 100/- each of ICICI Prudential M F Flexi Income Plan Collection		30,561,966
7) Nil (Previous year 174,388 ) units of Rs. 1250/- each of Reliance Liquid Fund		218,836
b) Fixed Deposits with Banks	-	125,000,000
	<b>88,529,353</b>	<b>261,123,498</b>

Notes: 1) Aggregate amount of unquoted investments  
is Rs. 47,57,313/- ( P.Y. Rs. 47,53,313/-)

2) Details of investments purchased and sold during the  
F. Y. 2010-11

Name of Scheme	Face Value	No. of Units	Purchase Value	Sold Value
Birla Sun Life Income Fund - Growth	10	14,99,531.68	5,16,52,057.33	5,26,68,003.78

#### Schedule 7

##### Inventories

(As valued and certified by the Management)

Raw Materials (Including Packing Material)	51,722,735	77,810,023
Stores & Spares and consumables	4,326,567	3,543,404
Work in progress	259,242,476	185,054,904
Finished Goods	38,187,853	66,123,544
<b>Total</b>	<b>353,479,631</b>	<b>332,531,875</b>

**Schedule 5**  
**Fixed Assets**

Particulars	Gross Block At Cost				Depreciation		Net Block As On	
	Opening Bal as on 01.04.2010	Additions	Deduction	Closing Bal as on 31.03.2011	Upto 01.04.2010	For the Year	Upto 31.03.2011	as on 31.03.2010
Leasehold Land (FOU)	26,78,540	-	-	26,78,540	2,11,464	35,244	2,46,708	24,31,832
Leasehold Land (B-18)	11,58,959	-	-	11,58,959	73,194	12,199	85,393	10,73,566
Leasehold Land (B-21)	5,25,532	-	-	5,25,532	21,820	4,364	26,184	4,99,348
Leasehold Land (K-21/1)	-	1,08,55,015	-	1,08,55,015	-	1,11,907	1,11,907	1,07,43,108
Factory Building	7,75,55,272	3,43,95,332	-	11,19,50,604	97,34,477	22,34,131	1,19,68,608	9,99,81,996
Corporate Office	-	2,68,24,052	-	2,68,24,052	-	2,96,038	-	2,65,28,014
Plant & Machinery	38,05,49,397	24,21,39,219	25,52,176	62,01,36,440	8,54,25,985	4,66,91,068	13,11,35,463	48,90,00,977
Plant & Machinery- R & D	6,75,36,260	2,31,42,199	-	9,06,78,459	2,01,23,336	64,61,998	2,65,85,334	6,40,93,125
Electrical Installation	77,06,206	57,47,895	-	1,34,54,101	31,50,034	8,54,342	40,04,396	94,49,706
Office Equipment	4,46,754	1,03,907	-	5,52,661	1,59,954	47,302	2,07,256	3,45,405
Furniture & Fixtures	37,15,687	44,07,270	-	81,22,957	7,52,234	2,65,049	10,17,283	71,05,674
Air Conditioner	3,80,264	-	-	3,80,264	1,44,607	39,319	1,83,926	1,96,338
Motor Vehicles	75,64,532	15,55,107	4,50,092	86,69,547	24,02,415	1,19,288	22,67,024	64,02,523
Computers	28,02,654	9,31,100	-	37,33,754	17,28,993	5,49,083	22,78,076	14,55,678
Flat At Dombivli	3,78,500	-	-	3,78,500	61,699	6,170	67,869	3,10,631
Flat At Mahad	2,60,000	-	-	2,60,000	12,714	4,238	16,952	2,43,048
<b>Total</b>	<b>55,32,58,549</b>	<b>35,01,03,096</b>	<b>30,02,268</b>	<b>90,03,59,377</b>	<b>12,40,02,946</b>	<b>5,77,31,760</b>	<b>18,04,98,417</b>	<b>71,98,60,960</b>
								<b>42,92,55,611</b>

NOTE:

1. Depreciation on Plant & Machineryes and other Fixed assets relating to R & D has been provided @ the rates stated under Schedule XIV to the Companies Act' 1956.

Particulars	In Rupees	
	31.03.11	31.03.10
<b>Schedule 8</b>		
<b>Sundry Debtors</b>		
(Unsecured, considered good)		
Outstanding over six months	21,499,052	17,286,701
Outstanding within six months	321,026,751	306,186,030
<b>Total</b>	<b>342,525,803</b>	<b>323,472,731</b>
<b>Schedule 9</b>		
<b>Cash &amp; Bank Balances</b>		
Cash in hand	10,568	45,521
Balance with Scheduled Banks in Current Accounts	6,126,063	681,759
Fixed deposits & various margin money with Scheduled Bank	23,953,592	17,443,677
<b>Total</b>	<b>30,090,223</b>	<b>18,170,958</b>
<b>Schedule 10</b>		
<b>Loans &amp; Advances</b>		
(Unsecured, considered good)		
Advance recoverable in cash or in kind for value to be received	92,807,466	47,584,885
Sundry Deposits	1,792,361	2,529,406
Advances to Suppliers	1,224,671	2,908,787
Advances against Project	-	90,377
Advances for expenses	1,759,498	3,265,523
Advance Income Tax/ T.D.S.	55,091,648	31,564,447
<b>Total</b>	<b>152,675,643</b>	<b>87,943,426</b>
<b>Schedule 11</b>		
<b>Current Liabilities &amp; Provisions</b>		
Sundry Creditors	228,286,870	144,370,944
Other Current Liabilities	12,732,771	6,782,735
Provisions for Income Tax	61,298,551	47,778,833
Proposed Dividend & Tax thereon	9,955,665	19,806,236
Advance from Customers	48,360,290	2,028,864
<b>Total</b>	<b>360,634,147</b>	<b>220,767,612</b>
<b>Schedule 12</b>		
<b>Miscellaneous Expenditure</b>		
i) Deferred Revenue Expenditure	1,761,587	3,026,853
Less: Written off during the year	1,216,310	1,265,266
<b>Total</b>	<b>545,277</b>	<b>1,761,587</b>
ii) IPO Expenditure	-	9,760,692
Add :- Addition during the year	-	66,576,334
Less : Transferred to Share Premium Account	-	76,337,026
<b>Total</b>	<b>-</b>	<b>-</b>
iii) Brand Building & General Corporate Expenditure	-	-
Add :- Addition during the year	-	45,176,801
<b>Total</b>	<b>-</b>	<b>45,176,801</b>
Less : Transferred to Share Premium A/c	-	45,176,801
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total (i+ii+iii)</b>	<b>545,277</b>	<b>1,761,587</b>

