



Ref: ASCL/SEC/2023-24/30

September 6, 2023

1. To,  
The General Manager  
Department of Corporate Services  
**BSE Limited**  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P. J. Tower  
Dalal Street, Fort  
**Mumbai - 400 001**  
**BSE Scrip Code: 532853**
2. To,  
The General Manager (Listing)  
**National Stock Exchange of India Ltd**  
5<sup>th</sup> Floor, Exchange Plaza  
Plot No. C/1, G Block  
Bandra - Kurla Complex  
Bandra (East)  
**Mumbai - 400 051**  
**NSE Trading Symbol: ASAHISONG**

**SUB: ANNUAL REPORT**

**REF: REGULATION 34 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith a Copy of Annual Report of the Company for the financial year 2022-23.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,

For, **ASAHI SONGWON COLORS LIMITED**

**SAJI VARGHESE**  
**JOSEPH**

Digitally signed by SAJI VARGHESE JOSEPH  
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serialNumber=862e94fc3f709424a3ba45cc32544eb51dd  
9912af9099f335d130bbca361, cn=SAJI VARGHESE JOSEPH  
Date: 2023.09.06 19:20:25 +05'30'

**SAJI V. JOSEPH**  
**Company Secretary and Compliance Officer**

Encl: As above

**Asahi Songwon Colors Ltd.**

CIN: L24222GJ1990PLC014789

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# *Resilience in adversity. Success on the horizon.*



# Resilience in adversity. Success on the horizon.

An organisation's true strength is reflected in its unwavering fortitude in times of adversity. At Asahi Songwon Colors Limited (ASCL), the preceding year was characterised by a series of challenges, including the Russia-Ukraine conflict, escalating raw material costs and supply chain disruptions. These circumstances served as rigorous examinations of our operational adeptness. Throughout this duration, our overarching objective remained steadfast: to stay resilient and ultimately achieve success.

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#### Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

#### HOW DID WE STAY RESILIENT?

We learned, adapted and stayed strong. By strategically leveraging our core principles of innovation, expansion, empowerment, strong focus on quality and agile strategy, we upheld our commitment of creating value for our stakeholders. Additionally, our robust foundation of over 30 years and enduring client relationships proved invaluable, serving as pillars of support amidst tumultuous circumstances.

#### HOW WILL WE EMERGE SUCCESSFUL?

Throughout the year, we stayed committed to the realisation of our growth and expansion initiatives. We meticulously devised strategies to enhance our production capacities, expedite the progress of our greenfield project, and harness the inherent advantages offered by India - its favourable economic conditions, cost-efficient labour force, and convenient raw material accessibility. This amalgamation, coupled with our resolute commitment to impeccable quality standards and the prudent cost optimisation, undeniably positions us for a steadfast return to the growth trajectory.

Our resolve remains unshaken, and our sights are firmly set on our goals. We are diligently charting a course towards renewed achievement, unwavering in our relentless pursuit of excellence. We firmly believe that our combined endeavours will serve as the foundation for a more promising and radiant future.

## ABOUT THE COMPANY

# Delivering superior quality, consistently

A leader in the Indian pigment industry, Asahi Songwon Colors Limited (ASCL) has been transforming the industry with its pigments for over three decades. For the world, our story is one of creativity, innovation and a passion for perfection that has propelled us to the forefront of the industry.

From our humble beginnings, we have expanded our horizons, driven by a relentless pursuit for excellence. Our blue (Phthalocyanine) pigments have set global benchmarks, and with our recent foray into yellow and red pigments, we have cemented our position as a leading manufacturer in the country's surging market. In April 2022, we took a bold step in the realm of pharmaceuticals, with the acquisition of 78% stake in Atlas Life Sciences Private Limited, a manufacturer of bulk pharmaceutical ingredients (APIs). This strategic move has enabled us to expand our product basket, incorporating anti-convulsant, anti-psychotic and anti-diabetic APIs.

Despite the economic headwinds faced by the pigments and pharmaceuticals industries over the previous year, we remained resolute in our pursuit of growth and expansion. Through prudent and calculated decisions, we have enhanced our product portfolio, augmented our manufacturing capabilities and ventured into newer markets, all while navigating the challenges posed by a volatile market environment. As we look to the future, we remain grounded in our values, anchored by our commitment to stakeholders and inspired by the endless possibilities that lie ahead.

### Vision

To be the world leader in the field of pigments by supplying quality and environment-friendly products to MNCs worldwide.

### Mission

- To be the preferred supplier of finished pigments to MNCs worldwide with a higher pigments capacity
- To be the largest supplier of blue crude in the world
- To be the market leader in the pigment industry globally.

## INDUSTRIES WE SERVE



## OUR BUSINESSES

### Phthalocyanine pigments 1

Phthalocyanine is a large, aromatic, macrocyclic, organic compound that is primarily used in chemical dyes, automotive paints, printing inks and photo electricity. Phthalocyanine colourants comprise blue and green pigments.

[Read more, Page 08](#)

### Azo pigments 2

Azo pigments are colourless particles (typically earths or clays) that have been coloured using Azo compounds (compounds that have a specific formula). Owing to their excellent colouring properties, mainly in the yellow to red range, as well as lightfastness (that is, colourfast when exposed to light), they are widely used in the food, pharmaceutical, cosmetic, textile and leather industries.

[Read more, Page 09](#)

### APIs 3

The active ingredient in a pharmaceutical drug is called an active pharmaceutical ingredient (API). Active ingredients are the substances in drugs that are responsible for the beneficial health effects. APIs are produced by processing chemical compounds.

[Read more, Page 09](#)

## MARQUEE CLIENTELE

### CLARIANT

Nearly 2 decades of steadfast partnership, and still going strong



Color & Comfort

Supply agreement for the last 16 years



Nurturing relationship for the last 16 years



Continuous business for the last 10 years



We create chemistry

Successful business relations for more than a decade, with sales in every quarter



PURPOSE


# Rooted in experience and knowledge

With a vision to cultivate a culture of knowledge and customisation, ASCL is committed to creating value for its stakeholders while maintaining its responsibility towards sustainability and governance. With our eyes fixed on the horizon, we pledge to maximise shareholder value and provide a platform for our employees to flourish.

Despite facing challenges and increased costs, our strategic decisions to establish new growth platforms, such as Azos and APIs, have strengthened the business.

<p><b>Knowledge</b> As a knowledge-driven Company, we aim to invest in processes, practices, and products to fortify our competitive edge. Our relentless focus on R&amp;D is what sets us apart and enables us to push the boundaries of innovation.</p> 	<p><b>Shareholder value</b> At Asahi, maximising value for our shareholders is at the heart of our ethos, and we are committed to creating value that stands the test of time. Our dedication to sustainable growth, relentless innovation and long-term customer relationships is driven by our strong belief that when our shareholders thrive, so do we.</p> 	<p><b>Empowerment</b> Our employees are the backbone of our Company. We are deeply committed to nurturing and empowering them, providing them a platform to grow, build skills, and make meaningful contributions to our operations. By prioritising their professional and personal growth, we attract and retain top talent, which further enables us to maintain a culture of excellence in our industry.</p> 
<p><b>Culture</b> As a fundamental tenet of our culture, Asahi is imbued with a deep-seated sense of responsibility and sustainability. We believe that growth should always be pursued in a manner that is both ethical and enduring.</p> 	<p><b>Customisation</b> The world is moving towards products that are tailored to meet specific requirements. Against this backdrop, our goal is to create bespoke products that cater to the unique needs and requirements of our diverse customer base across the world. By doing so, we not only forge long-term relationships but also garner better insights into customer preferences and expectations, all of which lead to improved products.</p> 	<p><b>Governance</b> We recognise the importance of upholding utmost standards of governance, ethics, and compliance. At Asahi, we place our bets on trust, transparency, and accountability, all of which are paramount in all business dealings. To ensure all of these factors become synonymous with the Company, our Board of Directors place a keen eye on recruiting specialised professionals and keep institutionalised systemic checks in place that foster a culture of integrity along the length and breadth of our Company.</p> 

**Value creation**  
Value creation is the cornerstone of our business. Our approach to prudent scaling, enhanced asset utilisation and better cost management are driven by our commitment to creating tangible, sustainable value for all our stakeholders.



**Responsibility**  
At ASCL, we recognise our responsibility to the environment and society by investing in effluent-treatment equipment, infrastructure and mindset. Our goal is to minimise our impact on the environment while maximising our contribution to society.



Our unwavering commitment to excellence, coupled with our improved manufacturing capabilities and the trust of our loyal customers, is poised to propel us on the path toward success.

ASCL at a glance

<p><b>4*</b> MANUFACTURING FACILITIES</p>	<p><b>80+</b> CUSTOMERS SERVED</p>
<p><b>580+</b> SKILLED PROFESSIONALS</p>	<p><b>80%</b> REPEAT CUSTOMERS</p>

**Zero**  
CUSTOMER RETURNS

**MANUFACTURING CAPACITIES**  
**13,800 MTPA**  
BLUE PIGMENTS  
**2,400 MTPA**  
YELLOW AND RED PIGMENTS

**CARE RATING:**  
**A** LONG-TERM **A1** SHORT-TERM

\*The 4th site at Chhatral is currently a work in progress and will begin commercial production from October 2023.

JOURNEY

# Growing strong, steadily

ASCL has stood the test of time in the pigment industry, overcoming challenges and growing stronger with each passing year. With each challenge, our indomitable spirit soared higher, as we remained steadfast in our mission, using this time to strengthen our business model and prepare for the next leg of growth.

## Objectives of our journey

- 1 Investing in sustainability:** Our Company's unrelenting dedication to sustainability has been a driving force behind our success. Through prudent tie-ups and strategic investments, we have set ourselves on a path towards long-term viability and reduced environmental impact.
- 2 Improving efficiency:** Our focus on cost reduction and operational efficiency has allowed us to maximise our resources and deliver outstanding results for our clients. By constantly seeking out newer ways to improve our processes and streamline our operations, we have set ourselves apart as one of the leaders in our industry.
- 3 Diversifying revenue stream:** We have successfully diversified our business by expanding our reach beyond the ink industry. By tapping into new markets and exploring new opportunities, we have reduced our reliance on a single revenue stream and positioned ourselves for continued growth and success in the years to come.

### The growth phase

- 1993** Commenced operations of green pigment, marking the beginning of the journey in the pigment industry
- 2003** Strategically collaborated with Clariant to manufacture CPC blue crude
- 2007** Entered into a technical collaboration and supply agreement with DIC Japan, which paved the way for increased global exposure.

- 2007** Successfully completed IPO, which paved the way for the Company to expand further across all fronts
- 2008** Took significant strides to strengthen manufacturing capabilities by increasing capacities of CPC blue crude from 3,000 TPA to 7,000 TPA and further establishing a new capacity of 1,200 TPA for Beta blue as forward integration
- 2010** Enhanced Beta blue capacity from 1,200 TPA to 2,040 TPA

### Consolidation and strengthening of business

- 2014** Streamlined operations and focused on core strengths by demerging the green pigment segment, which further enabled the Company to leverage its strengths
- 2016** Debottlenecked the CPC blue crude capacity to 10,200 TPA and established a new capacity of 600 TPA for Alpha blue as forward integration
- 2018** Enhanced the Beta blue capacity to 3,600 TPA

### Scaling up

- 2019** Entered into a joint venture with Tennants Textile Colors Ltd. (TTC), UK with the goal of producing red and yellow Azo pigments at Dahej, India, which resulted in a new production facility with 2,400 TPA capacity, distributed equally between red and yellow pigments
- 2022** Acquired Atlas Life Sciences, which allowed ASCL to foray into the API business and thus create a new growth lever
- 2023** Recorded highest ever turnover in the operating history of the Company



## PRODUCTS

A spectrum  
of solutions

We are a leading player in the vibrant world of pigments and with our recent venture into APIs, we are constantly pushing the boundaries of excellence through our decades of expertise and innovative spirit.

## Phthalocyanine pigments 1

For the past three decades, our commitment in the pigment industry has been unwavering, characterised by superior product quality and punctual deliveries. We have firmly established ourselves as a trusted partner across sectors, including printing inks, packaging inks, paints, plastics, and textiles.

The Phthalocyanine pigment market has witnessed substantial changes over the last decade, with India stepping into a leading role. Currently, India supplies over 70% of the global Phthalocyanine pigment demand, a space once primarily held by China.

## GROWTH DRIVERS

- Increasing adoption of Phthalocyanine pigments in paints, printing inks, plastics, and other sectors due to their lightfastness, translucency, and high-straining properties
- Growing demand for copper Phthalocyanine blue in high-performance paint compositions across the automotive industry, considering its great colour and strength
- Surge in demand for colourants in the paints and coatings sector due to the increasing number of commercial establishments investing in paints and coatings to preserve the visual stature of their facilities

One of the  
largest manufacturers  
of CPC blue crude,  
globally



## Azo pigments 2

We entered into a joint venture (JV) with UK's leading colour manufacturer Tennants Textiles Colours Limited (TTC) and formed Asahi Tennants Color Private Limited to manufacture red, yellow and orange Azo pigments. We invested a total of ₹82 crore in this venture. At optimum capacity utilisation, this facility can achieve ₹140-150 crore of turnover.

We allocated investments in essential infrastructure and common utilities. This forward-thinking strategy enables us to double our Azo pigment capacity with an added capital expenditure of approximately ₹40 crore.

During H1FY24, we commenced capital expenditure efforts to double our yellow pigment capacity. Completion of this expansion is anticipated by Q1FY25.

Cost competitiveness, domestic market knowledge, strong business relations and TTC's expertise in red and yellow pigments give us the competitive edge to harness opportunities in the Azo pigments market.

## GROWTH DRIVERS

- Azo pigments possess exceptional colouring abilities, and exhibit better lightfastness, making them a preferred choice in the global market. The market is poised for growth, owing to the rising demand for high-quality pigments in various industries.
- The easy availability of raw materials in India is expected to boost the production of Azo pigments, ensuring consistent and uninterrupted production in the coming years.
- The anticipated rise in global population and economic expansion are expected to bolster the demand for printing inks for packaging, thus driving the growth of the Azo pigment market, especially in the developing countries.
- The increase in consumer spending and demand for a variety of colours, driven by the rising middle-class population in emerging economies, is expected to boost the demand for colourants, including Azo pigments. Their wide ranging applications, including in the manufacturing of construction materials, synthetic fibres, and cosmetics, act as a key growth driver for the global Azo pigment industry.

20%  
of the total output will  
be purchased by TTC

Asahi and TTC jointly  
own the venture with a  
51:49  
stake ratio

Active pharmaceutical  
ingredients 3

In April 2022, we acquired 78% stake in Atlas Life Sciences Private Limited (Atlas), a manufacturer of bulk pharmaceutical ingredients (APIs). The acquisition has added Atlas' fully operational WHO GMP- certified manufacturing facility in Odhav, Ahmedabad; a 4,000 square- foot state-of-the-art R&D facility; a 5,000 sq. ft corporate office; and a 15,000 sq. m land parcel in Chhatral with EC permission for 32 products to our portfolio. The R&D centre has a Product Development Lab and Process Development Lab. Quality control (QC) testing and stability studies are conducted on site.

The QC Lab is equipped with sophisticated instruments such as high-performance liquid chromatography (HPLC).

In FY2024 and FY2025, we plan to acquire an additional 11% stake annually in Atlas, based on performance metrics, thus bringing our equity stakes to 100% by the end of FY2025.

We will acquire an additional 11% stake in Atlas Life Sciences Private Limited each year in FY2024 and FY2025 based on performance metrics, bringing our equity stake to 100% by the end of FY 2025. Atlas' existing plant in Odhav has started to contribute to our consolidated financial results from Q1FY2023. We remain on track to start commercial production from October 2023 in our new plant in Chhatral to backward integrate the existing products and introduce newer high-value products.

## GROWTH DRIVERS

- Increasing prevalence of chronic diseases worldwide is a major growth driver for the API market.
- Rising drug research and development activities for drug manufacturing is driving the demand for APIs.
- The adoption of sedentary lifestyle, coupled with rapid urbanisation is propelling the demand for therapeutic drugs.
- Strict regulatory guidelines to enhance clinical effectiveness of the final product are resulting in higher overhead costs. This in turn has forced many pharmaceutical companies to outsource their API manufacturing process, thus making the Asia-pacific region as the preferred cost-effective alternative to in-house manufacturing in western countries.

Market leader in  
Pregabalin

Products:  
Pregabalin  
R-Compound  
Levosulpiride  
Amisulpride  
Glicazide  
Phenylephrine

10  
Products under R&D

15  
Experts in R&D team

6  
Out of those are  
for developing  
new molecules and  
intermediates

80  
Skilled professionals  
on board



## MANUFACTURING CAPABILITIES

# World-class manufacturing for superior products

At ASCL, we understand the importance of advanced technological capabilities that are necessary to create a portfolio of world-class pigments and intricately curated APIs, to meet the evolving needs of our customers. Our state-of-the-art manufacturing facilities have enabled us to achieve this balance while ensuring a stable supply of our products. As we expand our horizons in FY2023, our newly acquired facility in Odhav has substantially added to our manufacturing strengths, allowing us to continue our pursuit of excellence. With a greenfield project in the pipeline at our newly acquired land parcel in Chhatral, we are poised to unlock new possibilities in the art of manufacturing.

### Padra site

Located on a 98,000 sq. mt. plot, our Padra facility has been instrumental in producing our pigments. The site, with an additional 25,000 sq. mt., offers potential for future expansion aligned with our Company's growth objectives. Prioritising environmental responsibility, the facility is equipped with advanced waste and effluent treatment systems and green surroundings, ensuring sustainable and consistent operations.

**13,800 TPA**  
Total capacity

**475**  
Skilled people workforce

Manufacturing hub for Phthalocyanine pigments

- CPC BLUE CRUDE
- BETA BLUE
- ALPHA BLUE

CAPACITY  
DIVISION

**10,200 TPA**  
CPC Blue crude

**3,000 TPA**  
Beta blue

**600 TPA**  
Alpha blue



### Dahej site

Situated on a 60,000 sq. mt. plot, our Dahej facility, established in 2020, manufactures Azo pigments. Equipped with waste and effluent treatment systems compliant with industry standards, we prioritise environmental sustainability alongside product excellence.

**Azo pigments**  
Production site for

**2,400 TPA**  
Total capacity

**80**  
Talented professionals  
team strength

CAPACITY

**1,200 TPA**  
Red pigments

**1,200 TPA**  
Yellow pigments

Ongoing capacity  
expansion to double  
the capacity of Yellow  
pigments by Q1FY25



### Odhav site

The Odhav plant was built on an area of 2,401 sq. mt. and manufactures APIs and is currently running at optimum capacity. Its key focus lies in manufacturing Pregabalin IP.

**WHO GMP**  
Certified

**ISO 9001:2015**  
Accreditation

**GMP & GLP**  
Certifications from  
Gujarat FDA

**80**  
Team strength





## PRESENCE

# Catering to the pigment needs of the world

Over the last decade, the competitive landscape in the chemical industry has undergone significant changes, particularly in Phthalocyanine pigments, where India has risen to dominate, supplying to over 70% of the global demand. As global clients explore alternatives to China, the Asia-Pacific region stands strong, with India poised to harness this momentum for its competitive gain.

We are observing a similar trend unfolding in Azos and APIs.

At ASCL, we are capitalizing on these industry shifts to broaden our reach and foster more robust relationships with our clientele.

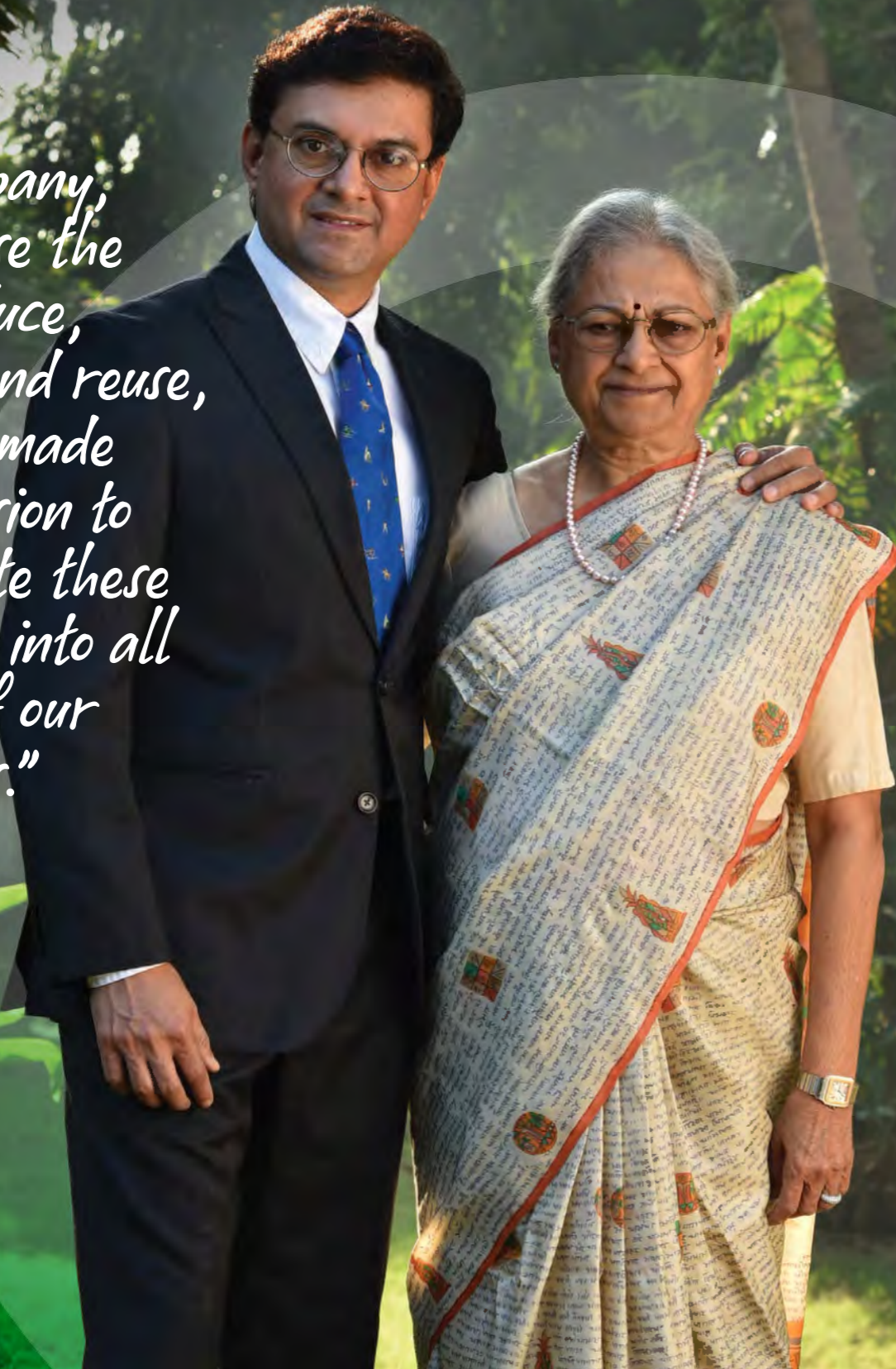


**62%**  
(STANDALONE) REVENUE  
CONTRIBUTIONS FROM  
EXPORTS IN FY2023

## CHAIRPERSON'S COMMUNIQUE

Committed to  
rebound and thrive

*"As a Company, we practise the 3 Rs- reduce, recycle, and reuse, and have made it our mission to incorporate these principles into all aspects of our operations."*

**DEAR SHAREHOLDERS,**

As we conclude another fiscal year, I consider it my responsibility to address you on the journey we have undertaken together. The year gone by has not only tested our resolve but also our adaptability as an organisation, inadvertently impacting our financial performance. We, at Asahi, acknowledge this reality with utmost sincerity. However, I believe our recent setbacks are simply a temporary detour and soon we will bounce back on the growth trajectory.

**A tough macroeconomic environment**

The year gone by was influenced by major events. The ongoing war between Russia and Ukraine has created major problems for the world's stability and economy. Because of the consequential energy crisis in Europe, inflation across nations was on the rise. Escalating interest rates went higher further hindered demand development. Meanwhile, China, a pivotal player in the chemical market, continued to maintain a stringent zero-Covid policy. This resulted in prolonged periods of lockdown for a significant portion of FY2023. This unwavering approach, while aimed at public health, has contributed to major disruptions in global supply chains and trade dynamics.

The slowdown in the ongoing global consumer demand became increasingly visible in the second half of 2022. India was not completely isolated from the effects of these events; however, the Indian economy showed resilience on the back of prudent policies and a strong domestic foundation.

Amidst the turbulent times, we have remained on track to our strategic objectives and focused on strengthening our core business.

**The road to a gradual recovery**

Our core values of innovation, expansion, empowerment, and a strong focus on quality continued to serve as a solid foundation during the year. We are now taking bold steps to improve our process, streamline our operations, expand our product portfolio, and build a more agile and responsive organisation that can adapt to changing market conditions.

We are already witnessing a gradual recovery across our businesses. With raw material prices beginning to stabilise and the destocking period slowly coming to an end, we are confident that the upcoming quarters will steer the Company in the direction of growth and continue to create value for all our stakeholders.

**Ready to capitalise on opportunities**

The past year has served as significant learning for us – we are now gearing up to make the most of upcoming opportunities.

With customers from Japan, Korea, and Thailand increasingly looking to diversify their supply chains away from China, India's Azo pigment industry holds significant potential for growth. As global businesses continue to seek ways to reduce risk and mitigate the impact of supply-chain disruptions, India's active combination of easy access to local raw materials and backward-integrated operations is poised to capture new opportunities. Moreover, the 'China + 1' strategy' is expected to last for long, aiding India's API industry. These trends are expected to act as demand drivers for our business.

We are well-poised to capitalise on these trends through our operational excellence, maximised efficiency and elevated performance across our installed capacity. Further, our laser focus on product quality and cost optimisation will empower us to unlock value-creating possibilities that benefit both our stakeholders and the broader community.

**Our people, our backbone**

As we persevered through hardships during the year, our people showed true resilience and stood by the Company. They responded to the challenges with determination, unity and a deep commitment to our shared vision of becoming a trusted leader in the pigment industry and I am immensely grateful to them.

We will continue creating a productive work environment that fosters our people's growth and development. Their dedication and commitment have allowed us to maintain long-standing customer relationships, gain trust and continue to deliver innovative solutions to customers around the world. We will thus, leave no stone unturned, in providing relevant career progression paths and performance-based rewards to recognise and celebrate their contributions.

**Making an impact**

We take pride in our unwavering commitment to preserving the environment and ensuring safety in all our operations. Our management is acutely aware of the need to maintain a green environment even at our manufacturing facilities.

As a Company, we practise the 3 Rs- reduce, recycle, and reuse, and have made it our mission to incorporate these principles into all aspects of our operations.



*Amidst the turbulent times, we have remained on track to our strategic objectives and focused on strengthening our core business.*

Our corporate vision for safety is centred around achieving the only acceptable standard of performance: zero accidents. To this end, we provide our staff with comprehensive work procedures and safety instructions, as well as conducting safety seminars, mock drills, and training programmes at regular intervals.

We are proud of our Vadodara Unit, which has been certified with ISO 9001:2015 and ISO 14001:2015 by a reputed certifying body. As a chemical Company, we are keenly aware of the impact our operations have on the environment. That is why we have made sustainability a cornerstone of our business strategy. By reducing our impact on the environment, we aim to lead the way in various aspects of our business.



*Our core values of innovation, expansion, empowerment, and a strong focus on quality continued to serve as a solid foundation during the year.*

**Progressing with gratitude and confidence**

As I conclude, I want to express my heartfelt gratitude to our shareholders, customers, employees, and all stakeholders who have stood with us through thick and thin. Your unwavering support and trust have been the pillars of our strength, something that inspires us every day. We are committed to continue working tirelessly to deliver the best results, and ensure sustainable growth for all.

Despite the turbulent year gone by, I believe that we can still seize opportunities and return to our growth trajectory. With our dedicated workforce, valuable partnerships and robust business strategies, I am confident that, together, we can achieve even greater success in the future.

Best wishes,

*Paru M. Jaykrishna*  
Chairperson

## LETTER FROM THE JOINT MD AND CEO

## Towards recovery and renewed growth

*"We are an environmentally conscious business and strive to reduce our carbon footprint. 'Reduce, reuse, recycle' is the philosophy we follow across our operations."*

**₹504.55 crore**

OUR REVENUE FOR THE YEAR STOOD AT  
₹504.55 CRORE AGAINST ₹410.82 CRORE  
IN FY2022.