Particulars	In Rupees	
	31.03.11	31.03.10
<b>Schedule 13</b>		
<b>Sales</b>		
Sales ( Local)	898,240,143	817,891,441
Export sales	250,999,643	345,646,208
Scrap Sales	1,427,796	312,151
<b>Total</b>	<b>1,150,667,582</b>	<b>1,163,849,800</b>
<b>Schedule 14</b>		
<b>Other Income</b>		
Interest earned (Gross)	8,154,303	3,671,960
(TDS Rs.3,35,865.90/- Previous Year;Rs.3,27,725/-)		
Dividend Income (Exempt)	2,126,059	1,911,648
Miscellaneous Income	1,811,311	468,259
Foreign exchange fluctuation gain / (Loss) net	(67,833)	4,184,159
<b>Total</b>	<b>12,023,839</b>	<b>10,236,025</b>
<b>Schedule 15</b>		
<b>Increase/ (Decrease) in stock</b>		
Finished Goods	66,123,544	88,526,382
Work-in-Progress	185,054,904	158,240,860
	<b>251,178,448</b>	<b>246,767,242</b>
Closing Stock of:		
Finished Goods	38,187,853	66,123,544
Work-in-Progress	259,242,476	185,054,904
	<b>297,430,329</b>	<b>251,178,448</b>
	<b>46,251,881</b>	<b>4,411,206</b>
<b>Schedule 16</b>		
<b>Materials &amp; Manufacturing Cost</b>		
Raw Materials Consumed & Other Expenses	876,293,903	768,574,631
Consumable stores & Ice	1,996,410	1,615,171
Repairs & Maintenance	6,474,911	4,849,380
Rent - Behram Chemicals Pvt. Ltd.	1,080,000	1,080,000
Water Charges	1,862,138	2,109,199
Power & Fuel	25,794,936	21,756,171
Godown Charges	586,072	170,175
<b>Total</b>	<b>914,088,370</b>	<b>800,154,726</b>
<b>Schedule 17</b>		
<b>Personnel Expenses</b>		
Salary and Wages	38,008,991	31,602,658
Employees Welfare Expenses	1,255,709	625,598
<b>Total</b>	<b>39,264,700</b>	<b>32,228,256</b>

Particulars	In Rupees	
	31.03.11	31.03.10
<b>Schedule 18</b>		
<b>Administration, Selling &amp; Distribution Expenses</b>		
Office General Expenses	6,874,055	8,090,174
Telephone Charges	956,507	833,869
Vehicle Expenses	1,750,163	1,161,823
Insurance Charges	3,667,884	2,581,707
Traveling Expenses	2,804,744	2,268,696
Export Promotion Expenses	848,214	350,884
Deferred Revenue Expenditure w/off	1,216,310	1,265,266
Preliminary Expenses w/off	-	17,700
Auditor's Remuneration	479,600	645,413
Commission on sales	3,499,955	3,081,701
Discount & Allowances	1,506,253	3,181,207
Bad Debts w/off	4,906,650	-
Export Forwarding Charges	8,165,466	7,257,135
Office Rent	1,163,800	1,200,000
Misc. Expenses	732,604	1,376,800
R & D and Laboratory Expenses	2,175,828	1,027,939
Loss on Sale of Motor Car	90,413	-
Loss on Sale of Plant & Machinery	666,566	-
Other Selling & Distribution Expenses	3,366,895	2,429,910
<b>Total</b>	<b>44,871,905</b>	<b>36,770,223</b>
<b>Schedule 19</b>		
<b>Financial Charges</b>		
Bank Interest	33,010,975	40,523,720
Bank Commission and Charges	5,931,933	8,474,935
Interest to Others	1,411,254	2,149,185
<b>Total</b>	<b>40,354,163</b>	<b>51,147,841</b>

## Schedule 20

### Accounting Policies and Notes On Accounts

#### 1. Basis of preparation of Financial statement

- (a) The Financial statement has been prepared under the historical cost convention in accordance with the generally accepted accounting principles and applicable mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.
- (b) The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

#### 2. Fixed Assets & Capital Work-In-Progress

- (a) Fixed Assets are accounted at cost of acquisition or construction less depreciation. The company capitalized all direct and indirect costs relating to the acquisition and installation of fixed assets, interest on borrowed funds, if any used to finance acquisition / construction of fixed assets are ready for commercial use.
- (b) Capital Work-In-Progress comprises outstanding advances paid to acquire Fixed Assets and cost of Fixed Assets that are not yet installed.

#### 3. Depreciation and Amortization

- a) Depreciation has been provided on straight-line method at the rates and in the manner specified in schedule XIV to the companies Act, 1956. Depreciation is provided on pro-rata to the period of use.
- b) Leasehold land is amortized over the period of lease.

#### 4. Sales

Revenue from sale of products includes sale value of goods and excise duty collected thereon, but excludes sales tax.

Sales turnover are stated at net of trade discount and rebates granted during the ordinary course of business.

#### 5. Inventories

The inventories are valued at lower of cost and net realizable value. The basis of determining cost of various categories of inventories are as follows:

- i. Raw Materials and Stores : At cost
- ii. Finished Goods : At cost or market value, whichever is lower.
- iii. Work-In-Progress : At cost or net realisable value, whichever is lower. Cost includes material cost, proportionate share of labour & other manufacturing overheads.

#### 6. Miscellaneous Expenditure

Deferred revenue expenditure is being written off over a period of five years.

#### 7. Investments

Long Term Investments are carried at cost of acquisition. Current Investment are stated at lower of cost and fair market value.

#### 8. Impairment of Fixed Assets

At each Balance Sheet date, the company reviews the carrying value of tangible and intangible assets for any possible impairment. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or estimated future cash flows, which are discounted to their present value based on appropriate discount rates. During the year no provision for impairment of fixed assets has been made.

#### 9. Excise Duty and Customs Duty

Excise duty / Customs duty has been accounted on the basis of payments made in respect of goods Cleared. Cenvat credit on raw materials and capital goods has been accounted for, by reducing the purchase cost of raw materials and capital goods respectively.

#### 10. Segment Reporting

In accordance with the requirement of Accounting Standard – 17, Segment Reporting issued by the Institute of Chartered Accountants of India, the Company's Business Segment is "Manufacturing of Agrochemicals and Pharma Intermediates" and hence it has no other reportable segment.

Thus the segment wise revenue, Segment wise result, total carrying amount of Segment wise assets and Segment wise liability, total cost incurred to acquire Segment wise assets, total amount of charge for depreciation during the year, is as reflected in the Financial Statement as of and for the year ended March 31, 2011.

#### 11. Foreign Currency Transaction

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognized in the profit & loss account.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognized in the profit and loss account and related assets and liabilities are accordingly restated in the balance sheet.

#### 12. Retirement Benefits

Provision for Gratuity is made and provided on actuarial valuation basis. Other retirement benefits are accounted as per company's policy.

13. In the absence of information available with the company, the nature of suppliers who are registered as Micro, Small or medium enterprises under the Micro, Small and Medium Enterprises Development Act 2006, as at 31<sup>st</sup> March 2011, have not been given.

#### 14. Contingent liabilities not provided for in respect of:-

- i. Bank Guarantees outstanding Rs. 58.82 lacs (Rs. 85.88 lacs).
- ii. Letters of Credit with banks: Rs. 1412.17 lacs (Rs. 778.65 lacs).
- iii. Bills discounted but not realized: Rs. 314.24 lacs (Rs. 462.81 lacs)
- iv. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 320.89 Lacs. (Rs. 219.99 Lacs.).
- v. Sales Tax demand, against which company's appeal is pending before Commissioner of Sales Tax (Appeal) of Rs. 53.02 Lacs.

15. Balances appearing under the head Sundry Creditors, Loans and Advances are subject to confirmation.

#### 16. Auditor's Remuneration

	2010-11	2009-10
Audit Fees	Rs. 4,00,000	Rs. 4,00,000
Tax Audit fees	Rs. 50,000	Rs. 50,000
Income Tax & other matters	Rs. 20,000	Rs. 50,000
Certification & Other Matters	Rs. 9,600	Rs. 1,45,413
Service Tax	Rs. 45,186	Rs. 67,921
<b>Total</b>	<b>Rs. 5,24,786</b>	<b>Rs. 7,13,334</b>

17. In the opinion of the Management the current Assets, Loans and Advances are not less than the values stated if realized in the ordinary course of business. The provision for all known liabilities are adequate and are not in excess of the amount considered reasonably necessary.

18. Production, turnover and stocks

i. Turnover	Qty. (in M.T.)		Value (Rs. in Lacs)	
	Agro & Pharma Intermediates			
		2983.45		11506.68
		(2763.27)		(11638.49)
ii. Opening & Closing Stock of Goods produced				
	Opening Stock (M.T.)	Value (Lacs.)	Closing Stock (M.T.)	Value (Lacs.)
iii. Agro & Pharma Intermediates	147.92	661.24	157.06	381.88
	(72.61)	(885.26)	(147.92)	(661.24)
iv. Capacity & production				
	Capacity		Production	
	Licensed (as certified by Management) (M.T.)	Installed (M.T.)	(M.T.)	
Agro & Pharma Intermediates	NA	3450.00	2992.60	
		(3150.00)	(2838.58)	

v. Earnings and expenditure in Foreign Exchange

	Rs. in lacs	
	2010-11	2009-10
1. Earnings / Inflow		
i. Exports at FOB	2510.00	3460.73
2. Expenditure / Outflow		
i. Travelling	6.91	9.74
ii. R & D Expenses	Nil	1.55
iii. Commission	35.00	27.63
iv. Import of Raw Materials (CIF)	1555.78	2970.67
3. Value of Raw Materials Consumed		
i. Imported	1696.38	3080.87
(Percentage to total Raw Materials Consumed)	(19.34%)	(40.09%)
ii. Indigenous	7066.56	4604.88
(Percentage to total Raw Materials Consumed)	(80.66%)	(59.91%)

19. Related Party Transaction

As per Accounting Standard (AS-18) on related party disclosures issued by the ICAI, the disclosures of transaction with related party are as follows:

Nature of relation	Name of Related Parties
Key Management personnel	Mr. Ashok V. Hiremath — Managing Director
Relative of key management personnel	Mr. Suresh Hiremath Ms. Supriya Hiremath Ms. Chitra Hiremath Ashok V. Hiremath HUF
Company/entity in which director has significant influence	Opus Chemicals Pvt. Ltd. Behram Chemicals Pvt. Ltd. Astec CropCare Pvt. Ltd. India TL Domain Pvt. Ltd. GreenGuard Technologies Pvt. Ltd.



(i) Transaction with key management personnel:			
Particulars	2010-11	2009-10	
Salary / remuneration:			
Mr. Ashok Hiremath	48.00	40.00	
Unsecured loan taken by Company:			
Mr. Ashok Hiremath	Nil	43.00	
Repayment of unsecured loan taken by company:			
Mr. Ashok Hiremath	29.11	17.08	
Closing balance of unsecured loan taken by company:			
Mr. Ashok Hiremath	115.11	144.22	
Dividend paid/Proposed			
Mr. Ashok Hiremath	30.58	61.16	
(ii) Transactions with Relatives of key management personnel:			
Particulars	2010-11	2009-10	
Unsecured loan taken by company			
Mr. Suresh Hiremath	Nil	12.25	
Repayment of unsecured loan:			
Mr. Suresh Hiremath	-	-	
Closing balance of unsecured loan:			
Mr. Suresh Hiremath	32.50	32.50	
Service charges:			
Ms. Chitra Hiremath	6.94	01.38	
Dividend paid/Proposed			
Mr. Suresh Hiremath	8.26	16.51	
Ms. Supriya Hiremath	00.01	00.02	
Ms. Chitra Hiremath	00.03	00.05	
Ashok Hiremath-HUF	00.03	00.05	
(iii) Transactions with Companies/Entity in which directors and their relatives have significant influence:			
Particulars	2010-11	2009-10	
Loans & advances to BCPL given during the year	5.62	03.77	
Loans & advances received from BCPL during the year	5.14	--	
Loans & advances to ACCPL given during the year --	--	--	
Loans & advances received from ACCPL during the year	--	--	
Closing Balance of BCPL	02.17	08.15	
Closing Balance of ACCPL	--	--	
Reimbursement of expenses:			
Behram Chemicals Pvt. Ltd			
Rental charges:	10.80	10.80	
Behram Chemicals Pvt. Ltd	--	--	
Sales:			
Astec CropCare Pvt. Ltd.	150.37	--	
Investments in Behram Chemicals Private Limited:			
Opening balance	42.17	42.17	
During the year	--	--	
Closing balance	42.17	42.17	
Investments in ACCPL:			
Opening balance	--	--	
During the year	50.00	--	
Closing balance	50.00	--	

20. Earning Per share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earning per Share:

		31.03.2011	31.03.2010
Net Profit after Tax	Rs. Lacs	508.43	1320.91
Basic/Weighted average number of Equity Share Outstanding during the year	No.	1,69,29,130	1,20,38,621
Nominal Value of Equity Shares	Rs.	10	10
Basic (Weighted) Earning per share	Rs.	3.00	10.97

21. Production includes re-processing, production for unit interse, third party production (Job Work).
22. Previous years figures have been regrouped and/or rearranged wherever necessary in order to Conform to current year's presentation. All the figures have been rounded off to nearest rupee.

As per our report of even date

For P. M. Kathariya & Co.

Chartered Accountants

Firm Reg. No.104922W

 27/5/2011


CA. P. M. Kathariya


Proprietor


Membership No. - 31315

Place: Mumbai Date: 27th May 2011

For and on behalf of the Board

  
Ashok V. Hiremath  
Managing Director

  
Laxmikant Kabra  
Director

  
Vikas R. Chomal  
Company Secretary & Compliance Officer

## Consolidated - Auditors' Report

### AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF ASTEC LIFESCIENCES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ASTEC LIFESCIENCES LIMITED, ITS SUBSIDIARIES

We have examined the attached consolidated Balance Sheet of ASTEC LIFESCIENCES LIMITED, and its Subsidiaries as at 31st March 2011, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of the management of ASTEC LIFESCIENCES LIMITED. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with identified financial reporting framework and are free from material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe our audit provides a reasonable basis for our opinion.

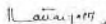
We have audited the financial statements of the subsidiary, BEHRAM CHEMICALS PRIVATE LIMITED, financial statements reflect total assets of Rs.69,00,727/- as at March 31,2011 and total turnover of Rs.10,91,027/- for the year then ended.

We did not audit the financial statements of the 100% subsidiary, ASTEC CROPCARE PRIVATE LIMITED, financial statements reflect total assets of Rs. 1,56,35,588/- as at March 31, 2011 and total Loss of Rs.18,68,042/- for the year then ended. These financial statements have been audited by other Auditors whose report have been furnished to us, and in our opinion, insofar as it relates to included in respect of the subsidiary, is based solely on the report of the other Auditors.

Based on our audit and on the consideration of the reports of other auditors on subsidiary financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give true and fair view in conformity with the accounting principles generally accepted in India.

- (a) The Consolidated Balance Sheet gives a true and fair view of the consolidated State of affairs of ASTEC LIFESCIENCES LIMITED, its subsidiaries as at March 31, 2011;
- (b) The consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of ASTEC LIFESCIENCES LIMITED, its subsidiaries for the year then ended; and
- (c) The consolidated Cash Flow Statement gives a true and fair view of the cash flow of ASTEC LIFESCIENCES LIMITED. Its subsidiaries for the year ended.