**DEAR SHAREHOLDERS,**

In the face of a challenging macroeconomic environment, the past year tested our resilience. While the financial results were not as anticipated, I am pleased to share that the tide is turning. The coming couple of years hold promise, as strategic adjustments position us for renewed growth.

You, our stakeholders, are essential to our growth journey and your unwavering support has propelled us forward. Thus, while we are optimistic about the future, we believe in transparency and honesty, and would like to openly communicate our performance to all those associated with us.

**A year that tested us**

With the continuing Russia-Ukraine war, significant energy crisis in Europe and rising inflation in the US, supply chains across the world were majorly disrupted. All three of our business verticals were impacted by adverse conditions, resulting in subpar financial performance.

Our pigments business was particularly affected by the customers' destocking in response to the uncertain economic environment in European markets, leading to decreased demand and lower realisations for Phthalocyanine and Azo pigments. Furthermore, high inventory costs, coupled with falling commodity prices had a significant impact on the operating profitability of our business. The demand for our blue products was unusually low, leading to lower capacity utilisation. However, we implemented the long-overdue maintenance shutdown for our blue pigment segment, which also helped us moderate our inventory levels.

The Azo market is gradually recovering from the effects of the dynamic macro-environment. The recovery has borne well for us and we have managed to maintain optimal operation levels for our yellow pigment production, bolstered by a strong demand for the product. We expect to ramp up the production of red pigments as well and debottleneck our yellow pigment capacity.

We experienced a drop in realisation for our APIs as well. However, we managed to maintain our market position by increasing volumes. The profitability of our API business has been low since its acquisition, but we are confident that this cycle will normalise as the inventory with higher costs is phased out and new orders start flowing in. Moreover, we remained committed to our capital expenditure plans at our new Chattral site for API production. We expect the commercial production to begin from October 2023. This investment will enhance our capabilities and position us for future growth in the segment.

Against these circumstances, our revenue for the year stood at ₹504.55 crore against ₹410.82 crore in FY2022. PAT and EBITDA stood at ₹(18.47) crore (against ₹14.65 crore in FY2022) and at ₹5.28 crore (against ₹31.95 crore in FY2022). While our performance does not look good, the strategic investments made over the past three years have fortified our optimism, even though this has not yet been reflected in our financial performance. Further, we have undertaken stringent cost control measures and are treading with caution. We remain confident that the coming quarters will be significantly better than the previous ones.



*In 2007, we became a publicly listed company and have been delivering superior quality pigments to global clients for the past 30 years. We have been collaborating with Clariant for the past 19 years and have entered into a supply agreement and technical collaboration with DIC – the world's largest ink manufacturer.*

**A rock-solid foundation**

Despite the challenging circumstances, your Company remained resilient owing to its solid foundation. Our growth journey of three decades continued to hold our boat steady in choppy waters.

We began our journey as a single-product, single-location company. In 2007, we became a publicly listed company and have been delivering superior quality pigments to global clients for the past 20 years. We have been collaborating with Clariant for the past 19 years and have entered into a supply agreement and technical collaboration with DIC – the world's largest ink manufacturer.

In the last few years, we acquired an API business, set up a new site in Dahej for a joint venture for making Azo pigments and are setting up a greenfield site for backward integration for the acquired business of API. We have grown against the odds and are proud to have set up a multi-product business with a presence in four locations today.

As I look ahead, I am confident that our pillars of innovation, expansion, empowerment and sustainability are well rooted in the ethos of excellence, and this strong foundation will continue to support us in delivering amplified value to all our stakeholders.



*We plan to ramp up the capacity of the intermediates for pregabalin and supply them to our Odhav facility instead of buying them from external sources.*

**Committed to our expansion plans**

Leveraging the solid foundation and our core values, we remained committed to our expansion plans during the year.

We have always believed that growth is essential to sustain a business, and with our new greenfield project in Chhatral, we aim to further cement our position as the market leader in the production of APIs and raw materials for pregabalin. With a total estimated cost of ₹70 crore, the project is a testament to our commitment to expanding our horizons and seizing growth opportunities in the pharmaceutical sector. Moreover, with the existing plant at Odhav already contributing to our consolidated financial results from Q1 FY2023, we are confident that this investment will further drive our growth and enhance our value proposition to stakeholders.

We plan to ramp up the capacity of the intermediates for pregabalin and supply them to our Odhav facility instead of buying them from external sources. This should help us improve our EBITDA margins.

**Optimistic about the road ahead**

As I write this letter, our Azo business is already gaining steady momentum and the demand for Phthalocyanine pigments is gradually improving. Raw material prices are stabilising and we have cleared our books of high-cost inventories. I am confident that things will only get better from here and we will bounce back from the challenges, stronger than ever.

As we think back on the past year, we remember the important lessons we have learned. Looking ahead, I am confident that we can use what we have learned to make the most of future opportunities and tackle challenges head-on.

In closing, I want to sincerely thank everyone who has supported us. Your unwavering support gives us the confidence to keep moving forward. Let's embrace the future with optimism, together.

Warm regards,

*Gokul M. Jaykrishna*  
Joint MD and CEO

KEY PERFORMANCE INDICATORS

# A year of learnings and resilience

Amidst a challenging year fraught with supply chain disruptions, and volatile demand patterns, we have remained steadfast in our pursuit of prudent choices that have strengthened the core of the business with each passing day. We look forward to a brighter tomorrow with the confidence that we have not only weathered the storm but have forged ahead with newfound sense of purpose and direction.

**REVENUE FROM OPERATIONS**  
(In ₹ crore)

FY19	293.62
FY20	283.64
FY21	283.08
FY22	410.82
FY23	504.55

**EBITDA**  
(In ₹ crore)

FY19	39.53
FY20	34.40
FY21	49.51
FY22	31.95
FY23	5.28

**NET WORTH**  
(In ₹ crore)

FY19	193.59
FY20	201.62
FY21	227.51
FY22	242.32
FY23	218.59

**EBITDA MARGIN**  
(In %)

FY19	13.46
FY20	12.13
FY21	17.49
FY22	7.78
FY23	1.05

**PROFIT AFTER TAX**  
(In ₹ crore)

FY19	18.30
FY20	22.82
FY21	31.95
FY22	14.65
FY23	-18.47

**PAT MARGIN**  
(In %)

FY19	6.23
FY20	8.05
FY21	11.29
FY22	3.57
FY23	-3.66

**EARNINGS PER SHARE**  
(In ₹)

FY19	14.91
FY20	18.60
FY21	26.29
FY22	16.10
FY23	-9.83



COMPETITIVE  
ADVANTAGE

# Staying ahead of our peers

Crafting a globally trusted brand requires more than just products; it requires a host of strengths that set a Company apart. Our competitive advantages lie in our diversified operations, skilled workforce and a zero-tolerance policy for errors. These pillars not only fortify our position as an industry leader but also ensure that our customers receive products and services of the highest quality.

## *Superior geographical advantage*

Our manufacturing facilities are strategically located to benefit from the availability of skilled labour, strong common infrastructure facilities and raw material proximity, resulting in savings and logistics. The new plant at Dahjei has further strengthened our presence in the chemical cluster, providing access to a wider customer base and opportunities for future growth. The right location offers a unique advantage that gives us an edge over the competitors.

## *Unparalleled customer relations*

We have established long-standing relationships with our customers by consistently delivering high-quality products at competitive prices. Through proactive customer engagement, we have become the trusted choice for most. This can further be attributed to our expertise spanning many decades that has earned us the reputation of a reliable partner.

## *Cutting-edge production infrastructure*

As a leading player in the Phthalocyanine, Azo and now in the API businesses, our manufacturing facilities are our strength using which we continuously seek to diversify our operations. To uphold our unwavering commitment to uncompromising quality, we have implemented a rigorous Quality Maintenance System (QMS), complete with Standard Operating Procedures (SOPs) and a dedicated team focused on quality control. Our advanced manufacturing facilities feature cutting-edge quality testing equipment, including miller machines and injection moulding machines.

## *Innovation prowess*

As a business, innovation forms the backbone of our operations. Our products are certified by ISO 9001:2015 and ISO 14001:2015 and approved by the Department of Scientific and Industrial Research (Ministry of Science and Technology). They have also been endorsed by prestigious ink, plastics and paint companies. Striving for excellence, we continue to push the boundaries of possibility by leveraging our innovative prowess. Additionally, in alignment with the global best practices, which prioritise stability, predictability and high uptime, we have been able to introduce a plethora of cutting-edge products in recent years.

## *Supply chain reconfiguration*

In recent years, the global market for dyes and pigments has been affected by the consistent interruptions in China, thus resulting in higher prices and a shift in end-users' reliance on the country. This has put India in a prime position to propel the industry forward due to the availability of cheap labour and easy access to raw materials. At ASCL, we are well-positioned to capitalise on this opportunity with our lower domestic costs, widespread operations and significant contribution to the world's organic blue pigment production. Through our optimal resource utilisation and cost-efficiency, we aim to make the most of this competitive advantage and subsequently drive sustained growth.

## GROWTH STRATEGY

# Leveraging opportunities, building momentum

Striding into the future with the backdrop of a dynamic world, growth remains the cornerstone of our Company. We aim to leverage our strengths to create more opportunities that results in sustainable growth.

### *Prudence as a virtue*

The philosophy of exercising caution and sound judgement has always been at the core of our growth strategy. At ASCL, it is not just about making profits in the present but securing the future for sustained success.

1



### *Capitalising on opportunities*

We believe that fortune favours the bold. By closely monitoring market trends and seizing opportunities, we aim to expand our business operations to reach wider and deeper.

2



### *Production amplification*

A new capex for Azo pigments is likely to catalyse growth and propel us towards higher production levels. By ramping up our operations in Dahej, we are poised to unleash our full potential and regain our lost momentum.

3



### *Greenfield expansion*

Our operations in Chhatral have been a critical component of our success story. We believe that once the plant gets commissioned, we are set to achieve new heights of operational efficiency and profitability.

4



### *Reducing our environmental impact*

As a responsible corporate citizen, we acknowledge the impact our business has on the environment. Our commitment to the environment and society at large goes beyond just lip service. By adhering to best practices and implementing sustainable policies, we aim to make our operations cleaner, greener and more efficient.

5



# BOARD OF DIRECTORS

## Guided by experience and expertise

Our Board of Directors comprises trailblazers from diverse backgrounds who bring to the table valuable insights, strategic acumen and a shared passion for excellence.



**1** *Mrs. Paru M. Jaykrishna*  
Chairperson and  
Managing Director

Mrs. Jaykrishna brings her profound knowledge in Law, Philosophy, Sanskrit, and English Literature to the forefront of her responsibilities of shaping the strategic direction of the Company. With her astute decision-making and growth-oriented policies, she has positioned herself as one of India's most eminent women entrepreneurs, achieving the coveted title of the First Elected Woman President of Gujarat Chambers of Commerce and Industry in 70 years. In addition, to her valuable contributions to Asahi, she has served as a Director in esteemed organisations, such as Tourism Corporation of Gujarat Limited, Gujarat State Handloom House Corporation, and Small Industries Development Bank of India (SIDBI).

**2** *Mr. Gokul M. Jaykrishna*  
Joint Managing Director  
and CEO

A distinguished alumnus of Lehigh University, USA, with a major in Finance and minor in Economics, Mr. Jaykrishna commands the Company's operations, finance, production, marketing, and strategic development. He brings to the table a wealth of experience from his previous tenure with the renowned Krieger Associates in New Jersey, a prestigious currency and options trader in the United States. With his extensive knowledge and profound, Mr. Jaykrishna has been instrumental in steering the Company towards phenomenal growth and success. He also serves on the Board of AksharChem (India) Limited, a testimony to his remarkable leadership and business acumen.

**3** *Mrs. R. K. Sukhdevsinhji*  
Director

A distinguished alumnus of the prestigious St. Stephens College, Delhi, Mr. Sukhdevsinhji is a scion of the illustrious lineage of Maharaja Rajendrasinhji. With his vast experience and expertise in the oil and gas industry, he was appointed as the Director of Operations in the esteemed Oil Coordination Committee (OCC) of the Ministry of Petroleum and Natural Gas in 1981. In addition to his illustrious tenure as the Chairman and Managing Director of Bharat Petroleum Corporation Ltd., he has held several eminent board-level positions in various central government and public sector companies, contributing significantly to their growth and success.

**4** *Mr. Arvind Goenka*  
Director

A distinguished alumnus of St. Xavier's College, Kolkata, Mr. Arvind Goenka belongs to the esteemed Goenka family, and boasts of an illustrious career spanning over three decades. With a proven track record of astutely managing and overseeing operations across diverse business interests, such as jute, cotton textiles, rubber, chemical and sophisticated industrial products, he is a renowned industrialist. In addition to being a valued member of our Board of Directors, he also serves on the board of other reputed companies, such as Oriental Carbon and Chemicals Ltd., and Duncan Engineering Ltd.

**5** *Mr. Jayprakash M. Patel*  
Director

With an illustrious career spanning over 47 years in the dyes and chemicals industry, Mr. Patel is a distinguished industrialist who holds a degree in Chemical Engineering from the US. His comprehensive knowledge and astute insights in this field have propelled him to be the founder of Loxim Industries Ltd., while also being a prominent thought leader in this sector.

**6** *Mr. Pradeep Jha*  
Director

Mr. Jha is an esteemed mathematician with 46 years of teaching experience, widely recognised for his insightful contributions to the field. His impressive research output includes over 20 published articles in prestigious international journals, in addition to authoring numerous books on mathematics and operations research. Mr. Jha has also developed customised soft skills programmes for corporate entities and serves as a valued advisor to a number of universities.

**7** *Mr. Munjal M. Jaykrishna*  
Director

Mr. Jaykrishna, a graduate in Finance and Marketing from Lehigh University, boasts an impressive track record of working as a financial analyst for the prestigious Bank of California (San Francisco), and as a consultant for Paragon Knits, Bethlehem.

**8** *Mr. Arjun G. Jaykrishna*  
Executive Director

A distinguished alumnus of Northwestern University, US, Mr. Jaykrishna holds a Bachelor of Science degree in Chemical Engineers with a minor in Sustainable Energy. Adding to his repertoire, he completed his high school from the prestigious UWCSEA, Singapore. With his experience in Deloitte, he has aced his knowledge of Indian business environment and brownfield acquisition process. His stint with DIC, Japan has bestowed him with operational and managerial expertise in the chemical industry. Presently, he spearheads the critical responsibilities of pigment marketing and plant operations for the Company.

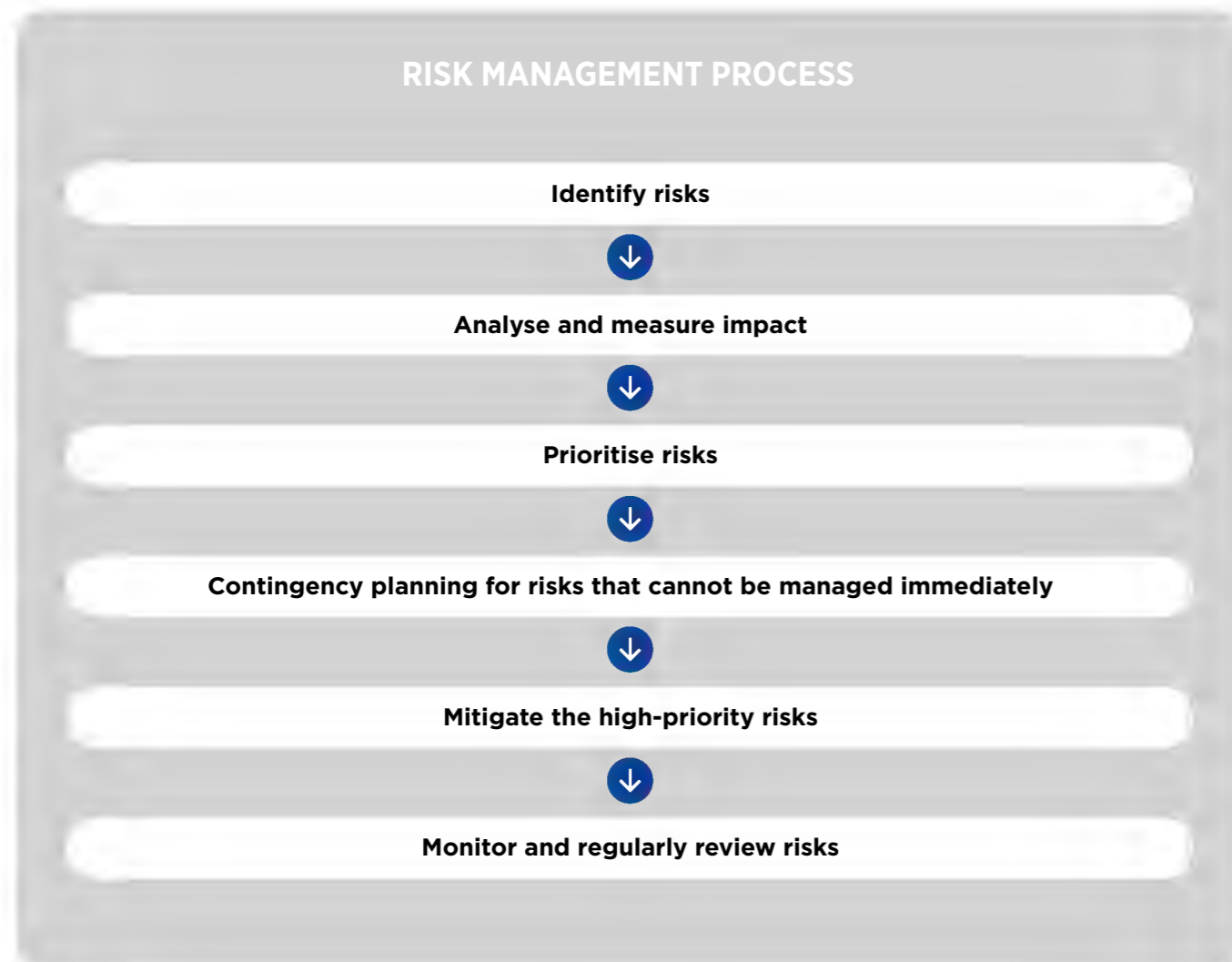
**9** *Mrs. Shivani Revat Lakhia*  
Director

A distinguished advocate, Mrs. Lakhia possesses an exceptional depth of knowledge in various laws, with particular expertise in conveyance, land & revenue. With over 13 years of experience in handling intricate legal matters, she is highly respected and sought-after legal professional in her field.

## MANAGING RISKS

# Safeguarding today for a better tomorrow

As a forward-thinking and responsible Company, we are consistently working towards imbuing sustainability into every aspect of our operations. We recognise that the unpredictable macroeconomic climate poses various risks to our business. We have, thus, implemented a rigorous risk management process, bolstered by our robust corporate governance, which enables us to navigate potential pitfalls and create long-term value for all our stakeholders.



### Risks and their mitigation measures

<b>Competition</b>	<ul style="list-style-type: none"> <li>• Ensuring product superiority</li> <li>• Drive process innovation and invest in advanced manufacturing technology</li> <li>• Conduct regular marketing initiatives</li> </ul>
<b>Limited sales volume</b>	<ul style="list-style-type: none"> <li>• Increase market penetration</li> <li>• Ensure customer retention with top-notch quality and prompt delivery</li> <li>• Maintain cost focus throughout the value chain</li> </ul>
<b>Talent management</b>	<ul style="list-style-type: none"> <li>• Attract and retain top talent by implementing employee-centric policies</li> <li>• Establish performance management and rewards systems to incentivise and recognise excellence</li> <li>• Facilitate skill development and career growth opportunities for employees</li> </ul>
<b>Raw material availability</b>	<ul style="list-style-type: none"> <li>• Employ accurate forecasting and production planning methods to enable smooth production processes</li> <li>• Establish sustainable relationships with raw materials suppliers and secure long-term contracts</li> <li>• Implement strategic cost management measures to counteract the effects of volatile pricing trends</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• Consistently invest in advanced technologies to modernise our manufacturing processes and facilities</li> <li>• Continuously update our knowledge through technical support from industry leaders, such as DIC and Clariant Pigments, and benchmark our technology with global standards</li> <li>• Utilise technical knowledge gained from our joint venture with TTC</li> <li>• Leverage the technological strengths of Atlas to expand our product portfolio</li> </ul>
<b>Environmental impact</b>	<ul style="list-style-type: none"> <li>• Adhere to national and state environmental standards while continuously monitoring and maintaining compliance</li> <li>• Incorporate circular economy principles throughout our value chain</li> <li>• Invest in effluent treatment plant, renewable energy, and reduce water and energy consumption</li> <li>• Maintain ambient air quality and control decibel</li> </ul>



# MANAGEMENT DISCUSSION AND ANALYSIS

## Management discussion and analysis

### ECONOMIC OVERVIEW

#### GLOBAL ECONOMY

According to the World Economic Outlook, the global economy is poised for gradual recovery, with projections forecasting growth to fall to 2.8% in 2023, before rising modestly to 3% in 2024.

Driven by accumulated consumer demand, persistent supply interruptions, and significant increases in commodity prices, inflation reached its highest levels in many economies last year. As a result, central banks took decisive measures to counteract this trend by implementing strong measures to align it with their goals and ensure that inflation expectations remain stable. It is expected to reduce from 8.7% in 2022 to 7.0% this year and 4.9% in 2024. The disruptions in supply chains are gradually resolving, and the effects of the war on energy and food markets are fading.

China's economy rebounded strongly, paving the way for a faster-than-expected recovery. Emerging markets and developing economies are making significant progress, as evidenced by their growth rates (comparing fourth quarters) surging from 2.8% in 2022 to 4.5% this year. Conversely, the deceleration is primarily seen in advanced economies, notably in the euro area and the United Kingdom.

The downside risks continue to outweigh the positives, with adverse factors, such as severe health outcomes in China, Russia's war in Ukraine, and tighter global financing costs, all posing significant challenges. The rise in commodity prices has added to the risk of an economic hard landing. This at the back of inflation, which is likely to hit in the first half of 2023 further exacerbates the economic uncertainty. However, on the upside, pent-up demand in numerous economies, a faster fall in inflation, and greater multilateral cooperation could mitigate the adverse effects. To this end, it is necessary to deploy macroprudential tools and further strengthen debt restructuring frameworks, while fiscal support should be targeted at those most affected by elevated food and energy prices.

Bolstering multilateral cooperation can safeguard the fruits of a hard-won, rules-based global economic system and address the urgent challenge of climate change by curtailing emissions, and strengthening investments in green technologies. Such efforts will not only foster a more sustainable future for the planet but also enhance the resilience of the global economy against future shocks.

**2.8%**  
**THE GLOBAL ECONOMY IS POISED FOR GRADUAL RECOVERY, WITH PROJECTIONS FORECASTING GROWTH TO FALL TO 2.8% IN 2023, BEFORE RISING MODESTLY TO 3% IN 2024.**

#### GLOBAL ECONOMY (In %)

2022	3.4
2023	2.8
2024	3.0

#### ADVANCED ECONOMIES (In %)

2022	2.7
2023	1.3
2024	1.4

#### EMERGING MARKET & DEVELOPING ECONOMIES (In %)

2022	4.0
2023	3.9
2024	4.2

Source: World Economic Outlook, April 2023

#### INDIAN ECONOMY

The Indian economy maintained a comparatively steady stance amid the global disruptions arising from the Russia-Ukraine conflict. According to the National Statistical Office (NSO), the economy recorded a growth rate of 7.2% in FY2023, which marked a decline from the 9.1% growth observed in FY2022. This impressive performance can be attributed to various growth factors, such as surge in exports, which accelerated the production process. Private consumption witnessed a strong surge, fuelling production across sectors.

The impressive upswing in economic growth can also be attributed to the government's burgeoning capital expenditure, which surged by an astounding 63.4% during the first eight months of FY2023.

Furthermore, the MSME sector, a crucial cornerstone of the Indian economy, witnessed an extraordinary uptick in credit growth, with an average of 30.5% recorded between January and November 2022.

Rising global commodity prices had a ripple effect on India, causing retail inflation to reach a high of 7.79% in April 2022. This exceeded the Reserve Bank of India's medium-term target range of 2-6%. Responding decisively, the RBI implemented rigorous measures to address the escalating prices, raising the repo rate six times during FY2023. The repo rate climbed from 4% at the start of May 2022 to 6.5% by the end of the financial year.

The combination of better global supply chains, decreasing commodity prices, and a decrease in domestic demand is expected to lead to a decrease in inflation.

With a workforce that's expanding, a significant domestic market, investments in infrastructure and the rise of digital technology, India is strongly positioned to become the world's fastest-growing major economy. The International Monetary Fund anticipates India's GDP to achieve a growth rate of 5.9% in FY2024.

Robust credit disbursal, and capital investment cycles, further bolstered by the expansion of public digital platforms, and ground-breaking initiatives, such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentives schemes to accelerate manufacturing output are expected to augur well in the country's favour.



Management discussion and analysis (Continued)

INDUSTRY OVERVIEW

INDIAN CHEMICAL INDUSTRY

The Indian chemical sector is one of the most integral components of India's GDP, contributing a staggering 7% to it. With India ranking 6th in the world in terms of chemical production, and 3rd in Asia, the industry is poised to capitalise on forthcoming opportunities.

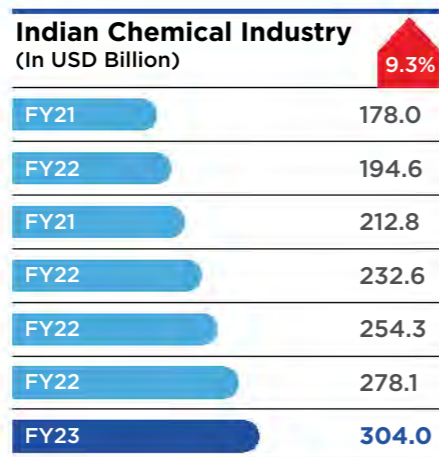
The Indian chemicals industry stood at \$178 billion in 2019 and is expected to reach \$304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute \$383 billion to India's GDP by 2030.

Growing demand, policy support and increasing investment are expected to augur well for the industry. Rise in demand from end-user industries such as food processing, personal care and home care is driving the development of different segments in India's specialty chemicals market. With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for significant growth. Under the Union Budget 2023-24 the government allocated ₹173.45 crore to the Department of Chemicals and Petrochemicals. The government is also planning to introduce a production-linked incentive (PLI) scheme to promote domestic manufacturing of agrochemicals.

As the pandemic recedes and with the rise in disposable income, industries, such as cosmetics and fashion, and other FMCG are set to flourish. This bodes well for segments, such as perfumery cosmetics, essential oils, and sensory-linked products, which are a few of the many strong points for the country. It also spells accelerated growth for chemicals linked to product packaging.

On a worldwide scale, India holds the position of the fourth-largest agrochemical producer, trailing only the United States, Japan, and China. The nation contributes to approximately 16-18% of the total global output of dyestuffs and dye intermediates, solidifying its significance in the colorants industry with an approximate market share of 15%. Notably, India's chemicals sector operates in a de-licensed manner, with the exception of a limited number of hazardous chemicals. Demonstrating its robust standing, India plays a significant role in both the international export and import of chemicals, securing the 14th rank in exports and the 8th rank in imports globally (excluding pharmaceuticals).

Source: India Briefing



Source: IBEF



ORGANIC PIGMENT INDUSTRY

Organic pigments have emerged as a game-changer in various industries. With non-toxic properties, cost-effectiveness and high colour power, these pigments have become an irresistible choice for numerous applications. From the visual arts to high-tech industries, such as photo reproduction, optoelectronic display, and optical data storage, the demand for organic pigments has skyrocketed owing to their availability in a wide range of hues.

Additionally, they are extensively used in paint, ink, and the production of polymer and rubber. These pigments also serve as fillers and reinforcing agents for a wide range of applications, including colouring agents for plastics and synthetic fibres.

The global market for organic pigments is predicted to grow from \$15.09 billion in 2022 to \$16.17 billion in 2023, marking a noteworthy Compound Annual Growth Rate (CAGR) of 7.1%. Asia-Pacific led the organic pigments market in 2022 due to its swift economic advancement and burgeoning population. This region is expected to maintain its rapid growth, becoming the fastest-growing sector during the projected period, with a substantial market share of around 46.5% between 2021 and 2031.