For P. M. Kathariya & Co.  
Chartered Accountants  
Firm Reg. No.104922W



CA. P. M. Kathariya  
(Proprietor)  
M. No: 31315

Date: 27th May, 2011  
Place: Mumbai


# Consolidated - Balance Sheet as at 31<sup>st</sup> March 2011

Particulars	Schedule	In Rupees	
		31.03.11	31.03.10
<b>Sources of funds:</b>			
<b>Share holders' funds</b>			
Share Capital	1	16,92,91,300	16,92,91,300
Reserves & Surplus	2	79,86,63,512	75,95,16,776
<b>Loan Funds</b>			
Secured Loans	3	41,19,48,633	33,90,98,889
Unsecured Loans	4	2,37,62,203	2,82,76,422
Minority Interest		22,81,333	22,76,362
Deferred Tax Liability		2,43,91,969	1,70,82,383
<b>Total</b>		<b>1,43,03,38,950</b>	<b>1,31,55,42,133</b>
<b>Application of Funds:</b>			
<b>Fixed Assets</b>			
Gross Block	5	92,36,91,411	57,65,90,583
Less : Depreciation		19,85,81,877	14,15,18,397
Net Block		72,51,09,534	43,50,72,186
Capital work-in-progress (Including Capital Advances)		8,99,47,523	7,94,31,551
		<b>81,50,57,057</b>	<b>51,45,03,737</b>
<b>Investments</b>			
	6	8,00,66,720	25,76,05,865
		<b>8,00,66,720</b>	<b>25,76,05,865</b>
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	36,84,71,470	33,25,31,875
Sundry Debtors	8	34,25,58,803	32,35,25,843
Cash & Bank Balances	9	3,06,01,490	1,85,18,742
Loans & Advances	10	15,43,42,699	8,87,62,724
		89,59,74,462	76,33,39,184
Less : Current Liabilities & Provisions	11	36,13,04,569	22,16,68,245
<b>Net Current Assets</b>		<b>53,46,69,893</b>	<b>54,16,70,939</b>
<b>Miscellaneous Expenditure</b>			
(To the extent not written off or adjusted)	12	5,45,277	17,61,587
<b>Total</b>		<b>1,43,03,38,950</b>	<b>1,31,55,42,133</b>
Significant Accounting Policies and Notes to Financial Statements	20		

As per our report of even date

For **P. M. Kathariya & Co.**

Chartered Accountants  
Firm Reg. No.104922W


  
CA. P. M. Kathariya  
Proprietor  
Membership No. - 31315

Place: Mumbai Date: 27th May 2011

For and on behalf of the Board

  
Ashok V. Hiremath  
Managing Director

  
Laxmikant Kabra  
Director

  
Vikas R. Chomal  
Company Secretary & Compliance Officer

Consolidated - Profit & Loss Account for the year ended 31<sup>st</sup> March 2011

Particulars	Schedule	In Rupees	
		31.03.11	31.03.10
<b>Income</b>			
Sales	13	1,13,56,67,143	1,16,49,29,800
Other Income	14	1,20,34,867	1,05,93,212
Increase/(Decrease) of Stock	15	6,12,43,720	44,11,206
<b>Total</b>		<b>1,20,89,45,730</b>	<b>1,17,99,34,218</b>
<b>Expenditure</b>			
Materials & Manufacturing Cost	16	91,30,08,370	80,01,54,727
Excise Duty		4,12,28,428	4,55,02,137
Personnel Expenses	17	4,01,58,826	3,22,28,256
Selling & Admn. Expenses	18	4,60,57,883	3,72,74,512
<b>Profit Before Interest and Depreciation</b>		<b>16,84,92,223</b>	<b>26,47,74,586</b>
Less : Financial Charges		4,05,63,061	5,13,47,117
Less : Depreciation	5	5,82,99,770	4,16,39,289
<b>Profit Before Tax</b>		<b>6,96,29,392</b>	<b>17,17,88,180</b>
Less : Profit attributable to Minority		4,971	17,652
Less: Provision for Income Tax		1,35,48,596	3,05,20,489
Less: Deferred Tax Liability		73,09,589	28,47,935
<b>Profit After Tax</b>		<b>4,87,66,236</b>	<b>13,84,02,105</b>
Less : Prior Period Adjustment		(2,18,227)	62,77,796
<b>Profit available for appropriation</b>		<b>4,89,84,463</b>	<b>13,21,24,309</b>
<b>Appropriations :</b>			
Less: General Reserve		1,00,00,000	3,00,00,000
Less: Proposed Equity Dividend		84,64,565	1,69,29,130
Less: Tax on Dividend		13,73,164	28,77,106
Balance		2,91,46,734	8,23,18,073
Add : Balance brought forward from Previous Year		22,42,88,494	14,19,70,421
<b>Balance carried forward to Balance Sheet</b>	<b>Total</b>	<b>25,34,35,228</b>	<b>22,42,88,494</b>
Significant Accounting Policies and Notes to Financial Statements	20		

As per our report of even date

**For P. M. Kathariya & Co.**  
Chartered Accountants  
Firm Reg. No.104922W

*(Signature)*

**CA. P. M. Kathariya**  
Proprietor  
Membership No. - 31315

Place: Mumbai Date: 27th May 2011

For and on behalf of the Board

*(Signature)*  
**Ashok V. Hiremath**  
Managing Director

*(Signature)*  
**Laxmikant Kabra**  
Director

*(Signature)*  
**Vikas R. Chomal**  
Company Secretary & Compliance Officer

# Consolidated - Cash Flow Statement

		(Rs. in Lacs)	
	Particulars	2010-11	2009-10
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit after Tax and Extra Ordinary Items	487.66	1,072.78
	<b>Adjustment for :</b>		
	Depreciation for the year	583.00	326.67
	Provision for Taxation	208.58	168.59
	Misc/ Preliminary Expenditure w/off	12.16	19.20
	Dividend Income	(21.26)	(0.08)
	Interest Income	(81.54)	(4.50)
	Interest Expenses	344.26	504.62
	Loss of Sale of Fixed Assets	7.57	0.25
	Unrealised Foreign Exchange Gain	(8.73)	1.75
	Operating Profit Before Working Capital Changes	1,531.70	2,089.28
	Adjustment for Working Capital Changes		
	Trade and Other Receivables	(170.07)	(1,062.29)
	Inventories	(359.40)	(1,022.22)
	Other Loans & Advances	(420.31)	185.49
	Trade and other Payables	1,365.75	(272.41)
	Cash Generated from Operations	1,947.67	(82.15)
	Income Tax Paid	(308.58)	(157.28)
	Net Cash Used in Operating Activities (A)	1,639.08	(239.43)
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets/ Capital Expenditure	(3,571.40)	(276.61)
	Proceed from Sale of Fixed Assets	10.09	1.17
	Dividend Received	21.26	0.08
	Investment	1,775.39	-
	Interest Income	81.54	4.50
	Misc/ Preliminary Expenses Incurred	-	(60.05)
	Net Cash used in Investing Activities	(1,683.11)	(330.90)
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Secured Loans (Net)	752.26	889.68
	Minority Interest	0.05	0.20
	Process of Equity Shares	-	-
	Share Premium Received	-	-
	Unsecured Loans Taken / Repaid (Net)	(45.14)	193.80
	Interest Expenses	(344.26)	(506.44)
	Dividend Paid	(198.06)	(55.16)
	Net Cash used in Financing Activities	164.85	522.09
	Net Increase (-Decrease) in Cash & Cash Equivalents (A+B+C)	120.82	(48.24)
	Cash & Cash Equivalent at the beginning of the Year	185.19	156.97
	Cash & Cash Equivalent at the end of the Year	306.01	108.73

As per our report of even date

For and on behalf of the Board

For P. M. Kathariya & Co.

Chartered Accountants


Firm Reg. No. 104922W

 P. M. Kathariya

Pragat

Membership No. - 31315

Place: Mumbai Date: 27th May 2011

  
Ashok V. Hiremath  
Managing Director

  
Laxmikant Kabra  
Director

  
Vikas R. Chomal  
Company Secretary & Compliance Officer

**Schedule forming part of the Consolidated  
Balance Sheet and Profit & Loss Account**

Particulars	In Rupees	
	31.03.11	31.03.10
<b>Schedule 1</b>		
<b>Share Capital</b>		
(A) Authorised Capital		
i. 1,70,00,000 Equity Shares of Rs. 10/- each	17,00,00,000	17,00,00,000
(Pr. Yr. 1,70,00,000 Equity Shares of Rs. 10/- each)		
<b>Total</b>	<b>17,00,00,000</b>	<b>17,00,00,000</b>
(B) Issued, Subscribed & Paid-up Capital:		
i. 1,69,29,130 Equity Shares of Rs. 10/- each	16,92,91,300	16,92,91,300
(Previous Year 94,28,980 Equity Shares of Rs. 10/- each)		
<b>Total</b>	<b>16,92,91,300</b>	<b>16,92,91,300</b>
Note : Out of the above 85,71,800/- (Pr. Year 85,71,800) Equity Shares of Rs. 10/- each fully paid-up, issued as Bonus Shares by way of Capitalisation of General Reserve.)		
<b>Schedule 2</b>		
<b>Reserves &amp; Surplus</b>		
i. General Reserve		
Balance b/f from previous year	9,49,27,685	6,49,27,685
Add: Trf. from Profit & Loss A/c	1,00,00,000	3,00,00,000
	<b>10,49,27,685</b>	<b>9,49,27,685</b>
ii. Profit & Loss Account		
Balance b/f from previous year	22,42,16,883	14,19,32,516
Add: Traf. from Profit & Loss A/c	2,91,46,734	8,22,84,367
	<b>25,33,63,618</b>	<b>22,42,16,883</b>
iii. Share Premium Account		
Balance b/f from previous year	44,02,13,096	2,17,16,123
Add:- Premium Received	-	54,00,10,800
(On 75,00,150/- equity shares @ Rs. 72/- each)		
<b>Total</b>	<b>44,02,13,096</b>	<b>56,17,26,923</b>
Less:- IPO Expenditure	-	7,63,37,026
Less:- Brand Building & General Corporate Expenditure	-	4,51,76,801
	<b>44,02,13,096</b>	<b>44,02,13,096</b>
iv. Capital Redemption Reserve	30,000	30,000
	<b>30,000</b>	<b>30,000</b>
v. Capital Reserve	1,29,113	95,406
vi. Share of Profit In Subsidiary	9,491	33,706
<b>Total</b>	<b>79,86,73,003</b>	<b>75,95,16,776</b>

Particulars	In Rupees	
	31.03.11	31.03.10
<b>Schedule 3</b>		
<b>Secured Loans</b>		
(1) Term Loan from Banks (Secured by hypothecation of Plant & Machineries both existing and future)	4,44,52,049	7,15,75,179
(2) Working Capital Loans from Banks (Secured by hypothecation of stock in trade, WIP, Finished goods & Book Debts and backed by Personal Guarantee of a Director, extension of equitable mortgage of land & building, Plant & Machinery and flat at Dombivli.)	36,74,96,584	26,74,30,540
(3) Vehicles Loan (Secured by hypothecation of vehicles)	-	93,170
<b>Total</b>	<b>41,19,48,633</b>	<b>33,90,98,889</b>

#### Schedule 4

##### Unsecured Loans

(1) Loans from Directors (Maximum amount at any time during the year was Rs. Rs. 1,60,43,033/-, Prev. Year - Nil)	1,72,17,704	1,76,47,174
(2) Loan from Banks & Others	65,44,499	1,06,29,248
<b>Total</b>	<b>2,37,62,203</b>	<b>2,82,76,422</b>

#### Schedule 6

##### Investments (at Cost, Unquoted)

1) Investment in Astec Europe Sprl 7,600 (Previous Year 7,600) Shares of Euro 1/- each	4,46,880	4,46,880
2) 2100 Equity Shares (Pr. Yr. 2100 Equity Shares) of The Shamrao Vithal Co. Op. Bank Ltd.	52,500	52,500
3) Share in Tumkur Chemicals Ltd. (700/- Shares of Rs. 1,000/- each)	7,00,000	7,00,000
4) National Savings Certificate	95,300	40,300
5) Unutilised money raised by public issue invested in- a) Debt Mutual Fund		
1) 9,19,104 (Previous year 4,54,3,107.551) units of Rs. 10/- each of BSL Dyanamic Bond Fund-Retail QD reinvest	10,400	5,00,17,869
2) 3,22,1,056.507 units of Rs. 10/-each of HDFC Income Fund-DP, which are pledged with Deuche Bank	3,53,57,859	-
3) 18,29,353.165 units of Rs. 10/- each of IDFC Money Manager Fund-Invest-Plan A-MDP, which are pledged with Deuche Bank	1,84,04,025	-
4) 24,42,145.571 units of Rs. 10/- each of DWS Premier Bond Fund Inst-MDP, which are pledged with Deuche Bank	2,49,99,756	-
5) Nil (Previous year 3,29,3,552.831)units of Rs. 15/- each of Birla Sun Life Cash Plus Instl. Prem. Growth	-	5,05,67,513
6) Nil (Previous year 2,89,043.044) units of Rs. 100/- each of ICICI Prudential M F Flexi Income Plan Collection	-	3,05,61,966