This growth is driven by the rising demand for organic pigments across diverse sectors like automotive, construction, and packaging. The Asia-Pacific region is a major player in both production and consumption, fueled by factors such as robust expansion in construction and automotive industries, increased demand for consumer goods, and urbanization. These dynamics have resulted in a significant demand for organic pigments used in products like paints, coatings, plastics, and related items.

The global demand for organic pigments is on the rise due to strict regulations governing the use of printing inks in food packaging. These regulations aim for more environmentally friendly pigments as concerns grow about the safety of food packaging and potential colour transfer into consumables. This has led to a surge in demand for high-quality organic pigments that offer colour stability, viscosity control, and versatility in printing on various materials. Additionally, the strong colouring capabilities of organic pigments allow for a wide range of customized colours, enhancing the visual appeal of products.

Simultaneously, the growth in construction and infrastructure projects in India and China has boosted furniture consumption. Initiatives like "Make in India" and investments in electric vehicles have also expanded the use of organic pigments in paints and coatings for the Indian automotive sector. These pigments find application in the plastics industry as well, with the Asia-Pacific region contributing to 52% of the world's plastic production. Alongside the region's cost-effective labour and abundant raw materials, this positions it as a hub for organic pigment manufacturing, driving significant market growth.

Source: 'Organic Pigments Global Market Report 2023' by The Business Research Company, Mordor Intelligence

ACTIVE PHARMACEUTICAL INGREDIENTS INDUSTRY

High Medium Low



Source: Mordor Intelligence

The global market for active pharmaceutical ingredients (APIs) stood at a staggering \$204.08 billion in 2023 and is poised to reach \$285.29 billion by 2027, growing at a CAGR of 6.93%.



Source: IBEF

The API industry has emerged as a dominant force in the healthcare and pharmaceutical domain, buoyed by a multifarious range of drivers. Conducive government policies, a remarkable stride in the API manufacturing space, coupled with the escalating incidence of chronic illnesses, such as cancer, and cardiovascular diseases have given a boost to the sector.

Further, due to changes in geopolitical situations, countries such as India are preferred over China for the export of APIs, as governments strive to reduce dependence on China for API products.

It is worth noting that the pandemic has, paradoxically, provided an impetus to the growth of the global API market. As the world grappled with the pandemic, the pharmaceutical industry took centre stage in treating its numerous symptoms. This heightened popularity of the pharma industry during the pandemic has, in turn, propelled the API market to new heights. Moreover, the development of precision medicine, primarily for oncology, and the growth in biosimilars market owing to the rise of various diseases is further boosting demand for APIs.

At present, the API market is under the substantial influence of North America, and this dominance is anticipated to persist for the foreseeable future. The region's grip on the market is projected to strengthen further due to a surge in disease prevalence and a progressively aging population. Notably, the United States holds a significant portion of the market within the North American territory.

The API segment's growth is expected to remain robust in the upcoming years, driven by substantial investments from major players to set up advanced manufacturing facilities. The said players are also focused on leveraging their production capabilities in Asian countries to cater to the API demands of other drugmakers. Moreover, the Indian government's announcement of a 9.4 billion stimulus package for the bulk drug industry is expected to further bolster domestic production and boost exports.

The outsourcing segment of the API industry has witnessed substantial growth, largely owing to the significant contributions of top biopharmaceutical players. By outsourcing API manufacturing to developing countries, such as India, the industry has effectively capitalised on the cost advantages that these countries offer, thereby boosting profit margins and accelerating the segment's growth trajectory. Meanwhile, the generic drug market is poised to achieve exceptional growth rates, particularly in regions, such as Brazil and India, owing to its high unmet clinical needs and acceptance of over-the-counter drugs.

Source: MarketsandMarkets

Management discussion and analysis (Continued)

**BUSINESS OVERVIEW**

Asahi Songwon Colors Limited (Asahi), a leading manufacturer and exporter of colour pigments, has diversified its business portfolio with a recent foray into the pharmaceutical industry. In 2019, the Company expanded its product line to include yellow and red (Azo) pigments, in addition to its core offering of Phthalocyanine pigments used in printing inks, paints, plastic, textiles and paper industries. Through the acquisition of Atlas Life Sciences Private Limited, a renowned manufacturer of anti-convulsant anti-psychotic and anti-diabetic APIs, Asahi is now home to a third manufacturing facility located in Odhav. The Company is aggressively striving to expand its manufacturing footprint, with a fourth unit in Chhatral, which will be commissioned by October 2023. This strategic move has allowed the Company to cater to the growing demand for high-quality APIs backed by Atlas Life Sciences' expertise in the field.

The Company's manufacturing facilities, situated in Padra and Dahej have an installed capacity of 16,800 MT and cater to over 40 international and domestic customers. With a strong team of 580+ employees, the Company has garnered more than 60% of its revenue from exports to MNCs in 20+ countries, a testament to its global presence and commitment to delivering incremental value to its customers. To further strengthen its position in the market, Asahi has invested in a phase 2 brownfield capex, which will double the capacity of yellow pigments at the Dahej site.

Asahi is guided by a competent and diverse Board of Directors, comprising professionals with a wealth of experience in various fields. With their expertise, the Company ensures the highest standards of corporate governance, striving to maintain transparency and accountability in all aspects of the business.

**PHthalocyanine pigments**

According to Business Research Insights, the Phthalocyanine pigments market is anticipated to grow at a rate of \$2215.8 million with CAGR of 4.8% during 2022-2028. The market size is likely to reach a valuation of \$2215.8 million by 2028, up from an estimated value of \$1672.5 million in 2022.

This market's growth is driven by factors such as evolving industrial and consumer demand patterns, rapid urbanisation and higher standards of living. Further, there is a surge in interest to incorporate architectural aesthetics in buildings, which is contributing to high the demand for superior-quality paints and coatings.

Over the past 15 years, the competitive dynamics within the Phthalocyanine pigments sector have undergone a notable transformation. During this period, India has emerged as a formidable contender in the market, progressively capturing market share from China. Previously, China held a dominant position, contributing over 70% of the Phthalocyanine pigment market share. Presently, India has ascended to a position of prominence, catering to over 70% of the global demand for Phthalocyanine pigments.

Asahi, a leading manufacturer of Phthalocyanine pigments, caters to the diverse needs of various industries such as printing ink, packaging ink, paint, plastic and textile. Asahi is one of the largest manufacturers of CPC blue crude globally. Leveraging its expertise and knowledge, Asahi has signed long-term contracts with its clients and is committed to providing them with superior-quality pigments, thus contributing to the growth of the industry.

**Azo pigments**

The global market for Azo pigments is a highly competitive area where multinational corporations offer attractive discounts to maintain their market share. Azo pigments are witnessing a quick acceptance as an eco-friendly alternative to dyes, which is driving their demand in high-grade plastics and coating applications. According to Persistence Market Research, the global market for Azo pigments is expected to stand at \$1,618.6 million in 2023.

Leading Azo pigment manufacturers are prioritising strong partnerships with key distributors and long-term contracts with clients to maintain dominance. Meanwhile, India's pigment sector is emerging as a formidable competitor to China, owing to its growing environmental compliance and wage costs.

Asahi has partnered with Tennants Textiles Colours Limited (TTC), one of the leading colour manufacturers in the UK, to produce a range of red, yellow and orange pigments. The successful completion of the planned capex has enabled the Company to leverage the growing demand for Azo pigments in various end-user industries. With its proven delivery across the world, combined with its scale, Asahi is a highly attractive partner for large-scale manufacturers and companies seeking high-quality pigments at affordable prices.

**Pregabalin**

Pregabalin, an anti-convulsant medication, has emerged as a promising treatment for various medical conditions, such as epilepsy, neuropathic pain, fibromyalgia, and general anxiety disorders. Owing to its ability to reduce pain from injured nerves throughout the body, pregabalin is experiencing a steady demand across the world. The global consumption of pregabalin is 1,430 tonnes growing at 10% CAGR.

The market is dominated by North America, with Asia-Pacific emerging as a key growth region, owing to the surging prevalence of convulsions and anxiety disorders, growing healthcare infrastructure and rising geriatric population in the region. Furthermore, a large number of initiatives by public and private organisations to spread awareness, at the back of rising healthcare expenditure, will expand the market.

As the global consumption of pregabalin continues to grow at a robust pace, Indian manufacturers are driving process efficiency and competitiveness to meet the rising demand. With a well-equipped manufacturing base and more 15 key producers, the country is contributing significantly to the global market share. In addition, India accounts for a 28% share of global consumption, almost 395 tonnes out of 1,430 tonnes.

Asahi has opened up exciting new avenues for growth with its recent acquisition of Atlas Life Sciences, a prominent player in the pregabalin market. This strategic move not only strengthens Asahi's foothold in the industry but also enables the Company to tap into emerging opportunities, diversify its portfolio and thus stay ahead of the competition.

**\$2,215.8 mn**

**THE PHthalocyanine pigments MARKET IS ANTICIPATED TO GROW AT A RATE OF \$2215.8 MILLION WITH CAGR OF 4.8% DURING 2022-2028.**

**\$1,618.6 mn**

**THE PERSISTENCE MARKET RESEARCH, THE GLOBAL MARKET FOR AZO pigments IS EXPECTED TO STAND AT \$1,618.6 MILLION IN 2023.**

**END-SECTOR GROWTH DRIVERS**

The expanding textile industry has paved the way for the increased use of colourants in modern textile solutions, making colour a critical component in product marketing. This trend is expected to continue as pigment consumption rises and the textile industry continues to grow rapidly. Additionally, the growth of the paints and coatings sector can be attributed to the rise in residential and commercial building construction. This sector is likely to be propelled by factors, such as government and private sector investments in infrastructure development, increased consumer spending, higher per-capital earnings, and improved quality of life.

**1,430 tonnes**

**THE GLOBAL CONSUMPTION OF PREGABALIN GROWING AT 10% CAGR**

Moreover, the packaging ink sector is one of the fastest-growing end-use industries with screen printing and digital printing applications contributing to its growth. This rise in production and sales of organic pigments is also due to the increased demand for various printing inks. The sector's growth is further driven by the emergence of digital printing ink in the sports and leisure, packaging and textile sectors.

The pharmaceutical industry on the other hand has been experiencing remarkable growth in recent years, driven by several key factors. One of the most significant regulations aimed at ensuring patient safety and improving healthcare outcomes. These regulations have led to a greater demand for innovative medicines, as well as increased R&D activities within the industry.

Managed care and insurers have also been playing a critical role in driving growth within the pharmaceutical sector. The rising focus on cost containment and quality of care has resulted in a greater emphasis on preventive care and early detection of diseases, leading to a rise in the use of pharmaceutical products. Additionally, the growing trend towards personalised medicine and the use of biologics has created new opportunities for pharmaceutical companies to develop specialised treatments for a range of medical conditions.

**OUTLOOK AND STRATEGY**

Asahi's Azo business is already gaining steady momentum and the demand for Phthalocyanine pigments is gradually improving.

The Company continues to cultivate enduring client relationships owing to its exceptional product quality. The establishment of the new Dahej plant positions Asahi among a cluster of distinguished chemical enterprises. This strategic move affords the Company the advantage of accessing a proficient workforce, robust shared infrastructure and convenient proximity to raw materials, culminating in substantial savings on logistical expenditures. The greenfield investment in Chhatral is poised to elevate operational efficiency and bolster overall profitability while cementing our position as the market leader in the production of APIs and raw materials for pregabalin. Plans are underway to ramp up the capacity of the intermediates for pregabalin and supply them to the Odhav facility instead of buying them from external sources. Anticipated industry consolidation within the global pigment sector will also propel the Company onto a trajectory of renewed growth.

With customers diversifying supply chains away from China, India, and by extension, Asahi, emerges as a promising contender. This outlook is further augmented by India's favourable access to indigenous raw materials, cost-effective labour and vertically integrated operations.



## Management discussion and analysis (Continued)

### RISKS

Regional disease outbreaks can harm chemical supply networks. Global economic uncertainty may reduce demand. Despite higher immunisation rates, new Covid-19 variants still affect people, especially employees, amid government movement restrictions. Variable raw material prices, reliance on key imports and high global crude oil costs pressure product margins.

Fluctuations in Rupee and Yuan versus the Dollar significantly affect pricing, as Indian manufacturers compete with Chinese peers in the organic pigment industry. The concentrated pigments market faces ESG concerns. Businesses might grapple with compliance costs and complex regulations.

Asahi is well-prepared and equipped to effectively manage these risks. With a robust strategy, dedicated team and proactive measures in place, the Company can effectively navigate challenges and continue delivering value

### HUMAN RESOURCES

As Asahi navigates through diverse challenges and opportunities, the contributions of each team member remain under constant recognition. The collective skills of the team propels the organisation forward, driving the accomplishment of its objectives. The team's adaptability, resilience and collaborative efforts serve as a continual source of inspiration.

It is essential to bear in mind that the employees constitute the core of the organisation, with their well-being being of utmost importance. The Company is committed to cultivating a nurturing environment that facilitates their personal and professional growth. As on March 31, 2023, the Company had a workforce of 580+ employees.

**580+**  
WORKFORCE AS ON  
MARCH 31, 2023



### INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company upholds an unwavering commitment to the implementation of internal financial control systems that are proportionate to the size and complexity of its operations. The primary objective of these systems is to provide reasonable assurance by ensuring the accuracy and reliability of financial and operational information, complying with relevant accounting standards and statutory requirements, protecting assets from unauthorised use, and ensuring proper authorisation of transactions.

To ensure the adequacy and effectiveness of the internal controls, the Company has appointed independent auditors who conduct periodic audits and make recommendations for improvements. The Audit Committee, led by a non-executive Independent Director, regularly reviews the internal control systems for their effectiveness and translates the recommended changes into the system. Furthermore, the Company's internal audit reports are subjected to thorough review and scrutiny by the Board's Audit Committee, thus providing a robust system of checks and balances.

### FINANCIAL PERFORMANCE

(₹ in lakh)

Particulars	FY23	FY22	
<b>Revenue from operations</b>	<b>50,455.14</b>	<b>41,082.26</b>	
Other Income	586.93	561.12	
<b>Total Income</b>	<b>51,041.07</b>	<b>41,643.38</b>	
Total operating expenses	49,926.83	37,870.07	
Interest cost	1,401.96	472.42	
Depreciation	1,486.45	1,195.70	
Profit before tax, excluding exceptional items	(1,774.17)	2,088.25	
<b>Profit after tax</b>	<b>(1,846.88)</b>	<b>1,465.07</b>	
Particulars	FY23	FY22	Variance
Debtors turnover ratio (times)	5.09	4.86	5%
Inventory turnover ratio (times)	5.23	5.30	(1%)
Current ratio (times)	1.12	1.62	(31%)
Debt-equity ratio (times)	0.69	0.31	125%
Operating profit (PBIT) margin (%)	(0.74)	6.23	(88%)
Net profit margin (%)	(3.66)	3.57	(203%)
Return on net worth (RoNW) (%)	(6.78)	5.24	(229%)

### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis and other parts of the report describing the Company's objectives, projections, estimates and expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include economic and political conditions in India and other countries, in which the Company may operate. Other factors that may impact the Company's operations include volatility in interest rates, changes in government regulations and policies, tax laws, statutes, and other incidental factors. The Company does not intend to update these statements.

# Notice

**Notice is hereby** given that the 33<sup>rd</sup> Annual General Meeting of the Members of ASAHI SONGWON COLORS LIMITED will be held on **Thursday, 28<sup>th</sup> day of September, 2023 at 11.30 AM IST through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”)**, to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at “Asahi House”, 20, Times Corporate Park, Thaltej-Shilaj Road, Thaltej, Ahmedabad – 380059.

## ORDINARY BUSINESS:

- To receive, consider, approve and adopt:
  - the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Reports of the Board of Directors’ and the Auditors’ thereon; and
  - the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Report of the Auditors’ thereon.
- To declare a final dividend on Equity Shares of the Company for the Financial Year ended March 31, 2023.
- To appoint a Director in place of Mr. Munjal M. Jaykrishna (DIN: 00671693), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

### 4. APPROVAL OF LOAN, GUARANTEE OR SECURITY UNDER SECTION 185 OF THE COMPANIES ACT, 2013

To consider and if thought fit, to pass the following resolution as **Special Resolution:**

**“RESOLVED THAT** pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) upto an aggregate sum of ₹ 50 Crores (Rupees Fifty Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing Company for its principal business activities.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

By the Order of the Board of Directors

**Place:** Ahmedabad  
**Date:** August 10, 2023

**PARU M. JAYKRISHNA**  
Chairperson & Mg. Director  
DIN: 00671721

### Registered Office:

“Asahi House”, 20, Times Corporate Park  
Thaltej-Shilaj Road, Thaltej  
Ahmedabad – 380059, Gujarat (India)  
CIN: L24222GJ1990PLC014789  
Phone: +91 079 68325000,  
Fax: +91 079 68325099  
Website: [www.asahisongwon.com](http://www.asahisongwon.com)  
Email id: [cs@asahisongwon.com](mailto:cs@asahisongwon.com)

# Notes:

## 1. EXPLANATORY STATEMENT

An Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013 (“the Act”), Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) in respect of the Ordinary and Special Businesses, specified in item Nos. 4 of the accompanying Notice is annexed hereto.

**2.** Ministry of Corporate Affairs (“MCA”), vide General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022, 10/2022 and 11/2022 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 respectively (collectively referred to as “MCA Circulars”) and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFDCMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as ‘SEBI Circulars’) has permitted to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual means (OAVM).

**3.** In compliance with applicable provisions of the Companies Act, 2013 (“the Act”) read with the aforesaid MCA Circulars, SEBI Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the 33<sup>rd</sup> AGM of the Company is being held through VC/OAVM and no physical presence of members, directors, auditors and other eligible persons shall be required for this meeting. National Securities Depository Limited (“NSDL”) will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM and e-voting during the AGM.

**4.** For the purpose of recording the proceedings, the AGM will be deemed to be held at the registered office of the Company at “Asahi House”, 20, Times Corporate Park, Thaltej-Shilaj Road, Thaltej, Ahmedabad - 380059, Gujarat, India. Keeping in view the guidelines, the Members are requested to attend the AGM from their respective locations by VC and not to visit the registered office to attend the AGM.

**5.** For convenience of the Members and proper conduct of AGM, the Members can login and join at least 20 minutes before the time scheduled for the AGM and the meeting link shall be kept open throughout the proceedings of AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders’ Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

## 6. PROXY

Since the Annual General Meeting (AGM) is being held pursuant to the e-AGM circulars through video conferencing/other audiovisual means, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice. However, a Member may appoint a representative as per applicable provisions of the Companies Act, 2013 to attend and/or vote.

**7.** The attendance of the Members attending the Annual General Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

**8.** Corporate Members are required to send by e-mail a certified true copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting.

**9.** Pursuant to Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility for voting through remote e-voting as well as e-voting during the AGM in respect of all the businesses to be transacted at the AGM and has engaged National Security Depositories Ltd. (NSDL) to provide e-voting facility and for participation in the AGM through VC/OAVM facility.

## 10. DIRECTORS PROPOSED TO BE RE-APPOINTED

In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Munjal M. Jaykrishna (DIN:00671693), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Except Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna, Mr. Munjal M. Jaykrishna and Mr. Arjun G. Jaykrishna or their relatives, none of the Directors, Key Managerial Personnel of the Company or any of their relatives, are concerned or interested in the above proposed resolution at item no. 3, except to their equity holdings and/or Directorships in the Company, if any.

The Board of Directors of the Company recommends their re-appointment.

The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 on General Meetings are given in annexure to notice of Annual General Meeting.

**11.** Electronic copy of the Annual Report for Financial Year 2022-2023 and Notice of AGM are uploaded on the Company’s website [www.asahisongwon.com](http://www.asahisongwon.com) .in and is being sent to all the Members whose email IDs are registered with the Company/

Depository Participants(s)/RTA for communication purposes and to the registered address of those members who have requested for physical copy. Both the Annual Report and Notice of AGM are available on the website of BSE Limited and The National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. Further, Notice of AGM is available on the website of NSDL, the agency engaged for providing e-voting facility, i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**12.** All documents referred to in the accompanying Notice and the Statement setting out material facts can be obtained for inspection by writing to the Company at its email ID [cs@asahisongwon.com](mailto:cs@asahisongwon.com) till the date of AGM.

**13.** The annual accounts of the subsidiary companies are made available on the website of the Company [www.asahisongwon.com](http://www.asahisongwon.com)

#### 14. APPOINTMENT OF STATUTORY AUDITORS

The Company's Statutory Auditors M/s. Talati & Talati LLP, Chartered Accountants (Firm Registration No. 110758W/W100377), Ahmedabad were appointed as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of 32<sup>nd</sup> Annual General Meeting till the conclusion of 37<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027 (subject to ratification of such appointment at every Annual General Meeting, if so required under the Companies Act, 2013).

Pursuant to the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from Section 139 of the Companies Act, 2013.

In view of the above, no resolution is proposed for ratification of appointment of the Statutory Auditors. As authorised by the members, at the 32<sup>nd</sup> Annual General Meeting, the Board of Directors (the Board), as recommended by the Audit Committee, has ratified the appointment of the Statutory Auditors for their respective remaining terms, at such remuneration as may be mutually agreed between the Board and the Statutory Auditors, from time to time. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as the Statutory Auditors.

#### 15. BOOK CLOSURE

Pursuant to the provisions of Section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 22, 2023 to Thursday, September 28, 2023 (both days inclusive)**.

#### 16. PAYMENT OF DIVIDEND

The final dividend on equity shares for the financial year 2022-23, if approved, will be paid within thirty days of declaration by members:

(i) in respect of shares held in physical form, to those members whose names appear in the Register of Members of the Company on **Thursday, September 21, 2023;**

(ii) in respect of shares held in electronic form, to those beneficial owners whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business hours on **Thursday, September 21, 2023.**

#### 17. TAX AT SOURCE (TDS) ON DIVIDEND

Pursuant to the requirements of Income Tax Act, 1961, dividends paid or distributed by the Company after 1<sup>st</sup> April, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source ("TDS") at the prescribed rates from the dividend to be paid to the shareholders, subject to requisite approvals. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.

**18.** The resident and non-resident shareholders should send the scanned copies of exemption forms and other documents at [cs@asahisongwon.com](mailto:cs@asahisongwon.com) on or before September 28, 2023, in order to enable the Company to determine and deduct an appropriate TDS/withholding tax rate. Members who have not submitted the aforesaid details and documents, may submit the same by September 28, 2023. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the Members, there will still be an option available with the Members to file the return of income and claim an appropriate refund, if eligible.

**19.** The Company will arrange to e-mail the soft copies of TDS certificates to the Members at their registered e-mail addresses in due course, post payment of the dividend.

#### 20. UNCLAIMED/UNPAID DIVIDEND

In terms of the provisions of Section 124 and other applicable provisions of the Act, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. The following are the details of dividends declared by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

Dividend Year	Date of Declaration of Dividend	Due date of transfer to IEPF
2016-2017 Interim	18/03/2017	23/04/2024
2017-2018 Final	28/09/2018	03/11/2025
2018-2019 Final	27/09/2019	01/11/2026
2019-2020 Interim	05/03/2020	10/03/2027
2020-2021 Final	28/09/2021	03/11/2028
2021-2022 Final	30/09/2022	04/11/2029

Members who have not encashed their dividend pertaining to the aforesaid years may approach the Company/its Registrar, for obtaining payments thereof as earliest and at least 30 days before they are due for transfer to the said fund.

Accordingly, the unclaimed dividend in respect of Financial Year 2016-17 (Interim) is due for transfer to the said Fund in April, 2024. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2016-17 onwards, are requested to lodge their claims with the Company for the same.

## **21. COMPULSORY TRANSFER OF SHARES TO DEMAT ACCOUNT OF IEPF AUTHORITY**

The members may kindly note that pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), all shares in respect of which dividend has remained unclaimed/unpaid for seven consecutive years or more shall be transferred by the Company to the demat account of Investor Education and Protection Fund Authority ("IEPF Authority").

The members are hereby informed that the Company is required to transfer the dividends, which remain unclaimed for a period of seven years, to the Investor Education and Protection Fund ("IEPF") constituted by the Central Government.

**22.** Members who wish to seek any information with regard to the Financial Statements or any matter to be placed at 33<sup>rd</sup> Annual General Meeting are requested to write to the Company at least 10 days before the meeting so as to enable the Company to keep the information ready at the Meeting.

**23.** The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.

**24.** Members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in electronic form and with Company's Registrar & Share Transfer Agent i.e. Link Intime India Private Limited in case the shares are held by them in physical form.

## **25. PROCESS FOR REGISTRATION/UPDATION OF EMAIL ID, BANK ACCOUNT DETAILS AND OTHER DETAILS**

### **A. Shareholding in Demat Form:**

Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service ("NECS"), Electronic Clearing Service ("ECS"), mandates, nominations, power of attorney, change of address/name, e-mail address, contact numbers, etc. to their Depository Participant ("DP") only, and not to the Company's Registrar & Share Transfer Agent.

Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better services to the Members.

### **B. Shareholding in Physical Form:**

Members holding shares in physical form are requested to visit the website of the Registrar and Share Transfer Agents of the Company – Link Intime India Private limited at the link mentioned hereunder and upload the documents required therein: [https://www.linkintime.co.in/EmailReg/Email\\_Register.html](https://www.linkintime.co.in/EmailReg/Email_Register.html).

This may be treated as an advance opportunity in terms of proviso to Rule 18(3) (i) of the Companies (Management and Administration) Rules, 2014.

**26.** In view of SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are being processed only in the dematerialized form with effect from April 1, 2019. Therefore, the Members are requested to take prompt action to dematerialize the Equity Shares of the Company. The Members may contact the Company or the Company's Registrar & Share Transfer Agent Link Intime India Private Limited for assistance in this regard.

## **27. UPDATION OF PAN, KYC, AND NOMINATION DETAILS**

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023, in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details.

As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, inter alia, furnish PAN, KYC, and nomination details. Physical folios wherein the PAN, KYC, and nomination details were not available on or after April 1, 2023, were to be frozen by the RTA and would be eligible for lodging grievance or any service request only after registering the required details. The said timeline of April 1, 2023 for freezing of folios has been extended to October 1, 2023.

Shareholders holding shares in demat form who have not furnished nomination nor have submitted declaration for opting out of nomination, are required to register or opt out from nomination, as the case may be, on or before September 30, 2023, failing which their trading accounts shall be frozen for trading and demat account shall be frozen for debits.

## **28. ISSUE OF SECURITIES IN DEMATERIALISED FORM**

a. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical



shares and avail various benefits of dematerialisation, the members are advised to dematerialise their holdings.

- b. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated listed companies to issue securities only in dematerialised form while processing service requests viz, Issue of duplicate securities certificate; Claim from unclaimed suspense account; Renewal/exchange of securities certificate; Endorsement; Sub-division/splitting of securities certificate; Consolidation of securities certificates/folios; Transmission; and Transposition.

## 29. BANKING ACCOUNT DETAILS

Regulation 12 and Schedule I of SEBI Listing Regulation requires all companies to use the facilities of electronic clearing services for payment of dividend. In compliance with these regulations, payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars.

## 30. VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS2) issued by the Institute of Company Secretaries of India (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Company is providing facility of remote e-Voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

The Members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting given hereinafter.

The remote e-Voting period will commence on **Monday, September 25, 2023 at 9.00 a.m. (IST) and will end on Wednesday, September 27, 2023 at 5.00 p.m (IST)**. During this period, members holding shares either in physical form or in dematerialised form, as on **September 21, 2023** i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the

remote e-Voting facility either during the period commencing from **September 25, 2023 to September 27, 2023** or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

### Voting Options

**30.1** The Company has engaged National Securities Depository Limited ("NSDL") to provide the facility of casting the votes by the members using an electronic voting system ("Remote E-voting") as well as e-voting system on the date of the Annual General Meeting.

**30.2** The members attending the Annual General Meeting who have not cast their vote by Remote E-voting shall be able to exercise their right through e-voting system at the Annual General Meeting.

**30.3** The members who have cast their vote by Remote E-voting prior to Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again at Annual General Meeting.

**30.4** The details of the process and manner for remote e-voting are explained herein below:

Step 1: Access to NSDL e-voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-voting system.