**Schedule 5**  
**Fixed Assets**

Particulars	Gross Block At Cost			Depreciation		Net Block As On			
	Opening Bal as on 01.04.2010	Additions	Deduction	Upto 01.04.2010	For the Year	Deduction	Upto 31.03.2011	as on 31.03.2011	at on 31.03.2010
Land	5,09,021	-	-	-	-	-	-	5,09,021	5,09,021
Leasehold Land (eou)	26,78,540	-	-	2,11,464	35,244	-	2,46,708	24,31,832	24,67,076
Leasehold Land (b-18)	11,58,959	-	-	73,194	12,199	-	85,393	10,73,566	10,85,765
Leasehold Land (b-21)	5,25,532	-	-	21,820	4,364	-	26,184	4,99,348	5,03,712
Leasehold Land (b-21/1)	-	1,08,55,015	-	-	1,11,907	-	1,11,907	1,07,43,108	-
Factory Building	8,77,89,104	3,43,95,332	-	1,56,09,329	26,70,029	-	1,82,79,358	10,39,05,078	7,21,79,775
Corporate Office	-	2,68,24,052	-	2,68,24,052	2,96,038	-	2,96,038	2,65,28,014	-
Plant & Machinery	39,10,69,429	24,21,39,219	25,52,176	9,51,78,122	4,67,97,902	9,81,610	14,09,94,414	48,96,62,058	29,58,91,307
Plant & Machinery- R & D	6,75,36,260	2,31,42,199	-	2,01,23,336	64,61,998	-	2,65,85,334	6,40,93,125	4,74,12,924
Electrical Installation	97,07,095	57,47,895	-	49,73,903	8,78,968	-	58,52,871	96,02,120	47,33,192
Office Equipment	4,62,254	1,05,907	-	1,74,293	47,464	-	2,21,756	3,46,404	2,87,961
Furniture & Fixtures	37,28,447	44,07,270	-	7,63,083	2,65,410	-	10,28,493	71,07,224	29,65,364
Air Conditioner	3,80,264	-	-	1,44,607	39,319	-	1,83,927	1,96,337	2,35,657
Motor Vehicles	75,72,532	15,55,107	4,50,092	24,09,840	1,19,437	2,54,679	22,74,598	64,02,949	51,62,692
Computers	28,34,654	9,31,100	-	17,60,993	5,49,083	-	23,10,077	14,55,677	10,73,661
Flat At Dombivli	3,78,500	-	-	61,699	6,170	-	67,868	3,10,632	3,16,801
Flat At Mahad	2,60,000	-	-	12,714	4,238	-	16,952	2,43,048	2,47,286
Total	42,97,54,964	14,68,35,619	-	9,98,79,108	4,16,39,288	-	14,15,18,397	43,50,72,186	32,98,75,855

NOTE :

1. Depreciation on Plant & Machineryes and other Fixed assets relating to R & D has been provided @ the rates stated under Schedule XIV to the Companies Act 1956.

Particulars	In Rupees	
	31.03.11	31.03.10
7) Nil (Previous year 174.388 ) units of Rs. 1250/- each of Reliance Liquid Fund	-	2,18,836
b) Fixed Deposits with Banks	-	12,50,00,000
	<u>8,00,66,720</u>	<u>25,76,05,86</u>

Notes:

- 1) Aggregate amount of unquoted investments is Rs. 47,57,313/- ( P.Y. Rs. 47,53,313/-)
- 2) Details of investments purchased and sold during the F. Y. 2010-11

Name of Scheme	Face Value	No. of Units	Purchase Value	Sold Value
Birla Sun Life Income Fund - Growth	10	14,99,551.68	5,16,52,057.53	5,26,68,003.78

#### Schedule 7

##### Inventories

(As valued and certified by the Management)

Raw Materials (Including Packing Material)	5,17,22,735	7,78,10,023
Stores & Spares	43,26,567	35,43,404
Work in progress	25,92,42,476	18,50,54,904
Finished Goods	5,31,79,692	6,61,23,544
<b>Total</b>	<u>36,84,71,470</u>	<u>33,25,31,875</u>

#### Schedule 8

##### Sundry Debtors

(Unsecured , considered good)

Outstanding over six months	2,15,32,052	1,73,39,813
Outstanding within six months	32,10,26,751	30,61,86,030
<b>Total</b>	<u>34,25,58,803</u>	<u>32,35,25,843</u>

#### Schedule 9

##### Cash & Bank Balances

Cash in hand	3,42,165	3,74,305
Balance with Scheduled Banks in Current Accounts	63,05,734	7,00,760
Fixed deposits & various margin money with Scheduled Bank	2,39,53,592	1,74,43,677
<b>Total</b>	<u>3,06,01,490</u>	<u>1,85,18,742</u>

#### Schedule 10

##### Loans & Advances

(Unsecured, considered good )

Advance recoverable in cash or in kind for value to be received	9,36,51,492	4,81,96,824
Sundry Deposits	24,14,187	26,96,132
Advances to Suppliers	13,63,642	29,08,787
Advances against Project	-	90,377
Advances for expenses	17,59,498	32,65,523
Advance Income Tax/ T.D.S.	5,51,53,882	3,16,05,081
<b>Total</b>	<u>15,43,42,700</u>	<u>8,87,62,724</u>

Particulars	31.03.11	In Rupees 31.03.10
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**Schedule 11**
**Current Liabilities & Provisions**

Sundry Creditors	22,86,03,664	14,52,03,088
Other Current Liabilities	1,30,37,031	68,30,735
Provisions for Income Tax	6,13,47,918	4,77,99,322
Proposed Dividend & Tax thereon	99,55,665	1,98,06,236
Advance from Customers	4,83,60,290	20,28,864
<b>Total</b>	<b>36,13,04,569</b>	<b>22,16,68,245</b>

**Schedule 12**
**Miscellaneous Expenditure**

i) Deferred Revenue Expenditure	17,61,587	30,26,853
Less: Written off during the year	12,16,310	12,65,266
<b>Total</b>	<b>5,45,277</b>	<b>17,61,587</b>
ii) Preliminary Expenditure w/off	-	17,700
Less: Written off during the year	-	17,700
<b>Total</b>	<b>-</b>	<b>-</b>
iii) IPO Expenditure	-	97,60,692
Add : Addition during the year	-	6,65,76,334
	-	7,63,37,026
Less : Transferred to Share Premium Account	-	7,63,37,026
	-	-
iv) Brand Building & General Corporate Expenditure	-	-
Add : Addition during the year	-	4,51,76,801
<b>Total</b>	<b>-</b>	<b>4,51,76,801</b>
Less : Transferred to Share Premium Account	-	4,51,76,801
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total (i+ii+iii+iv)</b>	<b>5,45,277</b>	<b>17,61,587</b>

**Schedule 13**
**Sales**

Sales ( Local)	88,32,39,704	81,89,71,441
Export sales	25,09,99,643	34,56,46,208
Scrap Sales	14,27,796	3,12,151
<b>Total</b>	<b>1,13,56,67,143</b>	<b>1,16,49,29,800</b>

**Schedule 14**
**Other Income**

Interest earned (Gross)	81,54,303	36,71,960
(TDS Rs.3,35,865.90/- Previous Year; Rs.3,27,725/-)		
Dividend (Gross)	21,26,059	19,11,648
Misc. Income	18,22,338	8,25,445
Foreign exchange fluctuation gain / (Loss) net	(67,833)	41,84,159
<b>Total</b>	<b>1,20,34,867</b>	<b>1,05,93,212</b>

Particulars	In Rupees	
	31.03.10	31.03.09

#### Schedule 15

##### Increase/ (decrease) in Stock

###### Opening Stock of:

Finished Goods	6,61,23,544	8,85,26,382
Work-in-Progress	18,50,54,904	15,82,40,860
	<b>25,11,78,448</b>	<b>24,67,67,242</b>

###### Closing Stock of:

Finished Goods	5,31,79,692	6,61,23,544
Work-in-Progress	25,92,42,476	18,50,54,904
	<b>31,24,22,168</b>	<b>25,11,78,448</b>
	<b>6,12,43,720</b>	<b>44,11,206</b>

#### Schedule 16

##### Materials & Manufacturing Cost

Raw Materials & Other Expenses	87,52,13,903	76,85,74,631
Consumable stores & Ice	19,96,410	16,15,171
Repairs & Maintenance	64,74,911	48,49,380
Rent - Behram Chemicals Pvt.Ltd.	10,80,000	10,80,000
Water Charges	18,62,138	21,09,199
Power & Fuel	2,57,94,936	2,17,56,171
Godown Charges	5,86,072	1,70,175

**Total** **91,30,08,370** **80,01,54,727**

#### Schedule 17

##### Personnel Expenses

Salary and Wages	3,89,03,117	3,16,02,658
Employees Welfare Expenses	12,55,709	6,25,598

**Total** **4,01,58,826** **3,22,28,256**

#### Schedule 18

##### Administration, Selling & Distribution Expenses

Office General Expenses	76,05,406	85,53,462
Telephone Charges	9,56,507	8,33,869
Vehicle Expenses	17,50,163	11,61,823
Insurance Charges	37,57,284	25,81,707
Traveling Expenses	29,66,971	22,68,696
Sales Promotion Expenses	9,35,214	3,50,884
Deferred Revenue Expenditure w/off	12,16,310	12,65,266
Preliminary Expenses w/off	-	17,700
Auditor's Remuneration	5,71,600	6,62,413
Commission on sales	34,99,955	30,81,701
Discount & Allowances	15,06,253	31,81,207
Bad Debts W/Off	49,06,630	-
Export Forwarding Charges	81,65,466	72,57,135
Office Rent	11,63,800	12,00,000
Misc. Expenses	7,56,604	14,00,800
R&D and Laboratory Expenses	21,75,828	10,27,939
Loss on Sale of Motor Car	90,413	-
Loss on Sale of Plant & Machinery	6,66,566	-
Other Selling & Distribution Expenses	33,66,895	24,29,910

**Total** **4,60,57,883** **3,72,74,512**

#### Schedule 19

##### Financial Charges

Bank Interest	3,30,14,606	4,07,22,996
Bank Commission and Charges	61,37,200	84,74,935
Interest to Others	14,11,254	21,49,185

**Total** **4,05,63,061** **5,13,47,117**

## Schedule 20

### Accounting Policies and Notes On Accounts

#### 1. Basis of preparation of Financial statement and Principle of Consolidation

- a. The Financial statement has been prepared under the historical cost convention in accordance with the generally accepted accounting principles and applicable mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.
- b. The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

#### 2. Fixed Assets & Capital Work-In-Progress

- a. Fixed Assets are accounted at cost of acquisition or construction less depreciation. The company capitalized all direct and indirect costs relating to the acquisition and installation of fixed assets, interest on borrowed funds, if any used to finance acquisition / construction of fixed assets are ready for commercial use.
- b. Capital Work-In-Progress comprises outstanding advances paid to acquire Fixed Assets and cost of Fixed Assets that are not yet installed.

#### 3. Depreciation and Amortization

- a. Depreciation has been provided on straight-line method at the rates and in the manner specified in schedule XIV to the companies Act, 1956. Depreciation is provided on pro-rata to the period of use.
- b. Leasehold land is amortized over the period of lease.

#### 4. Sales

Revenue from sale of products includes sale value of goods and excise duty collected thereon, but excludes sales tax.

Sales turnover are stated at net of trade discount and rebates granted during the ordinary course of business.

#### 5. Inventories

The inventories are valued at lower of cost and net realizable value. The basis of determining cost of various categories of inventories is as follows:

- i. Raw Materials and Stores : At cost
- ii. Finished Goods : At cost or market value, whichever is lower.
- iii. Work-In-Progress : At cost or net realizable value, whichever is lower. Cost includes material cost, proportionate share of labour & other manufacturing overheads.

#### 6. Miscellaneous Expenditure

Deferred revenue expenditure is being written off over a period of five years.

#### 7. Investments

Long Term Investments are carried at cost of acquisition. Current Investments are stated at lower of cost and fair market value.

#### 8. Impairment of Fixed Assets

At each Balance Sheet date, the company reviews the carrying value of tangible and intangible assets for any possible impairment. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or estimated future cash flows, which are discounted to their present value based on appropriate discount rates. During the year no provision for impairment of fixed assets has been made.

#### 9. Excise Duty and Customs Duty

Excise duty / Customs duty has been accounted on the basis of payments made in respect of goods Cleared. Convat credit on raw materials and capital goods has been accounted for, by reducing the purchase cost of raw materials and capital goods respectively.

#### 10. Segment Reporting

In accordance with the requirement of Accounting Standard – 17, Segment Reporting issued by the Institute of Chartered Accountants of India, the Company's Business Segment is "Manufacturing of Agro and Pharma Chemicals" and hence it has no other reportable segment.

Thus the segment wise revenue, Segment wise result, total carrying amount of Segment wise assets and Segment wise liability, total cost incurred to acquire Segment wise assets, total amount of charge for depreciation during the year, is as reflected in the Financial Statement as of and for the year ended March 31, 2011.

#### 11. Foreign Currency Transaction

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognized in the profit & loss account.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognized in the profit and loss account and related assets and liabilities are accordingly restated in the balance sheet.

#### 12. Retirement Benefits

Provision for Gratuity & Leave encashment are made and provided on actuarial valuation basis. Other retirement benefits are accounted as per company's policy.

#### 13. In absence of information with the company, the nature of suppliers who are registered as micro. Small or medium enterprises under the Micro, Small and Medium Enterprises Development Act 2006, as at 31st March 2011 have not been given

#### 14. Contingent liabilities not provided for in respect of

- Bank Guarantees outstanding Rs. 58.82 lacs (Rs. 85.88 lacs).
- Letters of Credit with banks: Rs. 1412.17 lacs (Rs. 778.65 lacs).
- Bills discounted but not realized: Rs. 314.24 lacs (Rs. 462.81 lacs)
- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 320.89 Lacs. (Rs. 219.99 Lacs.).
- Sales Tax demand, against which company's appeal is pending before Commissioner of Sales Tax (Appeal) of Rs. 53.02 Lacs.

#### 15. Balance appearing under the head Sundry Creditors, Loans and Advances are subject to confirmation.

#### 16. Auditor's Remuneration

	2011-10	2009-10
Audit Fees	Rs. 4,75,000	Rs. 4,00,000
Tax Audit fees	Rs. 50,000	Rs. 1,00,000
Income Tax & other matters	Rs. 20,000	Rs. 50,000
Certification & Other Matters	Rs. 9,600	Rs. 95,413
Service Tax	Rs. 45,186	Rs. 67,921
<b>Total</b>	<b>Rs. 5,99,786</b>	<b>Rs. 7,13,334</b>

#### 18. In the opinion of the Management the current Assets, Loans and Advances are not less than the values stated if realized in the ordinary course of business. The provision for all known liabilities are adequate and are not in excess of the amount considered reasonably necessary.