#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Pursuant to **SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020**, under Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 'e-Voting facility provided by Listed Companies', e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the E-voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile no. and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>A. NSDL IDEAS facility</b></p> <p><b>If you are already registered, follow the below steps;</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</li> <li>2. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section.</li> <li>3. A new screen will open. You will have to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services.</li> <li>4. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page.</li> <li>5. Click on options available against Company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> </ol> <p><b>If you are not registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>6. Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>7. Select “Register Online for IDEAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>8. Please follow steps given in points 1-7 above.</li> <li>9. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>10. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>11. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> </ol>
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Login method for Individual shareholders holding securities in demat mode is given below: (Contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

#### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: (022) 4886 7000 and (022) 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 22 55 33

#### B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

##### How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the homepage of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

#### 4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and joining General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@asahisongwon.com](mailto:cs@asahisongwon.com).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@asahisongwon.com](mailto:cs@asahisongwon.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

**General Guidelines for shareholders**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [komalmotiani09@gmail.com](mailto:komalmotiani09@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: (022) 4886 7000 and (022) 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and Password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### 31. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE ANNUAL GENERAL MEETING ARE AS UNDER

1. The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the Annual General Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Annual General Meeting.
3. Members who have voted through Remote e-Voting will be eligible to attend the Annual General Meeting. However, they will not be eligible to vote at the Annual General Meeting.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the Annual General Meeting shall be the same person mentioned for Remote e-voting.

### 32. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 33RD ANNUAL GENERAL MEETING THROUGH VC/OAVM ARE AS UNDER

1. Member will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the NSDL e-Voting system. Members may access by following

the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the Annual General Meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, mobile number at [cs@asahisongwon.com](mailto:cs@asahisongwon.com). Such requests need to reach the Company at least seven days before the date of Annual General Meeting. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Annual General Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

**33.** The Board of Directors of the Company has appointed M/s. Komal Motiani & Associates, Company Secretaries, Ahmedabad (ICSI Membership No. A39696) to scrutinise the e-voting at Annual General Meeting and Remote e-voting process in a fair and transparent manner.

**34.** The scrutiniser shall, immediately after the conclusion of e-voting at the Annual General Meeting, first count the votes cast through e-Voting at the Annual General Meeting and thereafter unblock the votes cast through Remote e-voting in the presence of atleast two witnesses not in the employment of the Company.

**35.** The Scrutiniser shall make, not later than 48 Hours of conclusion of the Annual General Meeting, a consolidated scrutiniser's report and submit the same to the Chairperson of Annual General Meeting or any other person authorized by Chairperson in writing who shall countersign the same and declare the results of the voting forthwith, which shall be displayed on the Notice Board of the Company at its Registered Office (as per details mentioned above). The results declared

alongwith scrutiniser's report shall be placed on the Company's website [www.asahisongwon.com](http://www.asahisongwon.com) and on the website of NSDL immediately after the results are declared. The results shall also be immediately forwarded to the BSE Limited (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai.

**36.** All documents referred to in the notice and the explanatory statement requiring the approval of the members at the Annual General Meeting and other statutory registers shall be available for inspection by the members at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., on all working days of the Company from the date hereof up to the date of ensuing Annual General Meeting.

**Statement Pursuant to Section 102 (1) of the Companies Act, 2013**

As required under section 102 (1) of the Companies Act, 2013, the following Statement set out all the material facts relating to the Special Business mentioned in Item No. 4 of the accompanying Notice.

Further, the approval is sought to advance loan including loan represented by a book debt, or give guarantee or provide security in connection with loan taken by any person as per the details given in table placed herein below:

<b>Name of the Party</b>	<b>Nature of Interest/ Relationship</b>	<b>Purpose for which the Loan or Guarantee or Security is proposed to be utilised by the Recipient</b>
Asahi Tennants Color Private Limited	Subsidiary Companies	In connection with the Credit facilities taken or to be taken by the Entity for the capital expenditure and/or working capital requirements as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities.
Atlas Life Sciences (India) Private Limited		

None of the Directors, Key Managerial Personnel of the Company or any of their relatives, are concerned or interested in the above proposed resolution, except to their equity holdings and/or Directorships in the Company, if any.

By the Order of the Board of Directors

**Place:** Ahmedabad  
**Date:** August 10, 2023

**PARU M. JAYKRISHNA**  
Chairperson & Mg. Director  
DIN: 00671721

**Registered Office:**  
"Asahi House", 20, Times Corporate Park  
Thaltej-Shilaj Road, Thaltej  
Ahmedabad - 380059, Gujarat (India)  
CIN: L24222GJ1990PLC014789  
Phone: +91 079 68325000,  
Fax: +91 079 68325099  
Website: [www.asahisongwon.com](http://www.asahisongwon.com)  
Email id: [cs@asahisongwon.com](mailto:cs@asahisongwon.com)

## DISCLOSURE RELATING TO DIRECTORS PURSUANT TO REGULATION 36(3) OF SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS-2)

	Re-Appointment
Name of the Director	Mr. Munjal M. Jaykrishna
DIN and Nationality	00671693 – Indian
Date of Birth	08.04.1970
Date of Appointment/Re-appointment to the Board	08.03.1996
Qualification	Major in Finance and Marketing from Lehigh University, USA
Number of shares held in the Company	Nil
Number of Board Meetings of the Board attended during the financial year 2022-2023	6
List of outside Directorship held in Listed Companies	1. AksharChem (India) Limited
Membership in the Committee of Board of other listed Companies*	Nil
Membership and Chairmanship in the Committees of the Board of the Company	Nil
Terms and conditions of reappointment/ appointment alongwith details of remuneration sought to be paid	He was appointed as Non-Executive Non Independent Director of the Company. As per the terms of appointment, he is liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offer himself of reappointment. He not entitled to any remuneration.
Relationship with any Director (s) or Manager or Key Managerial Personnel of the Company	Son of Mrs. Paru M. Jaykrishna, Brother of Mr. Gokul M. Jaykrishna and Uncle of Mr. Arjun G. Jaykrishna.

\* Chairmanship and membership of the Audit Committee and the Stakeholders Relationship Committee are considered.



# Director's Report

To the Members of  
**Asahi Songwon Colors Limited**

Your Directors' take pleasure in presenting their 33<sup>rd</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements both Standalone and Consolidated for the Financial Year ended March 31, 2023.

## FINANCIAL HIGHLIGHTS

The Company's standalone and consolidated financial performance for the year ended March 31, 2023 is summarised below:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2022-2023	2021-2022	2022-2023	2021-2022
Revenue from Operations	33,736.49	40,109.26	50,455.14	41,082.26
Other Income	567.86	638.72	585.93	561.12
Total Income	34,304.35	40,747.98	51,041.07	41,643.38
Profit before Depreciation, Finance Cost, Exceptional Item and Tax Expenses	1,404.44	4,430.59	1,114.24	3,756.37
Less: Depreciation	1,001.18	880.53	1,486.45	1,195.70
Less: Finance Cost	867.80	325.10	1,401.96	472.42
Profit before Tax before Exceptional Item	(464.54)	3,224.96	(1,774.17)	2,088.25
Add: Exceptional Items	-	-	-	-
<b>Profit before Tax (PBT)</b>	<b>(464.54)</b>	<b>3,224.96</b>	<b>(1,774.17)</b>	<b>2,088.25</b>
Less: Tax Expenses	6.43	806.06	72.71	623.18
<b>Profit after Tax (PAT)</b>	<b>(470.97)</b>	<b>2,418.90</b>	<b>(1,846.88)</b>	<b>1,465.07</b>
Attributable to:				
Owners of the Company	-	-	(1,164.90)	1,935.96
Non-Controlling Interest	-	-	(681.98)	(470.89)
Other Comprehensive Income/(Loss)	11.37	(35.49)	12.13	32.23
<b>Total Comprehensive Income</b>	<b>(459.60)</b>	<b>2,383.41</b>	<b>1,834.75</b>	<b>1,432.84</b>
Attributable to:				
Owners of the Company	(459.60)	2,383.41	(1,153.10)	1,902.13
Non-Controlling Interest			(681.65)	(469.29)
<b>Opening Balance in Retained Earnings</b>	<b>20,679.20</b>	<b>18,716.74</b>	<b>19,684.86</b>	<b>18,203.68</b>
Amount available for appropriation	20,219.60	21,100.15	1,8531.76	20,105.81
Less: Dividend (including Dividend Distribution Tax) on equity shares	58.94	420.95	58.94	420.95
Closing Balance in Retained Earnings	20,160.66	20,679.20	1,8472.82	19,684.86



## BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS

### a. General

Financial year 2022-2023 was marked by accumulated consumer demand, persistent supply interruptions and significant increases in commodity prices. Inflation reached its peak in several economies. Severe health outcomes in China, Russia's war in Ukraine and tighter global financing costs added to the downside risks.

While the Indian economy did not remain unscathed by these issues, it maintained a comparatively steady stance. The government's increasing capital expenditure and an extraordinary growth in the MSME sector contributed to the growth. The Reserve Bank of India (RBI) implemented rigorous measures to address the escalating prices, raising the repo rate six times during FY2023. Better global supply chains, decreasing commodity prices, and a decrease in domestic demand is expected to lead to a decrease in inflation.

All three business verticals of the Company were impacted by adverse conditions. Our pigments business was particularly affected by the customers' destocking in response to the uncertain economic environment in European markets, leading to decreased demand and lower realisations for phthalocyanine and azo pigments. We experienced a drop in realisation for our APIs as well. The azo market is gradually recovering from the effects of the dynamic macro-environment. The recovery has borne well for us and we have managed to maintain optimal operation levels for our yellow pigment production, bolstered by a strong demand for the product.

In Q1 FY2024, the Company's azo business is already gaining steady momentum and the demand for phthalocyanine pigments is gradually improving. Raw material prices are stabilising. Your Directors are confident that as the situation gradually improves, the Company is well-poised to capitalise on upcoming opportunities through its operational excellence, maximised efficiency and elevated performance across our installed capacity.

### b. Performance review

#### On standalone basis

During the year under review, the revenue from operation stood at ₹ 33,736 lakhs compared to ₹ 40,109 lakhs in the previous year. EBITDA for FY2023 stood at ₹ 837 lakhs with an EBITDA margin of 2.48%. The Profit after tax (PAT) for FY2023 was ₹ (471) lakhs compared to ₹ 2,419 lakhs in the previous year.

#### On consolidated basis

During the year under review, the revenue from operation stood at ₹ 50,455 lakhs compared to ₹ 41,082 lakhs in the previous year. EBITDA for FY2023 stood at ₹ 528 lakhs with an EBITDA margin of 1.05%. The Profit after tax (PAT) for FY2023 was ₹ (1,847) lakhs compared to ₹ 1,465 lakhs in the previous year. The consolidated numbers include the financial performance of Asahi Tennants Color Private Limited, Atlas Life Sciences Private Limited and Atlas Life Sciences (India) Private Limited, subsidiaries of the Company.

### c. Exports

During the year under review, the total exports on a standalone basis contributed to ₹ 20,894 lakhs compared to ₹ 22,401 lakhs during the previous year. Your Company continues to focus on export markets for its product competitiveness and for seeking profitable opportunities for growth.

### TRANSFER TO RESERVE

Your Directors do not propose to transfer any amount to the General Reserves for the Financial Year ended March 31, 2023.

### DIVIDEND

The Board of Directors at their meeting held on May 29, 2023 has recommended dividend at a rate of ₹ 0.50 per share (Fifty Paise Only) (5%) of face value of ₹ 10/- each on the fully paid up equity share capital as final dividend for the Financial Year 2022-2023. The payment is subject to the approval of members at the ensuing 33<sup>rd</sup> Annual General Meeting ("AGM") of the Company.

During the previous financial year, the Company has paid Final Dividend of ₹ 0.50 per share (5%) of face value of ₹ 10/- each on the fully paid up equity share capital of the Company.

The final dividend, if approved by the members at the ensuing Annual General Meeting would involve a total outgo of ₹ 58.94 lakhs towards dividend for the year.

As per the Income Tax Act, 1961 dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Accordingly, the Company makes the payment of the dividend from time to time after deduction of tax at source.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is annexed as **Annexure - "F"** and is also available on the Company's website at [www.asahisongwon.com](http://www.asahisongwon.com).

### INVESTOR EDUCATION AND PROTECTION FUND

#### Transfer of Unpaid/Unclaimed Dividend & Share Application Money to Investor Education and Protection Fund (IEPF)

During the year under review, unclaimed dividend amount of ₹ 0.72 lakhs towards the unpaid dividend account of the Company for the financial year 2014-2015 (Final Dividend) was transferred to Investor Education and Protection Fund (IEPF) of the Central Government. The said amount had remained unclaimed for seven years.

Reminders are sent regularly to the Shareholders who have not claimed the dividend amount, to claim the same from the Company failing which, the unclaimed dividend lying in the unpaid account for seven years shall be transferred to IEPF within thirty days from the due date for transfer of unpaid dividend. Unclaimed dividend in respect of the financial year 2016-17 (Interim) is due for transfer to IEPF on April, 2024.

## Transfer of Equity Shares to Investor Education Protection Fund Authority (IEPFA)

Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the Demat Account of IEPFA within a period of thirty days of such shares become due for transfer. Upon transfer of such shares, all benefits (like dividend, bonus, split, consolidation etc.), if any, accruing on such shares shall also be transferred to the demat/bank Account of IEPF(A) and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. During the year under review, the Company has transferred 100 Equity Shares to IEPFA, as dividend had not been encashed or claimed on the above shares during the seven consecutive years from the Financial Year 2014-2015. Further, the Company is in the process to transfer all shares in respect of which dividends declared for the year 2015-2016 or earlier financial years has not been paid or claimed by members for 7 (seven) consecutive years or more.

### Details of Nodal Officer

The details of the nodal officer appointed by the Company under the provisions of IEPF is given below and the same is disseminated on the website of the Company [www.asahisongwon.com](http://www.asahisongwon.com)

<b>Name of the Company Secretary designated as Nodal Officer</b>	Mr. Saji Varghese Joseph
<b>Direct Phone No.</b>	079-68325000
<b>Email Id</b>	<a href="mailto:cs@asahisongwon.com">cs@asahisongwon.com</a>
<b>Address</b>	"Asahi House", 20, Times Corporate Park Thaltej - Shilaj Road, Thaltej Ahmedabad - 380059

## BUY BACK OF SHARES

During the year under review, the Board of Directors approved a proposal of buyback of 240,000 Equity Shares (representing 2% of the total paid-up equity share capital of the Company) at a price of ₹ 400/- per Equity Share to return surplus funds to shareholders of the Company and to improve earnings per shares by a decrease in the equity base. The details of Buy Back is given below:

<b>Date of Board Meeting approving the buyback</b>	May 19, 2022
<b>Buyback price approved by the Board</b>	₹ 400/- per Equity Shares
<b>Buyback opening date</b>	June 22, 2022
<b>Buyback closing date</b>	July 05, 2022
<b>Number of share bought back</b>	2,40,000
<b>Date of extinguishing of Equity Shares</b>	July 15, 2022
<b>Total Number of Equity Shares pre buyback</b>	1,20,27,262
<b>Total Number of Equity Shares post buyback</b>	1,17,87,262

## SHARE CAPITAL

### a. Issue of equity Shares with differential rights

During the year under review, the Company has bought back 2,40,000 equity shares of ₹10/- each and accordingly Company's issued, subscribed and paid-up equity share stood at ₹ 1178.73 lakhs divided into 1,17,87,262 equity shares of ₹ 10/- each. During the year under review, no equity shares with differential rights as to dividend, voting or otherwise were issued.

### b. Issue of sweat equity shares

During the year under review, the Company has not issued any sweat equity shares.

### c. Issue of employee stock options

The Company has not granted any Employee Stock Option within the meaning of section 62(1) (b) of the Companies Act, 2013 read with its Rules framed there under and Regulation 14 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

### d. Debentures

During the financial year under review, your Company do not issue any Debenture in terms of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment) Rules, 2014 and no debentures were redeemed during the Financial Year 2022-2023.

## LISTING

As at March 31, 2023, 1,17,87,262 Equity shares of the Company continue to remain listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the Annual Listing Fees to the said Stock Exchange(s) for the financial year 2023-2024.

## FINANCIAL STATEMENTS

As per the provisions of the Act and in accordance with the Circulars issued by the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India (SEBI), from time to time, the Annual Report 2022-2023 containing Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including consolidated financial statements, prepared as per the requirements of Schedule III to the Act, Directors' Report (including Management Discussion & Analysis and Corporate Governance Report) is being sent to all shareholders through permitted mode.

The Annual Report 2022-2023 is also available at the Company's website at [www.asahisongwon.com](http://www.asahisongwon.com).

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, the Company has 3 Subsidiary Companies and 1 Associate Company.

### Asahi Tennants Color Private Limited (“ATC”)

Asahi Tennants Color Private Limited (“ATC”) is a joint venture between your Company and Tennants Textile Colours Limited, England, where in your Company is holding 51% of total Equity Share Capital and the balance share capital of 49% is held by Tennants Textile Colours Limited, England.

Tennants Textile Colours Limited (TTC) is the leading UK manufacturer of colour, based beside the River Lagan in Belfast, Northern Ireland with solvent production facility outside Birmingham, England. They produce a wide range of colour dispersions (Water & Solvent base) tailored to optimise their suitability for a range of markets including Textile, Paper, Paints & Coatings, Ink, Agriculture & Plastic. Today they export to over 41 countries globally from their base in the UK.

### Atlas Life Sciences Private Limited

On April 18, 2022, the Company acquired 78% stake of Atlas Life Sciences Private Limited, a manufacturer of Active pharmaceutical ingredients (APIs) for an all-cash consideration of ₹ 4,800 lakhs. Atlas Life Sciences Private Limited is a leading manufacturer of Anti-convulsant, Anti-psychotic and Anti-diabetic APIs with storing focus on product and process research. Its key products includes: Pergabalin, R-Compound, Levosulpiride, Amisulpride, Glicazide, Phenylephrine.

### Atlas Life Sciences (India) Private Limited

On April 28, 2022 the Company has incorporated Atlas Life Sciences (India) Private Limited a wholly owned subsidiary of the Company to manufacture Active Pharmaceutical Ingredient and Bulk Drugs. The Company has started construction of plant at Chhatral, Mehsana, Gujarat.

### Plutoeco Enviro Association

Plutoeco Enviro Association, an Associate Company of the Company incorporated on October 27, 2020 as Section 8 Company to work as Non-Profit Organisation. Further, It is not Material associates as per the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, statement containing the salient features of the financial statements of its subsidiaries in AOC-1 is attached to the financial statements in a separate section and forms part of this Report. The policy relating to material subsidiaries as approved by the Board may be accessed on the Company’s website [www.asahisongwon.com](http://www.asahisongwon.com).

During the year, no other Company, except the companies mentioned above, has become or ceased to be subsidiary, joint venture or associate of the Company.

### Financial Position and Performance of Subsidiaries, Joint Ventures and Associates

The financial summary of the subsidiary companies are as follows:

(₹ in lakhs)

Particulars	Asahi Tennants Colors Private Limited		Atlas Life Sciences Private Limited		Atlas Life Sciences (India) Private Limited	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Revenue from Operations	4,148.64	973.42	1,2571.29	-	-	-
Profit Before Tax	(1,378.61)	(1,143.89)	91.82	-	-	-
Profit After Tax	(1,420.22)	(961.01)	67.14	-	-	-

### ANNUAL ACCOUNTS OF SUBSIDIARY COMPANY

As provided in section 136 of the Act, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary Company are not being attached with the Financial Statements of the Company. The Company has uploaded on its website the Audited Financial Statements of the subsidiary Company and the related detailed information to any member of the Company who may be interested to receive the same.

The Financial Statements of the subsidiary Company will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies and the financial highlights of subsidiaries are part of this Annual Report as **Annexure-“A”** as prescribed in Form AOC-1.

### CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the requirement of Regulation 33 & Regulation 34 of the Securities Exchange Board of India

(Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations) read with other applicable provisions and prepared in accordance with applicable Ind AS, for financial year ended March 31, 2023.

### FINANCE AND INSURANCE

The Company has been financed by State Bank of India, Federal Bank Limited and HDFC Bank Limited for both working capital and term loans.

The Company’s Plant, Property, Equipments and Stocks are adequately insured under the Industrial All Risk Policy. The Company has insurance coverage for Public Liability, Marine Coverage and Commercial General Liability (CGL). The Company has Director’s and Officers Liability Policy (D&OL) to provide coverage against risk arising on thereon.

### Bank Term Loans

During the year under review, CARE has reviewed the ratings to CARE A: Stable rating assigned to the long-term facilities

of your Company. This rating is applicable to facilities having tenure of more than one year.

CARE has also reaffirmed the CARE A1 rating assigned to the short-term facilities of your Company. This rating is applicable to facilities having tenure up to one year.

## **PUBLIC DEPOSIT**

During the year under review, the Company has not accepted or renewed any fixed deposit from public within the meaning of Section 73 of Companies Act, 2013 and read with the Companies (Acceptance of Deposits) Rules, 2014, as such, no amount of principal or interest was outstanding as on March 31, 2023.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There have been no material changes and commitments, affecting the financial position of the Company since the close of Financial Year i.e. March 31, 2023 and the date of this report.

## **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the financial year ended March 31, 2023.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which shall impact the going concern status and Company's operations in future.

## **BOARD OF DIRECTORS AND ITS COMMITTEES**

### **Composition of the Board of Directors**

As on March 31, 2023, the Board of Directors of the Company comprised of nine Directors, with three Executive and six Non-Executive Directors, which includes five Independent Directors. The composition of the Board of Directors meets the requirements of provisions of Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013.

### **Change in office of Directors and Key Managerial Personnel of the Company during the year under review and details of Directors seeking Re-appointment at 33<sup>rd</sup> Annual General Meeting.**

#### **Directors liable to retirement by rotation**

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Munjal M. Jaykrishna, Director of the Company is due to retire by rotation at the ensuing 33<sup>rd</sup>

Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

### **Appointment of Women Independent Director**

During the year under review, Mrs. Shivani Revat Lakhia (DIN:09527745) was appointed as Independent Director (Women) by the members through Postal Ballot on June 21, 2022 for five consecutive years with effect from March 24, 2022.

### **Profile of Directors seeking appointment/re-appointment**

As required under Regulation 36 (3) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, particulars of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are annexed to the notice convening 33<sup>rd</sup> Annual General Meeting.

### **Key Managerial Personnel**

Pursuant to the provisions of sections 2(51) and 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on March 31, 2023, the Key Managerial Personnel (KMP) in the Company are as follows:

Mr. Gokul M. Jaykrishna, Joint Managing Director & CEO

Mr. Narendra Rathi, Chief Financial Officer

Mr. Saji Varghese Joseph, Company Secretary

During the year under review, Mr. Narendra Rathi was appointed as CFO and Key Managerial Personnel in the terms of provisions of Section 203 of the Companies Act, 2013 with effect from February 13, 2023 upon the resignation of Mr. Pratik Shah as CFO and Key Managerial Personnel with effect from close of business hours on December 12, 2022.

Mr. Gokul M. Jaykrishna, Joint Managing Director & CEO of the Company who is also serving as Managing Director & CEO of Asahi Tennants Color Private Limited, the Subsidiary of the Company received ₹ 44.45 lakhs as remuneration from the Subsidiary Company during the year 2022-2023. Whereas Mr. Arjun G. Jaykrishna, Executive Director of the Company who is also serving as Managing Director of Atlas Life Science Private Limited the Subsidiary of the Company received ₹ 23.35 lakhs as remuneration from the Subsidiary Company during the year 2022-2023.

### **Women Director**

The Composition of the Board of Directors of the Company includes a women director viz. Mrs. Paru M. Jaykrishna and Mrs. Shivani Revat Lakhia. Accordingly, the Company is in compliance with the requirement of Section 149 (1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

### **Policy on Directors' appointment and Policy on remuneration**

Pursuant to Section 134(3)(e) and Section 178(3) of the Act, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a director and the policy on remuneration of directors, KMP and

other employees. The same are also available on the website of the Company at [www.dabur.com](http://www.dabur.com) at weblink <https://www.asahisongwon.com>.

### **Particulars of remuneration of Directors/KMP/ Employees'**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as per **Annexure - "D"** to this report.

### **Criteria for Determining Qualifications, Positive Attributes and Independence of a Director**

The Nomination and Remuneration Committee has formulated Nomination, Remuneration and Evaluation Policy, which details the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Companies Act, 2013 and the Listing Regulations. The policy forms part of this report. There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the Report.

### **Declaration of independence**

The Company has received necessary declarations from the independent directors under Section 149(7) of the Companies Act, 2013, the he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Board confirms that the said Independent Directors meet the criteria as laid down under the Companies Act, 2013 as well as Securities Exchange Board of India (Listing Obligation and Disclosure Requirements, 2015. There are no pecuniary transactions entered into with the Independent Director apart from sitting fees.

### **Certificate from Practicing Company Secretary**

Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the Listing Regulations, M/s. Shyamsingh Tomar Associates, Company Secretary in Practice, Ahmedabad, has certified that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority and the certificate forms part of the Report of Corporate Governance forming part of this Annual Report.

## **BOARD EFFECTIVENESS**

### **a. Familiarization Programme for the Independent Directors**

Your Company has put in place a well structured familiarisation programme for all its directors including independent directors of the Company with respect to the roles and responsibilities outlined under the Companies Act, 2013 and other related Regulations. The Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of

the industry in which the Company operates, business model of the Company etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plants, Product Category and Corporate Function from time to time. Details of the Familiarization Programme are explained in the Corporate Governance Report.

### **b. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(3) & (4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting held on November 10, 2022 have evaluated the Performance of Non-Independent Directors, Chairperson of the Company after considering the views of the Executive and Non-Executive Directors, Board as a whole assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board. The Nomination and Remuneration Committee has also carried out evaluation of performance of every Director of the Company.

The evaluation of individual Director was carried out based on various parameters such as participation in the Board and its Committee meetings, contribution towards strategic proposals, suggesting risk mitigation measures, putting in place internal controls, governance, leadership and talent development and managing external stakeholders. Performance evaluation of various Sub- committees of the Board was carried out based on the criteria such as constitution, effective functioning of the Sub-committees as per the terms of reference, periodical suggestions and recommendations given by the Sub-committees to the Board etc.

On the basis of evaluation made by the Independent Directors and the Nomination and Remuneration Committee and by way of individual and collective feedback from the Non-Independent Directors, the Board has carried out the Annual Performance Evaluation of the Directors individually as well as evaluation of the working of the Board as a whole and Committees of the Board. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

The Independent Directors are regularly updated on industry & market trends, plant process, and operational performance of the Company etc. through presentations in this regard and periodic plant visits. They are also periodically kept aware of the latest developments in the Corporate Governance, their duties as directors and relevant laws.

In the meeting of Independent Directors held during the year, the members considered evaluation of the performance of the Chairman based on criteria such as giving guidance to the Board and ensuring the independence of the Board etc. The performance of the Non- Independent Directors was also evaluated based on their contribution made to the growth of the Company, strategic initiatives and Board deliberation.

## **DIVERSITY OF THE BOARD**

The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity

at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website [www.asahisongwon.com](http://www.asahisongwon.com)

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provision under section 134 of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

- i) in the preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit and loss of the Company for that period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual financial statements have been prepared on a going concern basis;
- v) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Number of Meetings of the Board of Directors

The Board meets at regular intervals to consider and approve financial results, business policies and strategic proposals apart from other items of business. The Board and Committee meetings are pre-scheduled, and a tentative annual calendar of meetings is circulated to the Directors in advance to ensure participation of all Directors.

During the year under review, six Board meetings were held, and meetings of Subcommittees were also held. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations. The details of the meetings are given in the Report on Corporate Governance which forms part of this Report. The Company provides all the Board members the facility to participate the meetings of Board and Subcommittees through Video Conferencing/Other Audio-Visual means. Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on November 10, 2022, and the Directors reviewed the matters enumerated under Schedule IV(VII)(3) to the Act and Regulation 25(4) of the Listing Regulations. All the Independent Directors attended the said meeting.

## STATUTORY COMMITTEES OF THE BOARD

The Company has the following five (5) Board level Committees, which have been established in compliance with the requirements of the relevant provisions of applicable laws and statutes:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders' Relationship Committee
5. Risk Management Committee

### Audit Committee

The Audit Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. Dr. Pradeep Jha is the Chairman of the Audit Committee. The Composition of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Dr. Pradeep Jha is the Chairman of the Audit Committee. The Composition of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Company Secretary is the Secretary of the Committee. The Joint Managing Director, Chief Financial Officer and Auditors are permanent invitees to the committee meetings.