## 19. Production, turnover and stocks

i. Turnover	Qty. (in M.T.)		Value (Rs. in Lacs)	
Agro & Pharma Intermediates	2983.45		11506.68	
	(2763.27)		(11638.49)	
ii. Opening & Closing Stock of Goods produced				
	Opening Stock (M.T.)	Value (Lacs.)	Closing Stock (M.T.)	Value (Lacs)
iii. Agro & Pharma Intermediates	147.92	661.24	157.06	381.88
	(72.61)	(885.26)	(147.92)	(661.24)
iv. Capacity & production	Capacity		Production	
	Licensed (as certified by Management) (M.T.)	Installed (M.T.)	(M.T.)	
Agro & Pharma	NA	3450.00	2992.60	
Intermediates		(3150.00)	(2838.58)	

## v. Earnings and expenditure in Foreign Exchange

	Rs. in lacs	
	2010-11	2009-10
1. Earnings / Inflow		
i. Exports at FOB	2510.00	3460.73
2. Expenditure / Outflow		
i. Travelling	6.91	9.74
ii. R & D Expenses	Nil	1.55
iii. Commission	35.00	27.63
iv. Import of Raw Materials (CIF)	1555.78	2970.67
3. Value of Raw Materials Consumed		
i. Imported	1696.38	3080.87
(Percentage to total Raw Materials Consumed)	(19.34%)	(40.09%)
ii. Indigenous	7066.56	4604.88
(Percentage to total Raw Materials Consumed)	(80.66%)	(59.91%)

## 20. Related Party Transaction

As per Accounting Standard (AS-18) on related party disclosures issued by the ICAI, the disclosures of transaction with related party are as follows:

Nature of relation	Name of Related Parties
Key Management personnel	Mr. Ashok V. Hiremath — Managing Director
Relative of key management personnel	Mr. Suresh Hiremath Ms. Supriya Hiremath Ms. Chitra Hiremath Ashok V. Hiremath HUF
Company/entity in which director has significant influence	Opus Chemicals Pvt. Ltd. Behram Chemicals Pvt. Ltd. Astec CropCare Pvt. Ltd. India TL Domain Pvt. Ltd. GreenGuard Technologies Pvt. Ltd.

(i) Transaction with key management personnel:		
Particulars	2010-11	2009-10
Salary / remuneration:		
Mr. Ashok Hiremath	48.00	40.00
Unsecured loan taken by Company:		
Mr. Ashok Hiremath	Nil	43.00
Repayment of unsecured loan taken by company:		
Mr. Ashok Hiremath	29.11	17.08
Closing balance of unsecured loan taken by company:		
Mr. Ashok Hiremath	115.11	144.22
Dividend paid/Proposed		
Mr. Ashok Hiremath	30.58	61.16
(ii) Transactions with Relatives of key management personnel:		
Particulars	2010-11	2009-10
Unsecured loan taken by company		
Mr. Suresh Hiremath	Nil	12.25
Repayment of unsecured loan:		
Mr. Suresh Hiremath	-	-
Closing balance of unsecured loan:		
Mr. Suresh Hiremath	32.50	32.50
Service charges:		
Ms. Chitra Hiremath	6.94	01.38
Dividend paid/Proposed		
Mr. Suresh Hiremath	8.26	16.51
Ms. Supriya Hiremath	00.01	00.02
Ms. Chitra Hiremath	00.03	00.05
Ashok Hiremath-HUF	00.03	00.05
(iii) Transactions with Companies/Entity in which directors and their relatives have significant influence:		
Particulars	2010-11	2009-10
Loans & advances to BCPL given during the year	5.62	03.77
Loans & advances received from BCPL during the year	5.14	-
Loans & advances to ACCPL given during the year-	-	-
Loans & advances received from ACCPL during the year	-	-
Closing Balance of BCPL	02.17	08.15
Closing Balance of ACCPL	-	-
Reimbursement of expenses:		
Behram Chemicals Pvt. Ltd		
Rental charges:	10.80	10.80
Behram Chemicals Pvt. Ltd	-	-
Sales:		
Astec CropCare Pvt. Ltd.	150.37	-
Investments in Behram Chemicals Private Limited:		
Opening balance	42.17	42.17
During the year	-	-
Closing balance	42.17	42.17
Investments in ACCPL:		
Opening balance	-	-
During the year	50.00	-
Closing balance	50.00	-



18. Earning Per share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earning per Share:

		31.03.2011	31.03.2010
Net Profit after Tax	Rs. Lacs	489.84	1321.42
Basic/Weighted average number of Equity Share Outstanding during the year	No.	1,69,29,130	1,20,38,621
Nominal Value of Equity Shares	Rs.	10	10
Basic/ Diluted Earning Per Share	Rs.	2.89	10.98

19. Previous years figures have been regrouped and/or rearranged wherever necessary in order to Conform to current year's presentation. All the figures have been rounded off to nearest rupee.

As per our report of even date

**For P. M. Kathariya & Co.**

Chartered Accountants  
Firm Reg. No.104922W



**CA. P. M. Kathariya**

Proprietor

Membership No. - 31315

Place: Mumbai Date: 27th May 2011

For and on behalf of the Board

  
**Ashok V. Hiremath**  
Managing Director

  
**Laxmikant Kabra**  
Director

  
**Vikas R. Chomal**  
Company Secretary & Compliance Officer

# Financial information of subsidiary Companies

(Rs. in Lacks)

Sr No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income Taxation	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Country
1	Astec CropCare Private Ltd.	INR	50.00	(18.68)	156.36	156.36	0.55	-	(18.68)	0	(18.68)	-	India
2	Behram Chemicals Pvt. Ltd.	INR	60.00	6.38	69.00	69.00	7.00	10.91	0.93	50.79	0.14	-	India

As per our report of even date

For P. M. Kathariya & Co.

Chartered Accountants

Firm Reg. No. 104922W

LL 2012-13-14

CA. P. M. Kathariya

Partner

Membership No. - 31315

Place: Mumbai Date: 27th May 2011

For and on behalf of the Board

*(Signature)*

Ashok V. Hiremath

Managing Director

*(Signature)*

Laxmikant Kabra

Director

*(Signature)*

Vikram R. Choudal

Company Secretary & Compliance Officer

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### Astec LifeSciences Limited

Registered Office: Elite Square, 7th Floor, 274, Perin Nariman Street, Fort, Mumbai-400001, Maharashtra  
Tel: +91 22 22618212, 22618504, Fax: +91 22 22618289, www.astecsls.com

#### ATTENDANCE SLIP

DP ID

Folio No.

Client ID

No. of Shares

Name and address of Shareholder/Proxy holder

\_\_\_\_\_

\_\_\_\_\_

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on Friday, 23rd September, 2011 at "Walchand Centre for Business Training Hall", 3rd Floor, IMC Building, IMC Marg, Churchgate, Mumbai-400020 at 3.00 p.m.

Name of Member/Proxy

Member's/proxy Signature

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the Meeting Hall)

### Astec LifeSciences Limited

Registered Office: Elite Square, 7th Floor, 274, Perin Nariman Street, Fort, Mumbai-400001, Maharashtra  
Tel: +91 22 22618212, 22618504, Fax: +91 22 22618289, www.astecsls.com

#### PROXY FORM

DP ID

Client ID

Folio No.

No. of Shares

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member of Astec LifeSciences limited do hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 23rd September, 2011 at "Walchand Centre for Business Training Hall", 3rd Floor, IMC Building, IMC Marg, Churchgate, Mumbai-400020 at 3.00 p.m. and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signature \_\_\_\_\_

Affix 1 Rupee  
revenue  
stamp

Notes: The proxy form duly completed must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and proxy need not be a member.





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To,

*If undelivered please return to:*



**ASTEC**

**Astec LifeScience Ltd.**

**Registered & Corporate Office:**

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

Phone: +91-22-2261 8212, 2261 8504

Fax: +91-22-2261 8289

E-mail: [info@astecs.com](mailto:info@astecs.com)

[www.astecs.com](http://www.astecs.com)