The detail of terms of reference of Audit Committee, number and dates of meetings held, attendance of the directors and remunerations paid to them are given separately in the attached Corporate Governance Report. Your Company has a well structured Internal Audit System commensurate with its size and operations. During the year there were no instances where the board had not accepted the recommendations of the Audit Committee.

Further details on the Audit Committee are provided in the Corporate Governance Section of the Annual Report.

### Corporate Social Responsibility Committee

In terms of the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is Chaired by Mrs. Paru M. Jaykrishna the Chairperson and Managing Director of the Company, the other members of the committee are Mr. Jayprakash M. Patel and Dr. Pradeep Jha who are independent directors of the Company. Your Company also has in place a CSR policy and the same is available on the website of the Company. The committee places before the Board the details of the activities to be undertaken during the year. A detail report is attached as **Annexure - "G"** forming part of this report.

### Nomination and Remuneration Committee

The constitution and terms of reference of nomination and remuneration committee of the Company are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 and Part D of Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

As on March 31, 2023, the Nomination and Remuneration Committee comprises of three (3) Non-Executive Independent Directors Mr. Jayprakash M. Patel, Chairman, Mr. R. K. Sukhdevsinhji and Dr. Pradeep Jha, Member as its members.

Further details relating to the Nomination and Remuneration Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

### Stakeholders Relationship Committee

The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders'/investors'/security holders' complaints. The constitution and terms of reference of Stakeholder Relationship Committee of the Company pursuant to Section 178(5) of the Companies Act, 2013 and Regulation 20 and Part D of Schedule VI of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Risk Management Committee

As per Regulation 21 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee. Your Company has prepared Risk Management Policy and Formulated Risk Management Committee and define role and responsibilities as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## AUDITORS RELATED MATTERS

### a. Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder M/s. Talati & Talati LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 110758W/W100377) were appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 32<sup>nd</sup> Annual General Meeting ("AGM") until the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2027.

M/s. Talati & Talati LLP, Chartered Accountants, Ahmedabad, have submitted their Report on the Financial Statements of the Company for the Financial Year 2022-2023, which forms part of the Annual Report 2022-2023.

The report of the Statutory Auditors along with Notes to Schedules is enclosed with this Report. The Auditor's Comments on the Company's Accounts for the financial year ended on March 31, 2023 are self-explanatory in nature and do not require any explanation as per provisions of Section 134 of

the Companies Act, 2013. The Auditor's Report does not contain any qualification, reservation or adverse remark.

The Company has received a certificate from the Auditors stating that their appointment, if made, will be within the limit specified under Sections 139 and 141 of the Companies Act, 2013.

The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

### b. Cost Auditors

During the year under review, cost audit was not applicable to the Company.

### c. Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Shyamsingh Tomar & Associates, Company Secretaries, Ahmedabad as a Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2022-2023 (Period from April 1, 2022 to March 31, 2023).

The Report of Secretarial Auditor in the prescribed form MR-3 for the financial year 2022-2023 is set out as **Annexure-"H"** and it forms a part of this Report.

Certain remarks in the Secretarial Audit Report do not have material impact on financial performance of the Company. The views of the Management on such remark are given hereunder:

During the year under review, penalty was levied by National Stock Exchange of India Limited for Non-compliance to Regulation 17 (1) (a) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015 for the quarter ended March 31, 2022. The Company has appointed independent women director on March 24, 2022 and duly constituted and complied Regulation 17 (1) (a) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015. The Company has duly paid penalty levied by National Stock Exchange of India Limited as per their Invoice.

Further, under regulation 24A of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received Secretarial Compliance Report for the 2022-2023 from M/s. Shyamsingh Tomar & Associates, Company Secretaries, Ahmedabad and same has filed with the Stock Exchanges (BSE& NSE).

### d. Internal Auditors

M/s. Fenil P. Shah & Associates, a Practicing Chartered Accountants, Ahmedabad are the Internal Auditors of the Company for the financial year 2022-2023. Internal Auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditors report their findings on the internal audit of the Company, to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.

## DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the year under review, neither the Statutory Auditors or the Secretarial Auditors have reported to the Audit Committee under section 143(12) of the Companies Act, 2013 any instances of fraud committed against your Company by its officers and employees, details of which would need to be mentioned in the Board's Report.

## POLICY MATTERS

### Nomination, Remuneration and Evaluation Policy

In terms of provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee of the Company has formulated and recommended to the Board a policy, containing the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive/Non-Executive) and it highlights the remuneration for the Directors, Key Managerial Personnel and other employees, ensuring that it covers the matters mentioned in Section 178(4) of the Act. Nomination, Remuneration and Evaluation Policy approved by the Board forms part of this Report as per **Annexure-"D"**.

### Vigil Mechanism/Whistle Blower Policy

The Company has adopted a Whistle Blower Policy, which enables the Directors and Employees to report instances of unethical behavior, fraud or violation of Company's Code of Conduct. The policy provides for direct access to the Chairperson of the Audit Committee and safeguarding the employees and Directors who raises grievances against victimization. The policy has been circulated amongst the employees of the Company working at various locations, divisions/units. The policy formulated in line with the provisions of the Act and the Listing Regulations is available on the website of the Company at <http://www.asahisongwon.com/pdf/Policy%20of%20Whistle%20Blower%20Policy.pdf>.

### Corporate Social Responsibility Policy

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee and framed a CSR policy which details the programs/activities that can be carried out under various program heads and the same is available on the website of the Company at <http://www.asahisongwon.com/pdf/Policy%20on%20CSR.pdf>

The Company's CSR Programmes are focused on Health Care and Education, Infrastructure Development, Sustainable Livelihood and Social Empowerment & Welfare. During the year, the Company carried out several initiatives under the CSR programme heads a report on CSR activities is attached as **Annexure-"G"** forming part of this report.

## Risk Management Policy

The Company has formulated Enterprise Risk Management policy in accordance with the guidelines provided under the Charter of the Risk Management Committee of the Board of Directors, and pursuant to Regulation 21 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Risk Management policy provides a structured, consistent, and continuous process across the whole organization for identifying, assessing, deciding on mitigations and reporting on the opportunities and threats that may affect the achievement of its strategic objectives.

The Company has enhanced Enterprise Risk Management Charter and Policy to institutionalize a formal risk management function and framework consisting of Risk Management Process and Risk Governance and Communication Structure. For detailed framework and outcome refer to Enterprise Risk Management section in the Management Discussion and Analysis Report.

## Dividend Policy

Pursuant to the provisions of Regulation 43A of the Listing Regulations, the Board of Directors of the Company has adopted a Dividend Policy which details the dividend philosophy of the Company, the factors which are considered by the Board while recommending/declaring dividend, suggested band for proposing dividend payout, periodicity of dividend, circumstances in which dividend is considered etc. The said policy is given in **Annexure-"F"** to this report and posted on the website of the Company at <http://www.asahisongwon.com/pdf/Dividend-Policy.pdf>

## CASH FLOW STATEMENT

As required under Regulation 34(2) (c) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, a Cash Flow Statement prepared in accordance with the Indian Accounting Standard 7 (Ind AS-7) is attached to the Financial Statement.

## ANNUAL RETURN

The details forming part of the Annual Return of the Company containing the particulars prescribed under Section 92 and 132 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, in Form MGT-7, as on March 31, 2023, is made available on the Company's website [www.asahisongwon.com](http://www.asahisongwon.com).

## EXPORT HOUSE STATUS

The Company has been awarded status of "Two Star Export House" by Office of Development Commissioner, Kandla Special Economic Zone, Gandhidham, Kutch in accordance with provisions of Foreign Trade Policy 2015-2020. This status is valid till December 31, 2025.



## AWARDS AND ACCOLADES

During the year under review, the Company has received GDMA First Award for highest self manufacturing turnover from domestic and export of Dye & Dye Intermediates for the year 2021-2022.

During the year, Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company received Life Time Achievement Awards 2018-2019 from CHEMEXCIL.

## RESEARCH AND DEVELOPMENT (R&D)

The Company has a Research and Development centre, which is recognized by the Ministry of Science and Technology, Government of India. Focused areas of the Research and Development Centre was on product quality, cost reduction, new product offerings and environmental sustainability.

## ANY REVISION MADE IN FINANCIAL STATEMENTS OR BOARD'S REPORT

The Company has not revised the Financial Statements or Board's Report in respect of any of the three preceding Financial Years.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions which were entered during the Financial Year were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions entered by the Company with the Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interests of the Company.

A statement of all related party transactions is presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of transactions. Since all the related party transactions entered during the financial year were on an arm's length basis and in the ordinary course of business, no details are required to be provided in Form AOC-2 as per **Annexure - "B"** as prescribed under Section 134(3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. In accordance with the requirements of the Listing Regulations, the Company has also adopted Policy on Materiality and dealing with Related Party Transactions and the same has been placed on the website of the Company at [www.asahisongwon.com](http://www.asahisongwon.com).

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance with Regulation 34(2)(e) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this Annual Report

## CORPORATE GOVERNANCE

The report of the Board of Directors of your Company on Corporate Governance in terms of Regulation 34 read with Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented as a separate section titled Corporate Governance Report as per **Annexure-"I"**.

The composition of the Board, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee and other Committees of the Board, the number of meetings of the Board and Committees of the Board, and other matters are presented in the Corporate Governance Report.

A certificate from M/s. Shyamsingh Tomar & Associates, Company Secretaries, Ahmedabad regarding compliance with the Corporate Governance requirements as stipulated in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which forms part of the Annual Report.

Further as required under Regulation 17(8) of the Listing Regulations, a certificate from the Joint Managing Director & CEO and Chief Financial Officer is annexed with this Report.

## CODE OF CONDUCT

In compliance with Regulation 26(3) of the Listing Regulations and the Act, the Company has framed and adopted Code of Conduct (the Code) for Directors and Senior Management, which provides guidance on ethical conduct of business and compliance of law. All members of the Board and Senior Management personnel have affirmed the compliance with the Code as on March 31, 2023. A declaration to this effect, signed by the Managing Director in terms of the Listing Regulations is given in the Report of Corporate Governance forming part of this Annual Report. The Code is made available on the Company's website [www.asahisongwon.com](http://www.asahisongwon.com).

## CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Board has formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Fair Disclosure Code) for fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations. The copy of the same is available on the website of the Company at <http://www.asahisongwon.com/pdf/Asahi%20Songwon%20Colors%20Code%20of%20Practices%20and%20Procedure%20for%20Fair%20Disclosure%20of%20Unpublished%20Price%20Sensitive%20Information.pdf>

## PREVENTION OF INSIDER TRADING

The Board has formulated code of conduct for regulating, monitoring and reporting of trading of shares by Insiders. This

code lays down guidelines, procedures to be followed and disclosures to be made by the insiders while dealing with shares of the Company and cautioning them on consequences of non-compliances. The copy of the same is available on the website of the Company [www.asahisongwon.com](http://www.asahisongwon.com).

## **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given as per **Annexure - "C"** hereto forming part of this Report.

## **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Your Company has in place adequate internal control systems commensurate with the size of its operations. The internal control systems, comprises of policies and procedures which are designed for safeguarding the assets, optimal utilization of resources, sound management of Company's operations. These are continually reviewed by the Company to strengthen the same wherever required. The internal control systems are supplemented by internal audit carried out by an Independent Cost Accountant and periodical review by management. The Audit Committee of the Board addresses issues, if any, raised by both, the Internal Auditors and the Statutory Auditors.

Details in respect of adequacy of internal financial controls with reference to the financial statements are stated in Management Discussion and Analysis which forms part of this Report.

## **CERTIFICATIONS**

Your Company has ISO 14001:2015 for Environmental Management System certification and ISO 9001-2015 for quality management system for plant at Vadodara.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has in place a policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. All women employees (permanent, temporary, contractual and trainees) are covered under this policy and it has been circulated amongst the employees of the Company and the same is exhibited on the notice board of all the business locations of the Company.

During the year under review, the Company had not received any complaint under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

## **ENVIRONMENT, HEALTH AND SAFETY**

The Company is committed to health and safety of its employees, contractors and visitors. We are compliant with all EHS Regulations stipulated under the Water (Prevention and Control of Pollution) Act, The Air (Prevention and Control of Pollution) Act, The Environment Protection Act, The Factories Act and Rules made there under. Safety and environmental standards are periodically reviewed and upgraded. The Company preserves in its efforts to educate safe and environmentally accountable behavior in every employee, as well as its vendors.

The Company has undertaken various environment friendly measures in its different Units for promoting a better environment. The Company has in place adequate pollution control equipment.

The solid waste generated at the Works, after treatment of its liquid effluent is shifted to a Gujarat Pollution Control Board (GPCB) approved site.

The Company has maintained a greenbelt around its sites as a part of its commitment to environment management.

The Company continues to demonstrate its commitment to a clean and safe environment. The state of the art effluent treatment plant continues to run satisfactorily, so that the treated wastewater discharged is well within the stipulated norms set by GPCB. As a part of water conservation efforts, the Company has implemented suitable engineering solution to utilize recycled water as much as possible in cleaning, gardening and other utilities.

## **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is given as per Annexure-"E" hereto forming part of this Report.

In accordance with the provisions of section 197(12) of the Companies Act, 2013 read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits, set out in the aforesaid rules, forms part of this Report. In line with the provisions of section 136(1) of the Companies Act, 2013, the Annual Report, as set out therein, are being sent to all the Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary of the Company.

## REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company.

## INDUSTRIAL RELATIONS

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

## COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SSI and SS2) respectively relating to Meetings of the Board and its Committees which have mandatory application during the year under review.

## CHANGE OF REGISTERED OFFICCE

During the year under review, the Registered Office of the Company was shifted from 'Asahi House', 13, Aaryans Corporate Park, Thaltej-Shilaj Road, Nr. Shilaj Railway Corssing, Thaltej, Ahmedabad – 380059 to "Asahi House", 20, Times Corporate House, Thaltej – Shilaj Road, Thaltej, Ahmedbad – 380059 within the Municipal Limit and within the State of Gujarat.

## DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, the Company has neither made any application nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

## GREEN INITIATIVE

The Ministry of Corporate Affairs had taken the Green Initiative in Report on Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative and has accordingly decided to send necessary communications to its Shareholders to their respective registered E-mail addresses.

## APPRECIATION AND ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the assistance and cooperation received from the Government of India, Government of Gujarat, Electricity supply companies and Bankers and look forward to their continued support in future. We place on record our appreciation all our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

The Company is thankful to the shareholders for reposing trust in the Company and their unflinching enthusiasm and patronage.

For and on behalf of the Board of Directors

**PARU M. JAYKRISHNA**  
Chairperson & Mg. Director  
DIN No. 00671721

**Place:** Ahmedabad

**Date:** August 10, 2023

**Registered Office:**

"Asahi House"

20, Times Corporate Park

Thaltej – Shilaj Road

Thaltej, Ahmedabad – 380 059 (India)

CIN:L24222GJ1990PLC014789

# ANNEXURE – “A”

## TO THE DIRECTORS’ REPORT

### Form No. AOC-1

Statement containing salient features of the financial statement of subsidiaries/associates companies/joint ventures (Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### PART “A” – SUBSIDIARY & ASSOCIATE

(₹ in lakhs)

Particulars	Subsidiary Company	Subsidiary Company	Wholly Owned Subsidiary Company	Associate Company
Name of the Subsidiary & Associate Co.	Asahi Tennants Color Private Limited	Atlas Life Sciences Private Limited	Atlas Life Sciences (India) Private Limited	Plutoeco Enviro Association
Reporting period for the subsidiary concerned, if different from the holding Company’s reporting period	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
Reporting currency for the subsidiary	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency as at March 31, 2023	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Share Capital	7,267.82	300.00	1.00	1.00
Reserve & Surplus	(93.45)	2,573.53	(0.03)	42.15
<b>Total Assets</b>	<b>14,440.45</b>	<b>6,861.18</b>	<b>2,578.29</b>	<b>43.75</b>
<b>Total Liabilities (excluding Share Capital and Reserves &amp; Surplus)</b>	<b>7,266.08</b>	<b>3,987.65</b>	<b>2,577.32</b>	<b>1.50</b>
Investments	-	5.26	-	0.25
Turnover	4,148.64	12,571.29	-	-
Profit before taxation	(1,378.61)	91.82	-	-
Provision for taxation	41.61	24.67	-	-
Profit after taxation	(1,420.22)	67.15	-	-
Proposed Dividend	-	-	-	-
% of shareholding	51%	78%	100%	25%

### Part “B” – Joint Venture: None

For and on behalf of the Board of Directors

Place: Ahmedabad  
Date: August 10, 2023

**PARU M. JAYKRISHNA**  
Chairperson & Mg. Director  
DIN: 00671721

# ANNEXURE – “B”

## TO THE DIRECTORS’ REPORT

### Form No. AOC-2

Particulars of Contracts/Arrangements made with related parties  
(Pursuant to Clause (h) of Sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Forms for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto.

### 1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM’S LENGTH BASIS

The Company has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm’s length during the year ended on March 31, 2023. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

- a) Name(s) of the related party and nature of relationship: **Not Applicable**
- b) Nature of contracts/arrangements/transactions: **Not Applicable**
- c) Duration of the contracts/arrangements/transactions: **Not Applicable**
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Not Applicable**
- e) Justification for entering into such contracts or arrangements or transactions: **Not Applicable**
- f) Date(s) of approval by the Board: **Not Applicable**
- g) Amount paid as advances, if any: **Not Applicable**
- h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: **Not Applicable**

### 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM’S LENGTH BASIS

- a) Name(s) of the related party and nature of relationship: **Not Applicable**
- b) Nature of contracts/arrangements/transactions: **Not Applicable**
- c) Duration of the contracts/arrangements/transactions: **Not Applicable**
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Not Applicable**
- e) Date(s) of approval by the Board, if any: **Not Applicable**
- f) Amount paid as advances, if any: **Not Applicable**

#### Note:

1. All related party transactions are benchmarked for arm’s length, approved by Audit Committee and reviewed by Statutory Auditors.
2. As defined under Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Policy on Related Party Transactions adopted by the Board of Directors of the Company.

For and on behalf of the Board of Directors

Place: Ahmedabad  
Date: August 10, 2023

**PARU M. JAYKRISHNA**  
Chairperson & Mg. Director  
DIN: 00671721

# ANNEXURE – “C”

## TO THE DIRECTORS' REPORT

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rule, 2014 regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

### A. CONSERVATION OF ENERGY

The Company mainly focuses on the conservation of energy and its utilization. Continuous monitoring of high consumption areas/equipment and taking appropriate corrective measures as and when required resulted in energy saving and maintained marginal increment in power consumption as against production growth.

#### (i) The steps taken or impact on conservation of energy:

- Installation of “SMART – PRO” also known as Automatic Voltage Regulator at four stations. Due to installation of these AVR, the Company is able to save power to the extend of 7%.
- The Company installed an automatic coal feed controller, which controls the feeding of coal to boiler by sensing O<sub>2</sub> content in the gases.
- The Company has installed a Heat exchanger to recover the heat from alkaline hot wash water.
- Efforts have been taken to upgrade plant and machinery.
- The Company has also undertaken various initiatives towards green energy thereby contributing towards clean environment.
- Installation of capacitors to control the Power Factor.
- Periodical checking of electrical earthing.
- Vessel lamps 60 watts converted to LED 18 watts with Timer.
- Installed Electrostatic Precipitator (ESP) for Boiler and TFH flue gases, thereby, reduction in air pollution. Around 95% of particulate matter is being arrested by ESP.
- Installation of economizer in both thermic fluid heater, capacity 7.5M<sup>3</sup>/hr flow rate, temp rise up to 60 degree from ambient feed water temperature. To get hot water for boiler feed through flue gas waste heat recovery.
- Installation of Mist type combo vacuum ejector system to optimize steam consumption as well as operations/maintenance of conventional steam ejector for CPC plant.

**(ii) The steps taken by the Company for utilizing alternative sources of energy:** To conserve energy the Company has one windmill with total installed capacity of 750 KW WTG, 128 KVA and 4.90 MW Solar Power Plant, which will help to generate energy through environmental friendly measure and also reduce carbon emission in the atmosphere.

**(iii) The Capital investment on energy conservation equipment:** Studies to reduce energy consumption of existing unit are on and suitable investment will continue to be made in these areas.

### B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

#### (i) The efforts made towards technology absorption:

The Company has a Research and Development centre, which is recognized by the Ministry of Science and Technology, Government of India. The centre is engaged in

- (a) Development of new products.
- (b) Cost effective technology for existing and new product which are environment friendly.
- (c) Improvement in quality, productivity and cost reduction to meet the customers changing requirements.
- (d) Cost reduction by process improvement and cycle time reduction.

#### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- (a) High quality products and process rationalisation.
- (b) Improved product quality, production and cost reduction to meet the changing requirements of customer.
- (c) Cost reduction by process improvement and cycle time reduction.
- (d) Reduction in waste generation and energy inputs.
- (e) Successful in developing value added pigments.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

- |   |   |                |
|---|---|----------------|
| a. The details of technology imported   | : | Nil            |
| b. The year of Import   | : | Not Applicable |
| c. Whether the technology been fully absorbed   | : | Not Applicable |
| d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | : | Not Applicable |

**(iv) The Expenditure incurred on Research and Development**

(₹ in lakhs)

	2022-2023	2021-2022
Capital	-	-
Recurring	76.78	95.40
<b>Total</b>	<b>76.78</b>	<b>95.40</b>
Total Research and Development Expenditure as percentage of total turnover	0.23	0.24

**C. FOREIGN EXCHANGE EARNINGS AND OUT GO****a. Activities relating to Exports, initiatives taken to increase exports, development of new export markets for products and service and export plans**

The Company is an export oriented Company, where 62% of the total turnover comes from Exports. During the year under review, the Company exported pigments (Blue) valuing (FOB) ₹ 20,231.35 lakhs (Previous Year ₹ 21,624 lakhs) to various countries around the World. The Company is global phthalocyanine pigment exporter to various countries, major to Europe, USA and Asian Markets. Your Company is constantly exploring new markets to enhance the exports of its products.

**b. Foreign Exchange used and earned**

(₹ in lakhs)

	2022-2023	2021-2022
Foreign Exchange Earned (FOB)	20,231.35	21,623.56
Foreign Exchange Used	4,946.59	3,730.05

# ANNEXURE – “D”

## TO THE DIRECTORS’ REPORT

### Nomination and Remuneration Policy

#### 1. PREAMBLE

The Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the provisions of SEBI Listing Regulations, 2015. The Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of the Company.

#### 2. OBJECTIVES

The objective of the policy is to ensure that:

- ◆ the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- ◆ relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- ◆ remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### 3. REMUNERTION TO DIRECTORS

##### A. Remuneration to Managing Director/Whole-time Directors

The remuneration/commission etc to be paid to Managing Director/Whole-Time Directors etc shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactments for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors as it may consider appropriate with regard to remuneration to Managing Director/Whole-Time Director.

##### B. Remuneration to Non-Executive/Independent Directors

- The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees shall be such as may be

recommended by the Nomination and Remuneration Committee and approved by the Board of Director of the Company.

- All the remuneration of the Non-Executive/Independent Directors (excluding remuneration for the attending the meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders as the case may be.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company’s policy.
- A committee of the Company constituted for the purpose of administering the Employee Stock Options shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- The Fixed pay shall include monthly remuneration, employer’s contribution to Provident Fund, contribution to pension fund, pension scheme etc., as decided from time to time.
- The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management to be decided annually or such interval as may be consider appropriate.

#### 4. REVIEW

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board from time to time as may be necessary.



# ANNEXURE – “E”

## TO THE DIRECTORS’ REPORT

### A. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED ARE GIVEN BELOW:

#### i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sr. No.	Name & Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company	% increase/(decrease) in remuneration in the financial year
1.	Mrs. Paru M. Jaykrishna Chairperson and Managing Director	10.50	(41.73)
2.	Mr. Gokul M. Jaykrishna Joint Managing Director & CEO	11.23	(58.66)
3.	Mr. Arjun G. Jaykrishna Executive Director	3.57	(73.53)
Independent Directors have been paid only sitting fees during the financial year 2022-2023 and hence Ratio of Median Remuneration has not been shown for Independent Directors.			
4.	Mr. Pratik Shah Chief Financial Officer (Till 12.12.2022)	3.61	(2.60)
5.	Mr. Narendra Rathi Chief Financial Officer (From 13.02.2023)	1.17	-
6.	Mr. Saji V. Joseph Company Secretary	3.79	(1.49)

ii. **The percentage increase in the median remuneration of employees in the financial year:** During the year under review, there was a decrease of 2.94% in the median remuneration of employees.

iii. **The number of permanent employees on the rolls of Company:** There were 124 permanent employees on the rolls of the Company as on March 31, 2023.

iv. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** The average percentage of salaries has increased of employees other than the managerial personnel in the year under review by 6.61%, whereas there was average decrease in the managerial remuneration of 2.94% for the financial year 2022-23.

v. **Affirmation that the remuneration is as per the remuneration policy of the Company:** It is hereby affirmed that remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

Place: Ahmedabad  
Date: August 10, 2023

**PARU M. JAYKRISHNA**  
Chairperson & Mg. Director  
DIN: 00671721

**Particulars of Employees in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i. Employed throughout the financial year with salary above ₹ 102 lakhs p.a.:  
Information showing names and other particulars of employees who were employed throughout the year and were in receipt of remuneration in aggregate of not less than ₹ 102 lakhs for financial year.; Nil
- ii. Employed part of the Financial year with average salary above ₹ 8.50 lakhs per month: NA
- iii. Employee employed throughout Financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company: NA
- iv. Details of remuneration to Top 10 (Ten) Employees other than Directors which form part of the Director's Report will be made available to any members on request in terms of provisions of Section 136(1) of the Companies Act, 2013.

# ANNEXURE – “F”

## TO THE DIRECTORS’ REPORT

### Dividend Distribution Policy

#### 1. PREAMBLE

Distribution of profit by a Company among its shareholders is termed as payment of Dividend. A Company may distribute profits earned by it among its shareholders or distribute a certain percentage of its profit and retain the balance in business for purposes like expansion, diversification and inorganic investments. A formal dividend policy, helps the Board of a Company, to arrive at a balanced dividend pay-out ratio, taking into account, factors such as profit made during the relevant Financial Year, expansion programmes, other strategic plans etc.

This policy formulated by the Board of Directors (“the Board”) of Asahi Songwon Colors Limited, (“the Company”) will act as an aid to declare dividend and its pay-out by the Company in compliance with the provisions of Companies Act, 2013 (“the Act”) (including any statutory re-enactment(s) made from time to time) read with applicable rules framed thereunder, as may be in force for the time being and Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 2. PHILOSOPHY

The Company believes that ploughing back of profits for driving growth is important in the long run for the creation of robust Shareholder value. At the same time, it recognises the need to give a portion of the profit as payout by way of appropriate rate of dividend to Shareholders. Thus, the Company strikes a judicious balance between the two while recommending the dividend rate for approval of the Shareholders.

#### 3. PARAMETERS FOR DECLARATION OF DIVIDEND

##### a. Financial parameters | Internal factors

- i. Consolidated net operating profit after tax
- ii. Working capital requirements
- iii. Capital expenditure requirements
- iv. Resources required to fund acquisitions and | or new businesses
- v. Cash required to meet contingencies
- vi. Quantum of outstanding debt
- vii. Past dividend trends
- viii. Investments in subsidiary | associate companies
- ix. Outlook for the near term

##### b. External factors

- i. Government policies
- ii. Economic environment and outlook for growth

- iii. Trade cycles
- iv. Dividend rates of companies in the same industry
- v. Any other factor having impact on the business of the Company

#### 4. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

Shareholders may generally expect a reasonable dividend in case of significant Profit After Tax (PAT) and cash flow from operations.

#### 5. UTILISATION OF RETAINED EARNINGS

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the Parameters laid down in this Policy.

#### 6. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Presently, the Authorised Share Capital of the Company is divided into equity share face value of ₹ 10 each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

#### 7. FINAL DIVIDEND

Payment of dividend which is approved by the shareholders of a Company in their Annual General Meeting, based on the recommendation of Board of Directors, subsequent to adoption of audited annual financial statements of a Financial Year is the final dividend for that particular Financial Year.

##### Process for approval of payment of Final Dividend

- Board to recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy;
- Based on the profits arrived at as per the audited financial statements;
- Shareholders to approve in Annual General Meeting;
- Once in a Financial Year.

#### 8. INTERIM DIVIDEND

The Board of the Company may declare interim dividend during a Financial Year, based on the profits of any particular quarter or half year or in exceptional circumstances.

##### Process of approval of payment of Interim Dividend

- Board may declare Interim Dividend at its discretion in line with this Policy;

- Based on profits arrived at as per quarterly (or half yearly) financial statements including exceptional items;
- One or more times in a Financial Year.

## **9. REVIEW**

The Board may review this policy on periodical basis, considering various external and internal factors.

For and on behalf of the Board of Directors

**Place:** Ahmedabad  
**Date:** August 10, 2023

**PARU M. JAYKRISHNA**  
Chairperson & Mg. Director  
DIN: 00671721

# ANNEXURE- “G”

## TO DIRECTORS’ REPORT

### Annual Report on CSR Activities

#### 1. A BRIEF OUTLINE OF THE COMPANY’S CSR POLICY

This policy, which encompasses the Company’s philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programme for welfare & sustainable development of the community at large.

This policy shall apply to all CSR initiatives and activities taken up by the Asahi Songwon Colors Limited (ASCL), for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons. The Company’s CSR Policy is available on the Web site of the Company: [www.asahisongwon.com](http://www.asahisongwon.com)

ASCL is committed to remaining a responsible corporate entity mindful of its social responsibilities and to make a positive impact in the society. As a responsible corporate entity, ASCL will consistently strive for opportunities to meet the expectation of its stakeholders by pursuing the concept of sustainable development with focus on the following:

- ◆ To take up programmes that benefit the communities where it operates in enhancing the quality of life & economic well being of the local populace.
- ◆ To serve the socially and economically weak, disadvantaged, underprivileged and destitute sections of the Society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with intention to make the group or individual self dependent and live life more meaningfully.
- ◆ To extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to local areas that have so far not been attended to.
- ◆ To generate, through its CSR initiatives, a community goodwill for ASCL and help reinforce a positive & socially responsible image of ASCL as a corporate entity.

#### 2. COMPOSITION OF THE CSR COMMITTEE:

As at March 31, 2023 the Corporate Social Responsibility Committee comprises of 3 (Three) members of the Board out of which 2 (Two) are Independent Directors. The CSR Committee comprises of the following directors:

(₹ in lakhs)

Sr. No.	Name of Directors	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings CSR Committee attended during the year
1.	Mrs. Paru M. Jaykrishna	Chairperson/Chairperson & Managing Director	4	4
2.	Mr. Jayprakash M. Patel	Member/Independent Director	4	4
3.	Dr. Pradeep Jha	Member/Independent Director	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <https://asahisongwon.com/corporate-governance.html>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).  
Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable
6. Average net profit of the Company: ₹ 3,267.73 lakhs

7.

Sr. No.	Name of Directors	Designation/Nature of Directorship
(a)	Two percent of average net profit of the Company as per section 135 (5)	₹ 65.35 lakhs
(b)	Surplus arising out of the CSR projects or programs or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year	Nil
(d)	Total CSR obligation for the financial year (7a+7b-7c)	₹ 65.35 lakhs

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)*		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
65.93	Nil	Nil	Nil	Nil	Nil

- (b) Details of CSR amount spent against ongoing projects for the financial year: (As per Annexure - I)
- (c) Details of CSR amount spent against other than ongoing projects for the financial year: ₹ 65.93 lakhs (As per Annexure -II)
- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 65.93 lakhs
- (g) Excess amount for set off, if any

Sr. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	65.35
(ii)	Total amount spent for the Financial Year	65.93
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.58
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years: As per Annexure - III
- (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

**Gokul M. Jaykrishna**  
Jt. Managing Director & CEO  
DIN: 00671652

**PARU M. JAYKRISHNA**  
Chairperson & Mg. Director  
DIN: 00671721

**Place:** Ahmedabad  
**Date:** August 10, 2023

**ANNEXURE - I****Details of CSR amount spent against ongoing projects for the financial year**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial Year (₹ in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

**ANNEXURE - II****Details of CSR amount spent against other than ongoing projects for the Financial year**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (₹ in lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Training to stimulate rural sports, nationally recognized sports, Paralympic sports and Olympic sports	Promotion of rural nationally recognized sports	Yes	Gujarat	Dudhwada Village, Padra Vadodara	0.20	Yes - Direct	Self	Not Applicable
2.	Promotion of Health Care	Promotion of Health care including Preventive Health Care	Yes	Gujarat	Gandhinagar	2.50	No-Implementing Agency	Vishv Umiya Foundation	CSR00008868
3.	Promotion of education to poor and under privileged children	Promotion of Education	Yes	Gujarat	Dudhwada Village, Padra Vadodara	0.29	Yes - Direct	Self	Not Applicable
4.	Promotion of Gender equality, empowering Women	Promotion of Education and Health Care	Yes	Gujarat	Ahmedabad	2.50	No - Implementing Agency	Jyoti Sangh	CSR00004880
5.	Promotion of education to poor and under privileged children	Promotion of Education	Yes	Gujarat	Dudhwada Village, Padra Vadodara	0.94	Yes - Direct	Self	Not Applicable
6.	Promotion of Health Care	Promotion of Health care including Preventive Health Care	Yes	Gujarat	Palanpur, Banaskantha	1.50	No-Implementing Agency	Gramin Vikas Trust	CSR00008526
7.	To Develop Cultural Centre	Promotion of Education	Yes	Gujarat	Ahmedabad	36.00	Yes - Direct	Self	Not Applicable
8.	Promotion of Gender equality, empowering Women	Promotion of Education and Health Care	Yes	Gujarat	Ahmedabad	5.00	No - Implementing Agency	Jyoti Sangh	CSR00004880
9.	Promotion of education to poor and under privileged children	Promotion of Education	Yes	Gujarat	Bhat, Gandhinagar	7.00	Yes - Direct	Self	Not Applicable
10.	Promotion of education to poor and under privileged children	Promotion of Education	Yes	Gujarat	Ahmedabad	10.00	Yes - Direct	Self	Not Applicable

**ANNEXURE - III****Details of CSR amount spent against ongoing projects for the financial year**

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ In lakhs)	Amount spent in the reporting Financial Year (₹ In lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (₹ In lakhs)
				Name of the Fund	Amount (₹ in lakhs)	Date of Transfer	
1	2019-20	-	56.34	Nil	0	Nil	Nil
2	2020-21	-	61.36	Nil	0	Nil	Nil
3	2021-22	-	61.59	Nil	0	Nil	Nil
<b>Total</b>		<b>-</b>	<b>179.29</b>				<b>Nil</b>



# ANNEXURE – “H”

## TO THE DIRECTORS’ REPORT

### Form No. MR-3

#### Secretarial Audit Report

For the Financial year ended March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**ASAHI SONGWON COLORS LIMITED**  
Asahi House 20, Times Corporate Park,  
Thaltej-Shilaj Road,  
Thaltej, Ahmedabad-380059,  
Gujarat.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Asahi Songwon Colors Limited** (hereinafter called the “Company”) Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit the explanation and clarification given to me and the representation made by the Management, I hereby report that in my opinion, the Company has generally, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent based on the management representation letter/confirmation, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **March 31, 2023** according to the provisions of:

- i. The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign director investment, overseas direct investment and external commercial borrowings;

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations; 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

However, it has been found that there were no instance requiring compliance with the provisions of the laws indicated at point (c), (d), (e) and (g) of the paragraph (v) mentioned herein above during the period under review.

vi. I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test – check basis other than fiscal and labour

laws which are generally applicable to all manufacturing/trading companies, the following laws/acts are also, inter alia, applicable to the Company.

1. The Environment (Protection) Act, 1986.
2. The Water (Prevention & Control of Pollution) Act, 1974.
3. The Air (Prevention & Control of Pollution) Act, 1981.
4. Public Liability Insurance Act, 1991.
5. Explosives Act, 1884.
6. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
  - (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vii. During the Audit period under review and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned hereinabove.

I further report that based on the information provided by the Company, its officers there exists adequate systems, process and control commensurate with the size and operation of the Company to monitor and ensure compliance of other laws. I have not reviewed the compliance by the Company of applicable financial laws like direct and indirect tax laws as the same has been reviewed by the other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on March 31, 2023. However, during the year under review, penalty was levied by National Stock Exchange of India Limited for Non-compliance to Regulation 17(1)(a) of Securities Exchange

Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015 for the quarter ended March 31, 2022. The Company has appointed independent women director on March 24, 2022 and duly constituted and complied Regulation 17(1)(a) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015. The Company duly paid penalty levied by National Stock Exchange of India Limited as per their Invoice.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to above.

I further report that during the audit period there were no specific events/actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, except:

1. Mrs. Shivani Revat Lakhia (DIN: 09527745) was appointed as Independent Director (Women) by the members through Postal Ballot on June 21, 2022 for five consecutive years with effect from March 24, 2022.
2. The members at the 32<sup>nd</sup> Annual General Meeting held on September 30, 2022, passed Special Resolution:
  - a. Approval of Loan, Guarantee or Security under Section 185 of the Companies Act, 2013;
  - b. Omnibus approval of material related party transaction.
3. The Board of Directors of the Company, at its meeting held on October 10, 2022 has approved shifting of Registered Office within the limit of the city where the Registered Office is situated.

For, **SHYAMSINGH TOMAR & ASSOCIATES**  
Company Secretaries

**Shyamsingh R. Tomar**  
[Proprietor]

FCS No.: 12345

COP: 15973

PR No.: 1076/2021

UDIN: F012345E000778341

**Place:** Ahmedabad  
**Date:** August 10, 2023

This report is to be read with my letter of even date which is annexed as **Annexure 'A'** and forms an integral part of this report.

## Annexure 'A'

To,  
The Members,  
**ASAHI SONGWON COLORS LIMITED**  
Asahi House 20, Times Corporate Park,  
Thaltej-Shilaj Road,  
Thaltej, Ahmedabad-380059,  
Gujarat.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **SHYAMSINGH TOMAR & ASSOCIATES**  
Company Secretaries

**Shyamsingh R. Tomar**  
[Proprietor]

**Place:** Ahmedabad  
**Date:** August 10, 2023

FCS No.: 12345  
COP: 15973  
PR No.: 1076/2021  
UDIN: F012345E000778341

# ANNEXURE - “I”

## TO THE DIRECTORS’ REPORT

### Report on Corporate Governance

Report on Corporate Governance of Asahi Songwon Colors Limited (the Company) for the Financial Year ended March 31, 2023, as stipulated in the relevant provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time (the Listing Regulations), is set out as below:

### MANDATORY REQUIREMENTS

#### 1. Company’s Philosophy on Corporate Governance

Corporate Governance is the structure of rules, practices and process used to direct and manage a Company covering areas of ethical behavior, corporate strategies, compensation and risk management.

**Asahi Songwon Colors Limited** is committed to doing business in an efficient, responsible and ethical manner. Corporate Governance practice ensures transparency, disclosures, accountability, compliances, ethical conduct and shareholders interest in its functioning. It refers to a set of laws, regulations and good practices that enables an organisation to perform its business efficiently. The Company constantly endeavour for the best corporate governance and for complete satisfaction of all its shareholders.

Our governance practice is to build the trusts between the Company and its stakeholder’s viz. shareholders, customers, suppliers and employees. The Company believes that Corporate Governance is a prerequisite for attaining sustained growth in this competitive world.

In the line with this philosophy, your Company continuously strives for excellence through timely compliances and maximum disclosure of information to investors.

#### 2. Board of Directors

The Board of Directors along with its Committees provides leadership and guidance to the Company’s management and supervises the Company’s performance. The Board also provides strategic guidance and independent view to the Company’s senior management which discharging its fiduciary responsibilities.

As per Regulation 17(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board of Directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of directors shall comprise of non-executive directors. Where the chairperson of the Board of directors is a non-executive director, at least one-third of the Board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of independent directors provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the Board of Directors, at least

half of the board of directors of the listed entity shall consist of independent directors.

As on March 31, 2023, the Board of Directors of your Company represents optimum combination of Executive and Non-Executive Directors with two women director and more than fifty per cent of the Board of Directors comprised of Non-Executive Directors. The Chairperson of the Board is an Executive Director and half of the Board of Directors is comprised of Independent Directors.

The Chairperson and Managing Director, Joint Managing Director & CEO and Executive Director of the Company looks after the day-to-day business affairs of the Company, the Board of Directors reviews the overall business operations at least once in quarter based on updates on the Company’s performance provided by the Chairperson and Managing Director/Joint Managing Director & CEO and Executive Director.

#### 2.1 Composition and category of Directors

The Company has a balanced mix of Executive and Non-Executive Directors. As at March 31, 2023, the total strength of the Board of Directors of the Company was Nine (9) members including three executive directors and six non executive directors and five of them are independent directors. Mr. Munjal M. Jaykrishna is the Non-Executive – Non Independent director of the Company. Mrs. Shivani Revat Lakhia is the Women Independent Director of the Company. The detail profiles of all the Board Members are available on the website of the Company at web link: <http://www.asahisongwon.com/pdf/Asahi%20Songwon%20Composition%20of%20Committees%20of%20Board%20Directors.pdf>

#### Board Diversity

Your Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board. Pursuant to Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee has formalized a policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The policy is posted on the Company’s website and can be accessed on web link <http://www.asahisongwon.com/pdf/Policy%20of%20Board%20Diversity.pdf>

#### Independent Directors

Independent Directors plays an important role in the governance processes of the Board. With different points of views flowing from their expertise and experience, they enrich the decision

making process of the Board and prevent conflicts of interest in such decision making.

As on March 31, 2023, Mr. R. K. Sukhdevsinhji, Mr. Arvind Goenka, Mr. Jayprakash M. Patel, Dr. Pradeep Jha and Mrs. Shivani Revat Lakhia were the independent directors of the Company.

The independent directors on the Board are senior, competent and eminent persons from their respective fields/profession. Based on the confirmations/disclosures received from the Directors and on evaluation of the relationships disclosed, all the Non-Executive – Independent Directors are independent in terms of provisions of Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the directors have made necessary disclosures none of the Directors holds directorship in more than 8 (Eight) listed companies. Further, none of the Director is a Member of more than 10 (Ten) committees or

chairperson of more than 5 (five) committees, across all listed companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairmanship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No Independent Director is related to any other director on the Board in terms of the definition of "relative" as defined under Section 2(77) of the Companies Act, 2013.

The Board does not have any Nominee Director representing any institution.

The composition of the Board satisfies the requirement of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

As on March 31, 2023, the composition of the Board of Directors of the Company was as follows:

No.	Name of the Director	Promoter/ Non-Promoter	Category	Number of Shares held as on March 31, 2023	% holding as on March 31, 2023
1.	Mrs. Paru M. Jaykrishna*		Executive Chairperson and Managing Director	-	-
2.	Mr. Gokul M. Jaykrishna *	Promoter	Executive Joint Managing Director & CEO	9627	0.08
3.	Mr. Arjun G. Jaykrishna		Executive Director	28,384	0.24
4.	Mr. Munjal M. Jaykrishna		Non-Executive Director	-	-
5.	Mr. R. K. Sukhdevsinhji		Independent Director	-	-
6.	Mr. Arvind Goenka		Independent Director	-	-
7.	Mr. Jayprakash M. Patel	Non-Promoter	Independent Director	-	-
8.	Dr. Pradeep Jha		Independent Director	-	-
9.	Mrs. Shivani Revat Lakhia		Women Independent Director	-	-

\* Mrugesh Jaykrishna Family Trust – I is holding 51,78,403 (43.93%) Equity Shares of the Company and Mrs. Paru M. Jaykrishna is one of the trustees(s) of Mrugesh Jaykrishna Family Trust – I.

\* Gokul M. Jaykrishna Family Trust. is also holding 26,48,980 (22.47 %) Equity Shares of the Company and Mr. Gokul M. Jaykrishna is one of the trustee(s) of the Gokul M. Jaykrishna Family Trust.

### Board Meetings Process

The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the Management towards creating long term sustainable growth that benefits all stakeholders. It also ensures strict compliance with the law and all regulations by the Company. The Board's key functions include:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning.
- Aligning key executive and Board remuneration with the longer term interests of the Company and its shareholders.
- Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

- f) Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g) Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- h) Overseeing the process of disclosure and communications.
- i) Monitoring and reviewing Board Evaluation framework.

The notice of Board Meeting is given well in advance to all the Directors. The meetings are usually held at the Company's at the Registered Office of the Company. The Agenda and Pre-reads are circulated well in advance in the prescribed agenda format before each meeting to all the Directors for facilitating effective discussion and decision making. Where it is not practicable to attach any document to the agenda, the same is placed on the table at the meeting with specific reference to this effect in the agenda. With the permission of Chairperson, in special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance of the meeting.

In case of business exigencies or urgency of matters, resolutions are passed by circulation and the same is placed before the Board in the next meeting. Considerable time is spent by the Directors on discussion and deliberations at the Board Meetings.

#### Support and Role of Company Secretary

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the Meetings of the Board and its Committees, advises/assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

#### Invitees & proceedings

Apart from the Board members, Chief Financial Officer, Company Secretary, Senior Management executives are invited as and when necessary, to provide additional inputs for the items being discussed by the Board. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at the respective committee meetings, which are generally held prior to the Board meeting.

## 2.2 Details of Attendance of each director at the meeting of Board of Directors

Name of the Director	Category	Attendance at the Meeting held on						No of Meetings Attended	Attendance at the Last Annual General Meeting
		18.04.2022	12.05.2022	19.05.2022	04.08.2022	10.11.2022	13.02.2023		
Mrs. Paru M. Jaykrishna	CMD	✓	✓	✓	✓	✓	✓	6	Yes
Mr. Gokul M. Jaykrishna	MD & CEO	✓	✓	✓	✓	✓	✓	6	Yes
Mr. Munjal M. Jaykrishna	NED	✓	✓	✓	✓	✓	✓	6	Yes
Mr. Arjun G. Jaykrishna	ED	✓	✓	✓	✓	✓	✓	6	Yes
Mr. R. K. Sukhdevsinhji	ID	✓	✓	✓	LOA	✓	✓	5	Yes
Mr. Arvind Goenka	ID	LOA	LOA	✓	LOA	✓	LOA	2	Yes
Mr. Jayprakash M. Patel	ID	✓	✓	✓	✓	✓	LOA	5	Yes
Dr. Pradeep Jha	ID	✓	✓	✓	✓	✓	✓	6	Yes
Mrs. Shivani Revat Lakhia	ID	✓	✓	✓	✓	✓	✓	6	Yes

ID - Independent Director; CMD: Chairperson and Managing Director, MD & CEO - Managing Director & Chief Executive Officer; ED - Executive Director; LOA - Leave of Absence

All the members of the Board of Directors attended the last Annual General Meeting ("AGM") of the Company held on 30<sup>th</sup> September, 2022 through Video Conference (VC)/Other Audio Visual Means (OAVM).

### 2.3 Details regarding Directorship(s) and Committee Membership(s) in Other Listed Companies as on March 31, 2023

Name	Designation	No of Directorship in listed entities including this listed entity	No of Independent Directorship in listed entities including this listed entity	Number of memberships in Audit/Stakeholder Committee(s) including this listed entity	
				Chairman	Member
Mrs. Paru M. Jaykrishna	Chairperson and Managing Director	2	-	-	1
Mr. Gokul M. Jaykrishna	Jt. Managing Director & CEO	2	-	-	-
Mr. Munjal M. Jaykrishna	Non-Executive – Non-Independent Director	2	-	-	-
Mr. Arjun G. Jaykrishna	Executive Director	1	-	-	-
Mr. R. K. Sukhdevsinhji	Independent Director	1	1	-	2
Mr. Arvind Goenka	Independent Director	3	1	-	1
Mr. Jayprakash M. Patel	Independent Director	1	1	-	2
Dr. Pradeep Jha	Independent Director	2	2	4	4
Mrs. Shivani Revat Lakhia	Non-Executive – Non-Independent Director	1	1	-	-

Directorship, Membership and Chairmanship in other companies shown above do not include alternate directorship, Private Limited Companies that are neither a subsidiary nor a holding Company of a Public Company, Companies incorporated under Section 8 of the Act, high value debt listed entities and Foreign Companies.

#### 2.4 Number of Meetings of the Board of Directors held and dates on which held

During the financial year 2022-2023, Six (6) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director. During the year under review, all the meetings were deemed to be held at the registered office of the Company.

#### 2.5 Flow of information to the Board

The Board has complete access to all Company related information. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Chairperson and Managing Director of the Board and the Company Secretary determine the agenda for every meeting along with explanatory notes in consultation with the Joint Managing Director & CEO. The agenda along with the explanatory notes are sent well in advance to the Directors. All Statutory and other matters of significance including information as mentioned in Part A of Schedule II to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company.

The Company adheres to the provisions of the Act read with the Rules issued thereunder, Secretarial Standards and the Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company

#### 2.6 Information placed before the Board of Directors

The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Regular updates provided to the Board, inter alia, include:

- ◆ Annual operating plans and budgets and any updates;
- ◆ Capital budgets and any updates;
- ◆ Quarterly financial results for your Company and its operating divisions or business segments;
- ◆ Minutes of meetings of Committees of the Board of Directors;
- ◆ The information on recruitment and remuneration of Senior Management Personnel just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
- ◆ Show cause, demand, prosecution and penalty notices, which are materially important;
- ◆ Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- ◆ Any material defaults in financial obligations to and by the Company;
- ◆ Any issue, which involves possible public or product liability claims of substantial nature;

- ◆ Details of any joint venture or collaboration agreement;
- ◆ Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- ◆ Any significant labour problem involving human resource management;
- ◆ Sale of a material nature, or of investments, subsidiaries and assets which are not part of the normal course of business;
- ◆ Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- ◆ Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer;
- ◆ Issues relating to shareholders such as ratification of transfers, demat status, pending grievances, issue of duplicate share certificates etc;
- ◆ Contracts in which Director(s) are deemed to be interested;
- ◆ Details of investment of surplus funds available with the Company;
- ◆ General disclosure of interest;
- ◆ The information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and the Company Secretary;
- ◆ Perspective plan for the future of the Company;
- ◆ Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- ◆ Minutes of Board Meetings of unlisted subsidiary companies;
- ◆ Statement of significant transactions or arrangements made by unlisted subsidiary companies;
- ◆ Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer;
- ◆ Compliance reports pertaining to applicable laws and steps taken to rectify instances of non-compliances, if any; and
- ◆ Any other information which is relevant for decision making by the Board.

## 2.7 Recording minutes of proceeding of Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Committee members for their comments. The minutes are entered in the Minutes Book within 30 (thirty) days from the conclusion of the meeting or in the next Board Meeting.

## 2.8 Post Meeting Follow-up

The Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments. Action taken report on decisions of the previous meeting(s) is placed at the succeeding meeting of the Board/Committees for noting.

## 2.9 Compliance

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the rules issued there under and to the extent feasible, the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

## 2.10 Disclosure of relationships between Directors inter-sec

Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company is the mother of Mr. Gokul M. Jaykrishna, Joint Managing Director & CEO of the Company and Mr. Munjal M. Jaykrishna, Non Executive Director of the Company. Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna are brothers. Mr. Gokul M. Jaykrishna is father, Mrs. Paru M. Jaykrishna is grandmother and Mr. Munjal M. Jaykrishna is uncle of Mr. Arjun G. Jaykrishna. Other than Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna, Mr. Munjal M. Jaykrishna and Mr. Arjun G. Jaykrishna, none of the directors are related to any other directors.

## 2.11 Familiarisation Programme for Independent Directors

In compliance with the requirements of the Listing Regulations, the Company has put in place familiarization programme for all its Directors including Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc and the familiarisation programme for the Independent Directors is available on the website of the Company at [www.asahisongwon.com](http://www.asahisongwon.com)

## 2.12 Skills/Expertise/Competencies of the Board of Directors

The Board of Directors of the Company consists of eminent qualified professional members from the diverse field, who have significant amount of skills/expertise/competencies and thus make valuable contributions to the Board. The collective contribution of the Board members reflects in the performance of the Company.

Pursuant to Schedule V(C) of the SEBI Listing Regulations, 2015, the Board has identified the following skills/expertise/competencies of the Directors in context of Company's business for effective functioning:



### 2.13 Matrix Setting out skill Board of Directors

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.

1.	Technical skills - Chemical Industry
2.	Business operation and management
3.	Research and Development
4.	Project Management
5.	Risk management
6.	Quality and Performance management
7.	Board and Governance
8.	Strategic planning
9.	Global market awareness
10.	Finance, Accounting, Auditing,
11.	Indian Corporate Laws and Compliance Global Corporate Laws and Compliance
12.	Safety management
13.	Stakeholder Engagement
14.	Merger and acquisitions
15.	Government and Government/industrial policy which in impact to Chemicals business sector
16.	Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products
17.	Business Ethics as well as Corporate Ethics
18.	Human Resources Management and labour Relations/Labour Laws

The current composition of the Board meets the requirements of skills, expertise and competencies as identified above.

The current composition of the Board meets the requirements of skills, expertise and competencies as identified above.

Name of Board Members and Designation	Mrs. Paru M. Jaykrishna	Mr. Gokul M. Jaykrishna	Mr. Munjal M. Jaykrishna	Mr. Arjun G. Jaykrishna	Mr. R. K. Sukhdevsinhji	Mr. Arvind Goenka	Mr. Jayprakash M. Patel	Dr. Pradeep Jha	Mrs. Shivani Revat Lakhia
	CMD	Jt. MD & CEO	NED	ED	ID	ID	ID	ID	ID
Technical skills- Chemical Industry	√	√	√	√	-	√	√	-	-
Business operation and management	√	√	√	√	-	√	√	-	√
Research and Development	√	√	√	√	-	√	√	-	-
Project Management	√	√	√	√	-	√	√	-	-
Risk Management	√	√	√	√	-	√	√	-	√
Quality and Performance management	√	√	√	√	-	√	√	-	-
Board and Governance	√	√	√	√	√	√	√	√	√
Strategic planning	√	√	√	√	√	√	√	√	√
Global Market Awareness	√	√	√	√	√	√	√	√	√
Finance, Accounting, Auditing	√	√	√	√	√	√	√	√	√
Indian Corporate Laws and Compliance Global Corporate Laws and Compliance	√	√	√	√	√	√	√	-	√
Safety management	√	√	√	√	-	√	√	-	-
Stakeholder Engagement	√	√	-	√	√	-	-	√	√

The current composition of the Board meets the requirements of skills, expertise and competencies as identified above.

Name of Board Members and Designation	Mrs. Paru M. Jaykrishna	Mr. Gokul M. Jaykrishna	Mr. Munjal M. Jaykrishna	Mr. Arjun G. Jaykrishna	Mr. R. K. Sukhdevsinhji	Mr. Arvind Goenka	Mr. Jayprakash M. Patel	Dr. Pradeep Jha	Mrs. Shivani Revat Lakhai
	CMD	Jt. MD & CEO	NED	ED	ID	ID	ID	ID	ID
Merger and acquisitions	√	√	√	√	-	√	√	-	√
Government and Government/ industrial policy which impact to Chemicals business sector	√	√	√	√	-	√	√	-	√
Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products	√	√	√	√	-	√	√	-	-
Business Ethics as well as Corporate Ethics	√	√	√	√	√	√	√	√	√
Human Resources Management and labour Relations/ Labour Laws	√	√	-	√	√	-	-	√	√

ID - Independent Director; Jt MD & CEO - Managing Director & Chief Executive Officer; CMD – Chairperson and Managing Director  
ED – Executive Director.

#### 2.14 Reappointment of Director liable to retire by rotation

Mr. Munjal M. Jaykrishna, Director of the Company shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible is considered for reappointment. His brief resume is annexed to the notice of the Annual General Meeting.

#### 2.15 Change/Appointment/Reappointment in Directors

During the year under review, Mrs. Shivani Revat Lakhia was appointed as Women Independent Director by the members through Postal Ballot on June 21, 2022 for five consecutive years with effect from March 24, 2023.

#### 2.16 Directors Profile

A brief resume of Directors, nature of their expertise in specific functional areas are available on the website of the Company.

#### 2.17 Evaluation of Board

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed there under and Part D of Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2022-2023.

#### 2.18 Code of Conduct

The Board has formulated Code of Conduct for all Board members and senior level employees of the Company. Requisite annual affirmations of compliance with the Code have been made by the Board member and senior level employees for the financial year 2022-2023. Annual Declaration by the Chairperson and Managing Director to this effect is annexed at the end of this report.

#### 2.19 Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on November 10, 2022, without the presence of Non-Independent Directors and the management, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

The suggestions made by the Independent Directors were discussed at the Board meeting and are being implemented.

### 3. COMMITTEES OF THE BOARD

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted under the formal approval of the Board to carry out clearly defined roles under which are considered to be performed by members of the Board as a part of good corporate governance practice. The Board supervises these committees and minutes of the all the committees are placed before the board for review.

The Meetings of each of these Committees are convened by the respective Chairman of the Committees, who also apprise the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are sent to all the Committee Members individually for their approval/comments and after the Minutes are duly approved are circulated to the Board of Directors' and tabled at the Board Meeting.

As on March 31, 2023 there are Five (5) committees of the Board.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility (CSR) Committee
4. Stakeholders Relationship Committee
5. Risk Management Committee

#### 3.1 Audit Committee

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Director, Joint Managing Director & CEO, Executive Director, Chief Financial Officer, General Manager Accounts, Company Secretary, Statutory Auditor and Internal Auditors as and when necessary.

The Audit Committee meets the Statutory Auditors and the Internal Auditor independently without the management at least once in a year.

#### A. Brief description of terms of reference

The terms of reference of the Audit Committee are as per the governing provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II). The terms

of reference of the Audit Committee include the monitoring, implementing and review of risk management plan as required under Regulation 21 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore a separate Risk Management Committee has not been constituted. The broad terms of reference of the Audit Committee therefore include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board the appointment, reappointment and if required, the replacement or removal of the statutory auditors and fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub section 3 of section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report.
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the Management, the performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting matters to the Board;
16. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background etc., of the candidate; and
20. Reviewing the utilization of loans and/or advances from/ investment by the holding Company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower;
21. To review periodically statutory compliances of various laws, regulatory changes, if any;
22. Review of financial statements, in particular, investments made by the subsidiary companies;
23. Reviewing the utilisation of loans and/or advances from/ investment by the Company in any subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments;
24. Review compliance with the provisions of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and verify that the systems for internal controls are adequate and are operating effectively;
25. Periodically review pending legal cases;
26. Carrying out any other function as is mentioned in terms of reference of the Audit committee; and
27. Considering such other matters as may be required by the Board.

**The Audit Committee mandatorily reviews the following information:**

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- f. Statement of deviations:
  - i. quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulation;
  - ii. annual statement of funds utilised for the purposes other than those stated in the offer document/ prospectus/notice in terms of Listing Regulation;
- g. Any Show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important, including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;
- h. Any material default in financial obligations by the Company; and
- i. Any significant or important matters affecting the business of the Company.

There are no instances of Board not accepting the recommendations of the Audit Committee during the year.

**B. Composition, Name of Members and Chairman**

As on March 31, 2023, the Audit Committee comprises of three Non Executive Directors as members. All of the members are independent directors. All members of the Audit Committee are financially literate and a majority having accounting or financial management expertise.

The following are members of Audit Committee:

<b>Name of the Member</b>	<b>Category</b>	<b>Designation</b>
Dr. Pradeep Jha	Independent – Non-Executive Director	Chairman
Mr. R. K. Sukhdevsinhji	Independent – Non-Executive Director	Member
Mr. Jayprakash M. Patel	Independent – Non-Executive Director	Member

Dr. Pradeep Jha, Chairman of the Audit Committee attended the last Annual General Meeting (AGM).

### C. Secretary

The Company Secretary act as secretary to the committee.

### D. Meeting and Attendance during the year

No.	Name of the Member	Attendance in Audit Committee Meetings held on				
		18.04.2022	19.05.2022	04.08.2022	10.11.2022	13.02.2023
1.	Dr. Pradeep Jha	√	√	√	√	√
2.	Mr. R. K. Sukhdevsinhji	√	√	X	√	√
3.	Mr. Jayprakash M. Patel	√	√	√	√	X

### E. Vigil Mechanism/Whistle Blower Policy

The Company has adopted Whistle Blower Policy that provides a formal vigil mechanism for Directors and Employees to report genuine concerns about the unethical behaviour, actual or suspected frauds of violation of the Company's Code of Conduct. The said mechanism also provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No employee of the Company was denied access to the Chairman of the Audit Committee.

### 3.2. Nomination and Remuneration Committee

The constitution and terms of reference of nomination and remuneration committee of the Company are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 and Part D of Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### A. Brief description of terms of reference:

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Wholetime Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of Section 178 of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and

recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;

2. Formulate the criteria for effective evaluation of performance of the Board, its Committees and individual Directors and review its implementation and compliance;
3. Devise a policy on diversity of the Board of Directors;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. To consider whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of Independent Directors;
6. Set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and Senior Management of the quality required to run the Company successfully;
7. Set the relationship of remuneration to performance;
8. Check whether the remuneration provided to Directors, Key Managerial Personnel and Senior Management includes a balance between fixed and incentives pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals;
9. Review and implement succession plans for Managing Director, Executive Directors and Senior Management;
10. Review and make recommendations to the Board with respect to any incentive-based compensation and equity-based plans that are subject to Board or shareholder approval (including broad-based plans); and
11. Undertake any other matters as the Board may decide from time to time.

#### B. Composition, Name of Members and Chairman

As on March 31, 2023, the Nomination and Remuneration Committee comprises of three (3) Non-Executive Independent Directors:

Name of the Member	Category	Designation
Mr. Jayprakash M. Patel	Independent – Non-Executive Director	Chairman
Mr. R. K. Sukhdevsinhji	Independent – Non-Executive Director	Member
Dr. Pradeep Jha	Independent – Non-Executive Director	Member

Mr. Jayprakash M. Patel, Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting (AGM).

### C. Secretary

The Company Secretary acts as secretary to the committee.

### D. Meeting and Attendance during the year

No.	Name of the Member	Attendance in Nomination and Remuneration Committee Meetings held on			
		19.05.2022	04.08.2022	10.11.2022	13.02.2023
1.	Dr. Pradeep Jha	√	√	√	√
2.	Mr. R. K. Sukhdevsinhji	√	X	√	√
3.	Mr. Jayprakash M. Patel	√	√	√	X

### E. Performance Evaluation of Directors

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committees, Independent Directors, Non-Executive Directors, Executive Directors, and the Chairman of the Board.

The Nomination and Remuneration Committee of the Board has laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and Individual Directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/Non-Executive Directors/Executive Directors and the Chairman of the Company.

The performance of Non-Independent Directors, the Board as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting, the Independent Directors also evaluated the performance of the Chairman of your Company, after taking into account the views of Executive Directors and Non-Executive Directors. Evaluation as done by the Independent Directors was submitted to the Nomination and Remuneration Committee and subsequently to the Board.

The performance of the Board and its Committees was evaluated by the Nomination and Remuneration Committee after seeking inputs from all the Directors, on the basis of criteria such as the Board/Committee composition and structure, effectiveness of the Board/Committee process, information and functioning, etc.

Following the meetings of Independent Directors and of Nomination and Remuneration Committee, the Board at its meeting discussed the performance of the Board, as a whole,

its committees and individual Directors. The performance evaluation of all the Directors of your Company, (including Independent Directors, Executive and Non-Executive Directors and Chairman), is done at the Board meeting by all the Board members, excluding the Director being evaluated on the basis of criteria, such as contribution at the meetings, strategic perspective or inputs regarding the growth and performance of your Company, among others.

### F. Nomination process of new Directors

The search and nomination process of new Directors are through personal contacts and recommendations of Directors. Nomination and Remuneration Committee review and assess candidates before making recommendation to the Board.

### G. Remuneration policy, details of remuneration and other terms of appointment of Directors

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a period basis.

### H. Details of remuneration paid to Executive Directors

Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company, Mr. Gokul M. Jaykrishna, Joint Managing Director & CEO and Mr. Arjun G. Jaykrishna, Executive Director of the Company are the Executive Directors on the Board. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors decides and approves the remuneration payable to them within the ceiling fixed by the shareholders as per the Resolution passed at the General Meeting.

Details of the remuneration paid to the Executive Directors are as below:

Whole-Time Director	Business relationship with the Company	Remuneration during the year 2022-2023 (inclusive of Perquisites and Commission) (₹ in lakhs)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	42.00
Mr. Gokul M. Jaykrishna	Joint Managing Director & CEO	44.92
Mr. Arjun G. Jaykrishna	Executive Director	14.29
<b>Total</b>		<b>101.11</b>

### 1. Service Contract, Severance Fees and Notice Period

The appointment of the Managing Director and whole time directors are governed by Articles of Association of the Company and the resolution passed by Board of Directors and the members of the Company. These covers and terms and condition of such appointment. No separate service contract is entered into by the Company with Managing Directors. There is no separate provision for payment of Severance fees under the resolution governing the appointment of the Managing Directors.

### 2. Stock Option details, if any

The Company does not have any stock option plan for the Executive Directors.

#### I. Details of remuneration paid to Non Executive Directors

##### Non Executive Directors

Non-Executive Directors were paid sitting fees for attending the Board Meeting and Committee Meetings of the Company.

##### Shareholding of Non-Executive Directors

None of the Non-Executives of the Company are holding any shares in the Company.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company.

The details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report.

#### B. Composition of the Committee

As on March 31, 2023, the Committee comprises of following directors:

Name of the Member	Category	Designation
Mrs. Paru M. Jaykrishna	Executive Director	Chairperson
Mr. Jayprakash M. Patel	Independent – Non-Executive Director	Member
Dr. Pradeep Jha	Independent – Non-Executive Director	Member

#### C. Secretary

The Company Secretary acts as secretary to the committee.

#### D. Attendance of the Corporate Social Responsibility (CSR) Committee

The details of meeting and attendance of the members are as below:

No.	Name of the Member	Attendance in Corporate Social Responsibility Committee Meetings held on			
		19.05.2022	04.08.2022	10.11.2022	13.02.2023
1.	Mrs. Paru M. Jaykrishna	√	√	√	√
2.	Dr. Pradeep Jha	√	√	√	√
3.	Mr. Jayprakash M. Patel	√	√	√	X

### 3.3. Corporate Social Responsibility (CSR) Committee

The Company has constituted a Corporate Social Responsibility Committee as required under section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### A. Terms of Reference

The Committee looks into the matters relating to:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made there under;
- To recommend the amount of expenditure to be incurred on CSR activities;
- To monitor the implementation of framework of CSR policy; and
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may applicable or as may be necessary or appropriate for performance of its duties.

### 3.4. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders'/investors'/security holders' complaints.

The constitution and terms of reference of Stakeholder Relationship Committee of the Company pursuant to Section 178(5) of the Companies Act, 2013 and Regulation 20 and Part D of Schedule VI of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference and other details of the committee are as follows:

#### A. Terms of Reference

The functioning and broad terms of reference of the Stakeholders' Relationship Committee as adopted by the Board are as under:

1. To monitor complaints received by your Company from its Shareholders, and ther security holders, Securities and Exchange Board of India (SEBI), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. and action taken by your Company for redressing the same;
2. To approve allotment of shares, debentures or any other securities as per the authority conferred/to be conferred to the Committee by the Board of Directors from time to time;
3. To approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialisation, rematerialisation etc. of shares, debentures and other securities;
4. To authorise Officers of your Company to approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialisation, rematerialisation etc. of shares, debentures and other securities;
5. To approve and ratify the action taken by the authorised officers of your Company in compliance of the requests received from the shareholders/investors for issue of duplicate/replacement/consolidation/sub-division, dematerialisation, rematerialisation and other purposes for the shares, debentures and other securities of your Company;
6. To monitor and expedite the status and process of dematerialisation and rematerialisation of shares, debentures and other securities of your Company;
7. To give directions for monitoring the stock of blank stationery and for printing of stationery required by the Secretarial Department of your Company from time to time for issuance of share certificates, allotment letters, dividend warrants, pay orders, cheques and other related stationery;
8. To review the measures taken to reduce the quantum of unclaimed dividend/interest and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of your Company;
9. Resolving grievances of security holders including complaints related to transfers/transmission of shares, non-receipt of annual report, non-receipt of dividends, issue of new/duplicate certificates, general meetings etc.;
10. Review measures taken for effective exercise of voting rights by shareholders;
11. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
12. To perform such other acts, deeds, and things as may be delegated to the Committee by the Board from time to time.

The main object of the Committee is to strengthen investor relations.

#### B. Composition of the Committee

As on March 31, 2023, the Committee comprises of following directors:

Name of the Member	Category	Designation
Dr. Pradeep Jha	Independent – Non-Executive Director	Chairperson
Mrs. Paru M. Jaykrishna	Executive Director	Member
Mr. Jayprakash M. Patel	Independent – Non-Executive Director	Member

As per Regulation 20 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Dr. Pradeep Jha, Chairman of the Stakeholder Relationship Committee was present at 32<sup>nd</sup> Annual General Meeting held on September 30, 2022.

#### C. Secretary

The Company Secretary and compliance officer acts as secretary to the committee.

#### D. Meeting and Quorum

The committee meets as and when required. The quorum for the meeting is either two members.



### E. Attendance of the Stakeholders Relationship Committee

The details of meeting held of Stakeholders Relationship Committee:

No.	Name of the Member	Attendance in Corporate Social Responsibility Committee Meetings held on			
		19.05.2022	04.08.2022	10.11.2022	13.02.2023
1.	Dr. Pradeep Jha	√	√	√	√
2.	Mrs. Paru M. Jaykrishna	√	√	√	√
3.	Mr. Jayprakash M. Patel	√	√	√	X

### F. Details of Shareholders Complaints

Number of complaints received and resolved to the satisfaction of Stakeholders Relationship Committee during the year under review is below:

Number of complaints pending at the beginning of the year	:	Nil
Number of complaints received	:	07
Number of complaints resolved during the year	:	07
Number of pending complaints at the end of the year	:	Nil

### G. Compliance Officer

Mr. Saji V. Joseph, Company Secretary and Compliance Officer is entrusted with the responsibility to specifically look into the redressal of the shareholders and investors complaints and report the same to the Stakeholder's Relationship Committee.

### 3.5. Risk Management Committee

The Company has formulated a Risk Management Committee in line with the Regulation 21 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Risk Management Committee met 2 (two) times during the financial year 2022-2023. The intervening period between 2 (two) consecutive Risk Management Committee meetings was well within the maximum allowed gap of 180 (one hundred and eighty) days.

#### A. Terms of references

The terms of reference of Risk Management Committee are as follows:

- i. To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
  - (c) Business continuity plan.
- ii. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- iii. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- iv. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- v. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- vi. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

#### B. Composition of the Committee

As on March 31, 2023, the Committee comprises of following directors:

Name of the Member	Category	Designation
Dr. Pradeep Jha	Independent – Non-Executive Director	Chairman
Mr. R. K. Sukhdevsinhji	Independent – Non-Executive Director	Member
Mr. Jayprakash M. Patel	Independent – Non-Executive Director	Member

### C. Secretary

The Company Secretary acts as secretary to the committee.

### D. Attendance of the Risk Management Committee

The members of the Risk Management Committee met two times, attendance of the members at the meeting held during financial year 2022-2023 is as follows:

No.	Name of the Member	Attendance in Corporate Social Responsibility Committee Meetings held on	
		26.10.2022	13.02.2023
1.	Dr. Pradeep Jha	√	√
2.	Mr. R. K. Sukhdevsinhji	√	√
3.	Mr. Jayprakash M. Patel	√	√

## 4. SUBSIDIARY

As on March 31, 2023, the Company has two unlisted subsidiary Company namely:

Asahi Tennants Color Private Limited and Atlas Life Sciences Private Limited, with its Board having the rights and obligations to manage the Company in the best interest of their stakeholders.

The Company also has a wholly owned unlisted subsidiary namely Atlas Life Sciences (India) Private Limited with its Board having the rights and obligations to manage the Company in the best interest of their stakeholders.

## 5. GENERAL BODY MEETINGS

### 5.1 Details of location, time and date of last three Annual General Meeting are given below:

Financial Year	Date	Time	Venue
2019-2020	September 30, 2020	11.30 a.m.	Through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”)
2020-2021	September 28, 2021	11.30 a.m.	Through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”)
2021-2022	September 30, 2022	11.30 a.m.	Through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”)

### 5.2 Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the financial year 2022-2023.

### 5.3 Special Resolution passed in the last three years at the Annual General Meetings

At the 30<sup>th</sup> Annual General Meeting held on September 30, 2020 the following Special Resolutions were passed:

- i. Approval of Loan, Guarantee or Security under Section 185 of the Companies Act, 2013;
- ii. Private Placement of Non-Convertible Debenture and/or other debt securities.

At the 31<sup>st</sup> Annual General Meeting held on September 29, 2021 the following Special Resolutions were passed:

- i. Re-appointment of Mrs. Paru M. Jaykrishna (DIN: 00671721), as Chairperson and Managing Director of the Company;
- ii. Private Placement of Non-Convertible Debenture and/or other debt securities.

At the 32<sup>th</sup> Annual General Meeting held on September 30, 2022 the following Special Resolutions were passed:

- i. Approval of Loan, Guarantee or Security under Section 185 of the Companies Act, 2013.

## 5.4 Resolution passed with requisite majority in last year through Postal Ballot

During the year 2022-2023, One Special Resolutions has been passed through Postal Ballot, details of which is given under:

**Date of Postal Ballot Notice:** May 12, 2022

**Date of commencement of e-voting for the Postal Ballot:** May 23, 2022

**Date of Approval:** June 21, 2022

**Date of declaration of result:** June 22, 2022

Description of the Resolution	No of Vote polled	Vote caste in favour	% of Votes in favour on votes polled	Vote cast against	% of Votes against on votes polled
Appointment of Mrs. Shivani Revat Lakhia (DIN: 09527745) as an Independent Director of the Company for a term of five consecutive years	81,29,456	81,26,895	99.9685	2,561	0.0315

## 5.5 Person who conducted the Postal Ballot exercise:

M/s. Shyamsingh Tomar & Associates, Company Secretary in Practice, Ahmedabad was appointed as the Scrutiniser to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

## 5.6 Special Resolution proposed to be conducted through postal ballot

None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

## 5.7 Procedure for Postal Ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility to all its members. For this purpose, Company had engaged M/s. National Depository Services Limited (NSDL) as the Agency to provide e-voting facility so as to enable the members to exercise their right to vote on proposed resolution by electronic means i.e., remote e-Voting Services.

Postal ballot notices and forms were sent by email to members through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutiniser completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman/authorised officer. The results are also displayed on the Company website, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date of e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

## 6. MEANS OF COMMUNICATION

The Company promptly discloses information on material corporate developments and other events as required under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Such timely disclosures are an indicator of the Company's good corporate governance practices.

### i. Publication of Financial Results:

The Company publishes limited reviewed un-audited standalone financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year. Quarterly, half-yearly and annual financial results of the Company are published in leading English and Gujarati language newspaper, viz., all India editions of Business Standard and Prabhat edition of Gujarati editions.

### ii. Annual Report:

Annual Report containing, inter alia, audited Annual Accounts, Directors' Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management Discussion and Analysis (MD&A) forms part of the Annual Report. The Annual Report is also available on the Company's website.

### iii. Website, where displayed

In compliance with Regulation 46 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half yearly/Nine-months and Annual financial results along with the applicable policies of the Company.

The Annual Report of the Company as well as the quarterly/half yearly and annual results are posted on the website of the Company at [www.asahisongwon.com](http://www.asahisongwon.com) and can be downloaded by the shareholders.

iv. Press release made by the Company from time to time are also displayed on the Company's website and Stock Exchanges.

**v. Analysts presentations**

The presentations on performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the conclusion of investors call for the financial results. The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Joint Managing Director & CEO, Executive Director, CFO and Company Secretary. The Company promptly uploads on its website transcript of such calls on a voluntary basis.

**vi. Stock Exchange:**

The Board of Directors has approved a Policy for determining materiality of events for the purpose of making disclosure to the Stock Exchanges. The Joint Managing Director & CEO, CFO and Company Secretary are empowered to decide on the materiality of information for the purpose of making disclosures to the Stock Exchanges. The Company makes timely disclosures of necessary information to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where equity shares of the Company are listed, in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

**vii. Chairperson's communiqué:**

Annual Report contains Chairperson's speech.

**viii. NEAPS (NSE Electronic Application Processing System) & NSE Digital Portal, BSE Corporate Compliance & the Listing Centre**

NEAPS & NSE Digital Portal and BSE Listing are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings, inter alia, shareholding pattern, corporate governance report, corporate announcements, amongst others, are filed electronically in accordance with the Listing Regulations.

Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are in a format that allows users to find relevant information easily through a searching tool.

**ix. SEBI Complaints Redress System (SCORES)**

The investor complaints are processed in a centralised web-based complaints redress system.

The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

x. All disclosures made to the stock exchanges as statutorily required are also available on the Company's website.

xi. Ministry of Corporate Affairs: The Company has periodically filed all the necessary documents with the MCA.

**7. GENERAL SHAREHOLDER'S INFORMATION**

<b>i. 33<sup>rd</sup> Annual General Meeting</b>		
Day, Date, Time & Venue	Thursday, September 28, 2023 at 11.30 a.m. through Video conferencing ("VC") or Other Audio Visual Means ("OAVM")	
<b>ii. Tentative Financial Year Calendar (2023-2024)</b>		
Financial Year of the Company	April 01, 2023 to March 31, 2024	
First Quarter Results	On or before August 14, 2023	
Second Quarter Results	On or before November 14, 2023	
Third Quarter Results	On or before February 14, 2023	
Audited Results for the year 2023-2024	On or before May 30, 2024	
Annual General Meeting	August/September, 2024	
<b>iii. Dividend</b>		
The Board of Directors in their meeting held on May 29, 2023 has recommended a final dividend of Rupee.0.50 (5%) per equity share for the Financial Year 2022-2023. The dividend on equity shares for the financial year ended March 31, 2023, if approved by the members at the ensuing Annual General Meeting will be paid within 30 days of declaration by members.		
i)	to all those shareholders holding shares in physical and whose names appear in Company's Register of Member as on September 21, 2023;	
ii)	to all those beneficial owners holding shares in electronic mode, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of he ended of the day on September 21, 2023.	

## 7. GENERAL SHAREHOLDER'S INFORMATION (Contd.)

<b>iv. Date of Book Closure</b>	Closure of Register of Members and Share Transfer Books	September 22, 2023 to September 28, 2023 (both days inclusive) on account of Annual General Meeting and payment of Final Dividend.
<b>v. Electronic Voting</b>		Pursuant to Section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities Exchange Board of India (Listing obligation and Disclosure Requirements) Regulation, 2015 members have been provided the facility to exercise their right to vote at the 33 <sup>rd</sup> Annual General Meeting by electronic voting through services provided by NSDL. The electronic voting period will be from 9.00 a.m. IST on September 25, 2023 to 5.00 p.m. IST September 27, 2023, both days inclusive.
<b>vi. Scrutiniser for electronic voting</b>		M/s. Komal Motiani & Associates Company Secretaries, Ahmedabad (Membership No. A39696) has been appointed as the Scrutinizer to scrutinize the electronic voting process in a fair and transparent manner and to give his report to the Chairperson.
<b>vii. a. Dividend payment date</b>		Within 30 days from the date of declaration.
<b>b. Dividend Policy</b>		Dividends, other than interim dividends are to be declared at the Annual General Meeting of the shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plan and capital requirements, profit earned during the fiscal year, cost of raising the funds from alternate sources, liquidity position, applicable laws including tax on dividend. The Board of Directors may also from time pay interim dividends to shareholders.
<b>viii. Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s)</b>		The Equity Shares of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).
	<b>Name and Address of Stock Exchange</b>	
	<b>BSE Limited</b>	P. J. Towers, Dalal Street, Fort Mumbai - 400 001
	<b>National Stock Exchange of India Ltd</b>	Exchange Plaza, 5 <sup>th</sup> Floor Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (East) Mumbai - 400 051
	<b>Payment of Fees to Exchanges</b>	The Annual Listing Fees for the Financial Year 2023-2024 have been paid to the above stock exchange within the stipulated time.
<b>ix. Stock Code/Symbol</b>		BSE Scrip Code 532853 NSE Scrip Code ASAHISONG
<b>x. Type of Security</b>		Equity Shares
<b>Number of paid up shares</b>		1,17,87,262 equity shares of ₹ 10/- each fully paid
<b>Market lot of shares</b>		1 Equity Share

## 7. GENERAL SHAREHOLDER'S INFORMATION (Contd.)

<b>xi. Corporate identification Number (CIN) of the Company</b>	The Company's CIN, allotted to the by the Ministry of Corporate Affairs, Government of India is L24222GJ1990PLC014789.
<b>xii. International Securities Identification Number (ISIN)</b>	The Company's scrip form part of Securities Exchange Board of India (SEBI) compulsory demat segment bearing ISIN No. <b>INE228I01012</b> . The name address of depositories are:  <b>National Securities Depository Limited</b> Trade World, 4 <sup>th</sup> Floor, "A" Wing Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai - 400 013.  <b>Central Depository Services (India) Limited</b> Marathon Futurex, 25 <sup>th</sup> Floor N. M. Joshi Marg, Lower Parel (East) Mumbai - 400 013.  <b>Payment of Depository Fees</b> The Annual Custodial fees for the financial year 2023-24 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

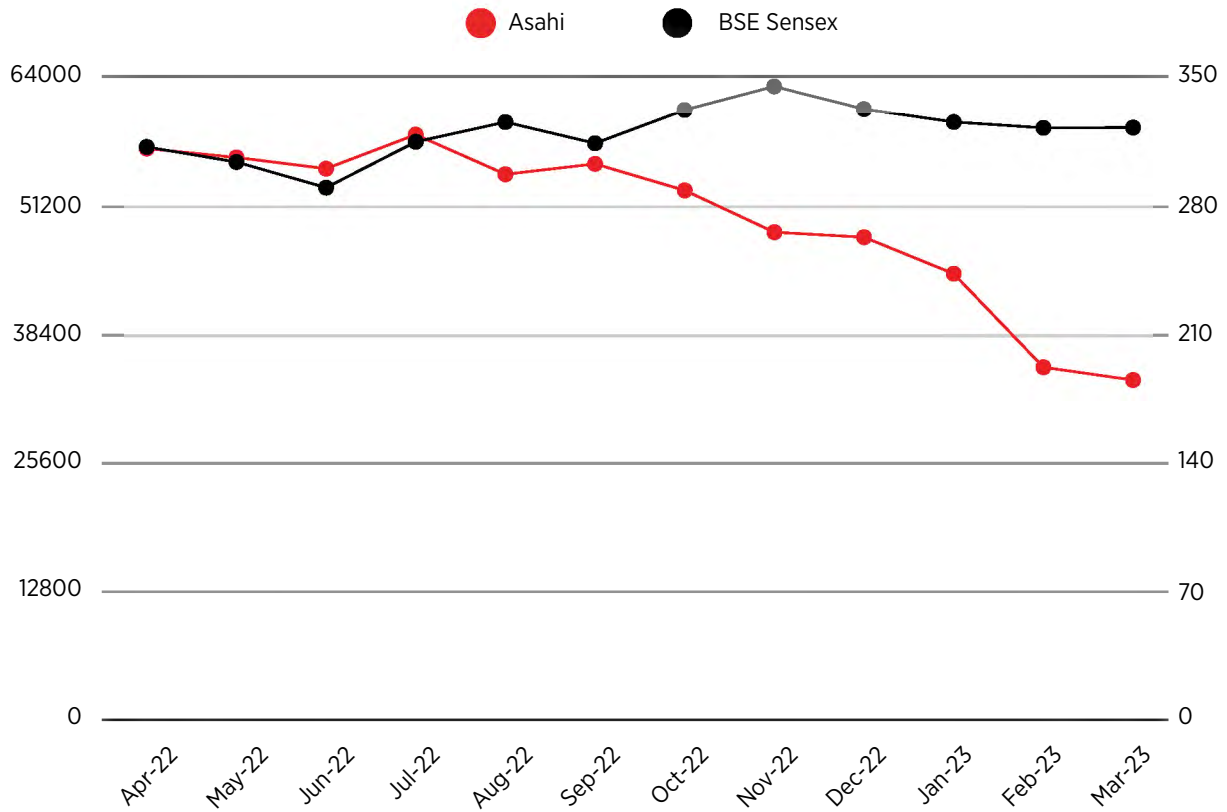
### xiii. a) Market Price Data –high, low during each month in last financial year

The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2022-2023 on BSE Limited and National Stock Exchange of India Limited are given below:

Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (No of Shares)	High (₹)	Low (₹)	Volume (No of Shares)
April, 2022	346.45	277.05	1,15,178	348.00	278.00	7,56,655
May, 2022	323.95	265.00	93,893	325.00	275.55	6,45,330
June, 2022	313.40	245.70	30,198	312.50	250.95	3,09,292
July, 2022	320.00	281.00	39,737	320.00	283.50	3,22,634
August, 2022	329.00	289.00	36,564	325.15	288.50	4,94,533
September, 2022	337.60	292.40	54,978	337.70	293.00	1,92,917
October, 2022	315.00	285.55	17,759	307.00	284.20	2,58,780
November, 2022	334.00	262.30	24,420	298.90	262.00	2,30,069
December, 2022	288.00	241.00	20,373	274.90	225.00	1,12,294
January, 2023	272.85	235.90	10,502	271.50	236.30	3,66,954
February, 2023	245.00	185.00	23,808	247.25	184.60	3,66,954
March, 2023	197.45	171.10	37,352	197.00	171.20	4,19,331

#### xiv. Performance of the Company' Equity Share vis-a-visa BSE Sensex during 2022-2023

The chart below provides the relative movement of the closing price of the Company's share and the BSE Sensex. The period covered is April 1, 2022 to March 31, 2023. The Management cautions that the stock movement shown in the chart should not be considered indicative of potential future stock price performance



**xv.** In case the securities are suspended from trading the Directors Report shall explain the reason thereof: Not Applicable

**xvi. Registrar and Transfer Agent**

Pursuant to Regulation 53A of the Securities and Exchange of India (Depositories & Participants) Regulations, 1996, the Company has appointed following SEBI registered Agency as Common Registrar and Share Transfer Agent of the Company for both the Physical and Dematerialised segment:

**Link Intime India Private Limited**

**UNIT: ASAHI SONGWON COLORS LIMITED**

**Mumbai Office**

C-101, 247 Park, L.B. S Marg, Vikhroli (West) Mumbai – 400 083.  
Tel: 022- 49186270 Fax: 022-49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**Ahmedabad Branch Office**

506-508, Amarnath Business Centre -1,  
(ABC-1), Besides Gala Business Centre, Near St. Xavier's  
College Corner,  
Off C. G. Road, Ellisbridge, Ahmedabad-380 006  
Tel: 079-26465179/86/87  
E-mail id: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**xvii. Share Transfer System**

**a) Share Transfer**

Stakeholders Relationship Committee is authorised to approve transfers of shares. The dematerialised shares are transferred directly to the beneficiaries by the depositories.

Trading in equity shares of the Company is permitted only in dematerialised form. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form effective from April 1, 2019. Accordingly, the Company/its Registrar and Transfer Agent have stopped accepting any fresh lodgement for transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

The yearly Compliance Certificate pursuant to Regulation 40(9) of the SEBI Listing Regulations for the year ending March 31, 2023 issued by M/s. Shyamsingh Tomar & Associates, Company Secretary in Practice, Ahmedabad, have been duly submitted to stock exchanges.

**b) Nomination facility for shareholding**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for shareholders in respect of shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer agent.

**c) Correspondence regarding change of address**

Shareholders are requested to ensure that any correspondence of Change of Address, change of Bank Mandates should be signed by the first named shareholder. Shareholders who hold shares in dematerialized form should correspond with the Depository participant with whom they opened Demat Account.

**d) Green Initiative for Paperless Communication**

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” by allowing service of documents by a Company to its members through electronic mode. The move of the ministry allows public at large to contribute to the green movement. Keeping in view the underlying theme, the Company will continue to send various communication and documents in electronic form in the email address provided by the members to the Depositories or to the Company.

**e) Pending Investors’ Grievances**

Any shareholder whose grievance has not been resolved to his/her satisfaction may kindly write to the Company Secretary at the Registered office of the Company with a copy of earlier correspondence.

**xviii. Corporate Benefits to Shareholders**

**a) Dividend declared for the last five years**

Financial Year	Dividend %	Total Dividend (₹)
2021-2022	5	58,93,631
2020-2021	35	4,20,95,417
2019-2020	30	3,68,16,786
2018-2019	30	3,68,16,786
2017-2018	30	3,68,16,786
2016-2017	30	3,68,16,786

**b) Unclaimed Dividend**

Pursuant to Section 124(5) of the Companies Act, 2013 dividend that are unclaimed/unpaid for a period of seven years are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The Company shall be transferring the unclaimed/unpaid dividend for the financial year 2016-2017 on due date to the Investor Education and Protection Fund (IEPF). Members who have not encashed their dividend may approach the Company or Registrar and Share Transfer Agent.

The following are the details of dividends declared by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

Dividend Year	Date of Declaration of Dividend	Due date of transfer to IEPF
2016-2017 Interim	18/03/2017	23/04/2024
2017-2018 Final	28/09/2018	03/11/2025
2018-2019 Final	27/09/2019	01/11/2026
2019-2020 Interim	05/03/2020	10/03/2027
2020-2021 Final	28/09/2021	02/11/2028
2021-2022 Final	30/09/2022	04/11/2029

**c) Transfer of Shares to Investor Shares to Investor Education and Protection Fund**

Further, pursuant to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Shares



on which dividend has not been encashed for last 7 years have to be transferred to suspense account open by IEPF Authority.

During the year, Company has not transferred any unclaimed amount and Shares to IEPF Authority.

Further, the Company has uploaded complete details of such Shares which were already transferred to DEMAT Account of IEPF Authority on its website: of the Company.

Furthermore, Shareholders may claim back the shares which were already credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules.

#### **d) Disclosures with respect to demat suspense account/ unclaimed suspense account**

Regulation 39(4) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI "Manner of dealing with Unclaimed Shares", had directed Companies to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. NSDL or CDSL.

All corporate benefits on such shares viz. bonus, dividends etc. shall be credited to the unclaimed suspense account as applicable for a period of seven years and thereafter be

transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Companies Act, 2013.

The disclosure as required under schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

- (i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil
- (ii) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- (iii) Number of shareholders to whom shares were transferred from suspense account during the year: Nil
- (iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil
- (v) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NA

#### **e) Nodal Officer in accordance with the IEPF Rules**

The Board of Directors of the Company have appointed Mr. Saji V. Joseph, Company Secretary of the Company as the Nodal Officer.

## **xix. Distribution of shareholding**

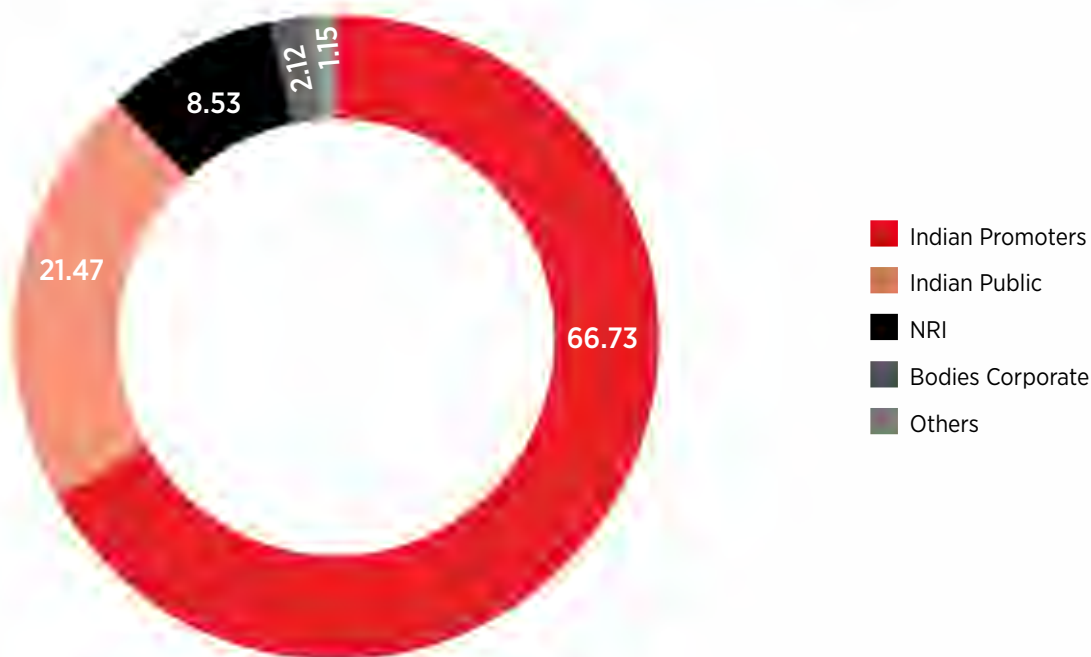
The distribution of shareholding as on March 31, 2023 is as under:

### **a. Distribution by number of shares**

Number of Equity Shares Held	Shareholders		Shareholding	
	Number of shares	% of Total Shareholding	Number of shares	% of Total Shareholding
1-500	10,533	93.21	7,95,242	6.74
501-1000	374	3.31	2,94,434	2.50
1001-2000	180	1.59	2,64,847	2.25
2001-3000	67	0.59	1,70,646	1.45
3001-4000	32	0.28	1,12,111	0.95
4001-5000	16	0.14	76,113	0.65
5001-10000	58	0.52	4,22,631	3.59
10001 and above	40	0.36	96,51,238	81.87
Total	11,300	100.00	1,17,87,262	100.00

**b. Shareholding Pattern as on March 31, 2023 (Category wise)**

Sr. No.	Category of Shareholder	March 31, 2023		March 31, 2022	
		Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
<b>A</b>	<b>Promoters</b>				
<b>1.</b>	<b>Indian Promoters</b>				
a.	Individuals	38,011	0.32	38,731	0.32
b.	Bodies Corporate	-	-	-	-
c.	Private family Trust	78,27,383	66.41	79,75,889	66.32
<b>2.</b>	<b>Foreign Promoters</b>				
	<b>Total Promoters Holding</b>	<b>78,65,394</b>	<b>66.73</b>	<b>80,14,620</b>	<b>66.64</b>
<b>B.</b>	<b>Non Promoters</b>				
<b>1.</b>	<b>Institutional Investors</b>				
a.	Mutual Funds	-	-	-	-
b.	Banks, Financial Institutions Insurance Companies	-	-	-	-
c.	Foreign Portfolio Investors	2,065	0.02	39,315	0.33
	<b>Sub Total</b>	<b>2,065</b>	<b>0.02</b>	<b>39,315</b>	<b>0.33</b>
<b>2.</b>	<b>Non Institutional</b>				
a.	Bodies Corporate	2,49,536	2.12	16,6,912	1.39
b.	Indian Public	25,31,885	21.47	26,11,845	21.72
c.	NRIs/OCBs/Foreign Company	10,05,403	8.53	10,07,654	8.37
d.	HUF	1,27,261	1.08	1,71,637	1.43
e.	IEPF	2,771	0.02	2,671	0.02
f.	Clearing Members	2,947	0.03	12,608	0.10
	<b>Sub Total</b>	<b>39,19,803</b>	<b>33.25</b>	<b>39,73,327</b>	<b>33.03</b>
	<b>Grand Total</b>	<b>1,17,87,262</b>	<b>100.00</b>	<b>1,20,27,262</b>	<b>100.00</b>



## List of Top Ten Shareholders other than Promoters as on March 31, 2023

Sr. No.	Name of the Shareholder	No of Shares held	% of Total Holding
1.	DIC Corporation	8,65,200	7.34
2.	Seetha Kumari	1,97,207	1.67
3.	D. Srimathi	1,49,096	1.27
4.	Amol Ramchandra Pawar	40,330	0.34
5.	Aratrikashi Realtors LLP	32,671	0.28
6.	Vinapani Success LLP	32,225	0.27
7.	Kalyani P Jain	31,703	0.27
8.	MSPL Limited	25,955	0.22
9.	A. V. Dharmakrishnan	23,359	0.20
10.	Krithika Jain	22,981	0.20

**xx. Market Capitalisation**

The Market Capitalisation of the Company as on March 31, 2023 at NSE is ₹ 21801 lakhs, which is at 1404 position

**xxi. Dematerialization of Shares and Liquidity**

The shares of the Company are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company is INE228I01012. Nearly 99.98% of total listed Equity Shares have been dematerialised as on March 31, 2023. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the BSE Limited and National Stock Exchange of India Limited.

## Details of Dematerialised Shares as at March 31, 2023

Particulars	March 31, 2023		March 31, 2022	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
NSDL	24,92,418	21.14	27,09,412	22.52
CDSL	92,92,745	78.84	93,15,751	77.46
Shares in Physical Form	2,099	0.02	2,099	0.02
<b>Total</b>	<b>1,17,87,262</b>	<b>100.00</b>	<b>1,20,27,262</b>	<b>100.00</b>

**Dematerialisation of Shares**

(In %)

NSDL	21.14
CDSL	78.84
Physical	0.02

**xxii. Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity**

a) As on March 31, 2023, there are no Global Depository Receipts or American Depository Receipts or Warrants outstanding.

**b) Paid up Share Capital**

During the year under review, the Company has bought back 2,40,000 equity shares of ₹ 10/- each and accordingly Company's issued, subscribed and paid-up equity share stood at ₹ 1,178.73 lakhs divided into 1,17,87,262 equity shares of ₹ 10/- each Equity Shares of ₹ 10/- each.

**xxiii. Details on use of public funds obtained in the last three years:**

No public funds have been obtained in the last three years.

**xxiv. Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad**

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended March 31, 2023.

During the year, CARE has reviewed the credit rating to CARE A; Stable. This rating is applicable to facilities having tenure of more than one year.

CARE has also reaffirmed the CARE A1 rating assigned to the short-term facilities of your Company. This rating is applicable to facilities having tenure up to one year.

**xxv. Secretarial Auditors**

Pursuant to Section 204 of the Companies Act, 2013, Mr. Shyamsingh Tomar & Associates, Practicing Company Secretaries, Ahmedabad has conducted a Secretarial Audit of the Company for the financial year 2022-2023. The Audit Report is annexed to the Board's Report.

**xxvi. Location of the Manufacturing facilities**

**Pigment Blue Plant**

437-440, Village: Dhudwad,  
ECP Channel Road, Padra  
Vadodara, Gujarat – 391 450.

**xxvii. Address for investor correspondence with the Company**

The Company Secretary

**Asahi Songwon Colors Limited**

"Asahi House", 20, Times Corporate Park  
Thaltej – Shilaj Road, Thaltej  
Ahmedabad – 380 059, Gujarat

Tel: (079) 68325000 Fax: (079) 68325099

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

Email: [cs@asahisongwon.com](mailto:cs@asahisongwon.com)

**Address for correspondence with the Registrar and Transfer Agent**

Link Intime India Private Limited

C-101, 247 Park, L.B. S Marg,

Vikhroli (West)

Mumbai – 400 083.

Tel: 022- 49186270

E-mail id: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**xxviii. Designated exclusive email-id for Investor servicing:**

[cs@asahisongwon.com](mailto:cs@asahisongwon.com)

**8. OTHER DISCLOSURES**

a. The Company has complied with the requirements specified in Regulation 17 to 27 and clause (b) i (i) of sub - regulation 46 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**b. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company**

All transaction entered into by the Company with related parties, during the financial year 2022-2023, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the Rules issued thereunder and relevant provisions of Listing Regulations.

The Company follows a documented framework for identifying, entering into and monitoring the related party transactions. The deviations, if any, to the said process have been brought to the attention of Audit Committee suitably. The Audit Committee, during the financial year 2022-2023, has approved Related Party Transactions along with granting omnibus approval in line with the Policy of dealing with and materiality of Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued there under and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The related party transactions entered into by the Company pursuant to the omnibus approval granted by the Audit Committee is reviewed at least on a quarterly basis by the said Committee.

**c. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

The Company has complied with all the requirements of the Stock Exchange(s) and Securities Exchange Board of India on matters relating to Capital Markets.

During the year under review, penalty was levied by National Stock Exchange of India Limited for Non-compliance to Regulation 17 (1) (a) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015 for the quarter ended March 31, 2022. The Company has appointed independent women director on March 24, 2022 and complied Regulation 17 (1) (a) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015. The Company has duly paid penalty levied by National Stock Exchange of India Limited as per their Invoice.

**d. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee**

The Company has established a Whistle Blower policy and has established necessary mechanism to enable directors and employees to report concerns about ethical behaviour, actual or suspected fraud or violation of the Companies code of conduct. The policy offer appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No personnel are denied the opportunity to meet the Audit Committee members of the Company. A copy of the Whistle Blower Policy is also available on the website of the Company.

The committee has not received any complaint during the financial year ended March 31, 2023.

**e. Details of compliance with mandatory requirements and adoption of the non mandatory requirements**

The Company has fully complied with the mandatory requirements of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**f. Web link where policy for determining 'material' subsidiaries is disclosed**

The policy for determining 'material' subsidiaries is available on the website of the Company in the 'Corporate Governance' section and can be accessed at [www.asahisongwon.com](http://www.asahisongwon.com).

**g. Web link on policy on dealing with related party transactions is disclosed**

The policy on dealing with related party transactions is available on the website of the Company in the 'Corporate Governance' section and can be accessed at [www.asahisongwon.com](http://www.asahisongwon.com).

**h. Web link on policy on Board Diversity**

The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed available on the website of the Company in the 'Corporate Governance' section and can be accessed at [www.asahisongwon.com](http://www.asahisongwon.com).

**i. Web link on policy on Policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information**

In compliance with requirement of regulation 9A (5) of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 for Inquiry in case of leak of Unpublished Price Sensitive Information. This Policy can be accessed from the Company's website [www.asahisongwon.com](http://www.asahisongwon.com)

**j. Web link on Archival Policy**

In Compliance with Regulation 30(8) of Securities Exchange Board of India ((Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company discloses on its website all such events, information which has been disclosed to the Stock Exchange(s) under Regulations 30. Such disclosures shall be posted on website of the Company for minimum five years and there after determine further action as per the archival policy of the Company. This policy can be accessed from the Company's website [www.asahisongwon.com](http://www.asahisongwon.com)

**k. Web link on Policy for preservation of Documents**

In Compliance with Regulation 9 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board of Directors has adopted policy on preservation of Documents. This policy for preservation of Documents can be accessed from the Company's website [www.asahisongwon.com](http://www.asahisongwon.com)

**l. Web link on Policy Determining Materiality of Events**

In Compliance with Regulations 30 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has adopted a policy on Determining Materiality of Events or Information. The objective of this policy is to ensure timely and adequate disclosure of events or information. This Policy can be accessed from the Company's website [www.asahisongwon.com](http://www.asahisongwon.com)

**m. Total fees paid to the Statutory Auditors**

Total fees for all services paid by your Company to the Statutory Auditors is ₹ 2.75 lakhs for the financial year 2022-2023.

#### o. Redressal of Grievances under Sexual Harassment Policy

The Company has in place, a policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013). The details of complaints received and resolved during the year are as follows:

No.	Complaints received	Complaint Status
1	Number of grievances received during the financial year	Nil
2.	Number of grievances disposed during the financial year	Nil
3	Number of complaints pending at end of financial year	Nil

#### p. Commodity Price Risks and Foreign Exchange Risk and Hedging Activities

The Company imports certain raw materials, which are derivatives of various commodities, from various sources, for manufacturing of pigments of the Company. The Company is subject to commodity price risks due to fluctuation in prices of crude oil. The Company does not undertake any commodity hedging activities.

The Company's payables and receivables are in U.S. Dollars and due to fluctuations in foreign exchange prices, it is subject to foreign exchange risks. The Company has in place a well structured risk management system for identification and monitoring and mitigation of commodity price and foreign exchange risks under the guidance of experienced Board of Directors.

#### q. Details of the Directors seeking appointment/re-appointment

Details of the Directors seeking appointment/re-appointment are provided in the Notice of the Annual General Meeting, which forms part of this Annual Report.

#### v. Subsidiary Companies

Details of holding/Details of Holding/Subsidiary/Associates Companies (as on March 31, 2023):

Name of Company	CIN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
Asahi Tennants Color Private Limited	U24290GJ2019PTC110526	Subsidiary	51	2(87)
Atlas Life Sciences Private Limited	U24114GJ2004PTC044016	Subsidiary	78	2(87)
Atlas Life Sciences (India) Private Limited	U24100GJ2022PTC131537	Subsidiary	100	2(87)
Plutoeco Enviro Association	U85300GJ2020NPL117736	Associate	25	2(87)

#### r. Non-Compliance of any Requirements of Corporate Governance

As on March 31, 2023, there are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub paras (2) to (10) of Para (C) of Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### s. Certification from Company Secretary in Practice

The Company has obtained a certificate from M/s. Shyamsingh Tomar & Associates, Company Secretaries, Ahmedabad, in compliance with the provisions of Regulation 34(3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V Para C clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that none of the Director of the Company is debarred or disqualified from being appointed or continuing as a Director of any Company, by Securities Exchange Board of India, Reserve Bank of India or Ministry of Corporate Affairs or any other Statutory Authority as on March 31, 2023. Certificate obtained from the Practising Company Secretary, forms part of this Report.

#### t. Management Discussion and Analysis Report

A report on Management Discussion and Analysis report is annexed to the Directors Report and forms part of this Annual Report.

#### u. Disclosure of Accounting Treatment

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The subsidiaries of the Company function independently with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the minutes of Board Meetings of subsidiaries are placed before the Board of the Company for its review on a quarterly basis and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board. Pursuant to the explanation under Regulation 16(1)(c) of the Listing Regulations, the Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website of the Company.

The Company has complied with other requirements under Regulation 24 of the Listing Regulations with regard to the subsidiary companies.

#### **w. Directors and Officers Insurance ('D and O Insurance'):**

The Company has in place D and O Insurance Policy of such quantum and covering all such risks as may be determined by the Board of Directors of the Company. The policy also covers all Independent Directors of the Company.

#### **x. Anti-Bribery Policy:**

The Company has formulated an Anti Bribery Policy which explains the Company's individual responsibility to comply with anti-bribery and anticorruption laws around the world. The policy is available on the Company's website.

#### **y. Annual Secretarial Compliance Report:**

The Company has undertaken an Annual Secretarial Compliance Audit for the financial year 2022-2023 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder.

Accordingly, the Annual Secretarial Compliance Report for the financial year ended March 31, 2023 was submitted to the Stock Exchanges within the prescribed timeline.

### **Non Mandatory Requirement**

## **9. DETAILS OF ADOPTION OF DISCRETIONARY REQUIREMENTS SPECIFIED IN PART E OF SCHEDULE II TO THE LISTING REGULATIONS**

The status of adoption of discretionary requirements of Regulation 27(1) as specified under Part E of Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

#### **i. The Board**

The Board - A non executive Chairman may be entitled to maintain a Chairman's office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties: The Company has an Executive Chairperson.

#### **ii. Shareholders' Rights**

A half-yearly declaration of financial performance including summary of the significant events in last six months may be sent to each household of shareholders: The quarterly financial results are announced within 45 days from the close of the

respective quarter. However, in case of the last quarter, the quarterly results and the annual results are announced within the 60 days from the close of the quarter. The financial results are published in leading newspaper. The financial results, press releases and other major events/developments concerning the Company are also posted on the Company's website.

#### **iii. Audit qualifications**

The Company's financial statements for the financial year 2022-2023 do not contain any audit qualification.

#### **iv. Separate posts of Chairman and CEO**

The Company may appoint separate persons to the post of Chairperson and Managing Director/CEO. As per the Companies Act, 2013, no individual shall be appointed or reappointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time after the date of commencement of the new Act if the Articles of such a Company provides otherwise. In order to comply with the new Act, the Articles of Association of the Company has been amended to provide for appointment as Chairperson & Managing Director.

#### **v. Report of Internal Auditor**

Reporting of Internal Auditor: The internal auditors reports to the Audit Committee.

## **10. DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

The Company has obtained affirmation from Chairperson and Managing Director that all the Members of the Board and Senior Management personnel that they have complied with the Code of Conduct for Board Members and Senior Management Personnel for the year ended March 31, 2023.

## **11. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

Reconciliation of Share Capital Audit Report in terms of SEBI Circular No. CIR/MRD/DP/30/2010 dated 06.09.2010 and SEBI Directive no. D&CC/.FITTC/CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and also submitted to the Stock Exchanges where the shares of the Company are listed.

## **12. MANAGEMENT**

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their

subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company.

### **13. CEO/CFO CERTIFICATION**

A certificate from Joint Managing Director & CEO and Chief Financial Officer the Company on the financial reporting and internal controls was placed before the Board in terms of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **14. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS**

In accordance with the SEBI Insider Trading Regulations, the Company has a Code of Conduct to Regulate, Monitor and Report trading by Designated Person (“Code for Prevention of Insider Trading”) and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (“Code of Fair Disclosure”). Further, the Company has established systems and procedures to prohibit insider trading activity. The Prevention of Insider Trading Code is reviewed and amended suitably from time to time, to incorporate the amendments carried out by SEBI. The Company periodically circulates the informative emails on Prevention of Insider Trading, Do’s and Don’ts, etc. to the employees to familiarise them with the provisions of the Code and educate and sensitize them on various aspects of Code for Prevention of Insider Trading. These activities have created substantial awareness amongst the Designated Persons.

During the year under review, the Audit Committee has reviewed the compliance with the provisions of the SEBI Insider Trading Regulations and has verified that the systems for internal controls

are adequate and operating effectively. The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations to the Board with respect to action taken against such defaulters. The said non-compliances are promptly intimated to the Stock Exchanges in the prescribed format and penalty, if any, is being directly deposited by the Designated Person with SEBI’s Investor Protection and Education Fund.

### **15. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

The Certificate from M/s. Shyamsingh Tomar & Associates, Company Secretary in Practice, Ahmedabad regarding compliance of conditions of corporate governance is annexed with the Directors’ Report and forms an integral part of the Annual Report.

### **16. DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT**

As provided under Regulation 26(3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Level Employees have confirmed compliance with the Code of Conduct for the year ended March 31, 2023.

**17.** None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

For and on behalf of the Board of Directors

**Place:** Ahmedabad  
**Date:** August 10, 2023

**PARU M. JAYKRISHNA**  
Chairperson and Mg. Director  
DIN No. 00671721



**CERTIFICATE BY CEO AND CFO****Pursuant to regulation 17(8) of securities exchange board of india (listing obligations and disclosure requirements) regulations, 2015**

To  
The Board of Directors  
**Asahi Songwon Colors Limited**

We, the undersigned, in our respective capacities as Joint Managing Director & CEO and Chief Financial Officer of Asahi Songwon Colors Limited (“the Company”), to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement of Asahi Songwon Colors Limited for the year ended March 31, 2023 and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023 which are fraudulent, illegal or violative of the Company’s code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - a. that there have been no significant changes in internal control over financial reporting during the year ended March 31, 2023;
  - b. that there have been no significant changes in accounting policies during the year ended March 31, 2023 and that the same have been disclosed in the notes to the financial statements; and
  - c. that there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company’s internal control system over financial reporting.

For and behalf of Board  
**Asahi Songwon Colors Limited**

**Place:** Ahmedabad  
**Date:** May 29, 2023

**Gokul M. Jaykrishna**  
Jt. Managing Director & CEO  
DIN No. 00671652

**Narendra Rathi**  
Chief Financial Officer

**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY**

In terms of requirements under Regulation 26(3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2023.

For and behalf of Board  
**Asahi Songwon Colors Limited**

**Place:** Ahmedabad  
**Date:** May 29, 2023

**PARU M. JAYKRISHNA**  
Chairperson and Mg. Director  
DIN No. 00671721

## Corporate Governance Compliance Certificate

To,  
The Members,  
**Asahi Songwon Colors Limited**

I have examined the compliance of conditions of Corporate Governance by Asahi Songwon Colors Limited (“the Company”), for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (the “SEBI Listing Regulations”) (applicable criteria).

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2023.

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

For, **SHYAMSINGH TOMAR & ASSOCIATES**  
Company Secretaries

**Shyamsingh R. Tomar**  
[Proprietor]  
FCS No.: 12345  
COP: 15973  
PR No.: 1076/2021  
UDIN: F012345E000778341

**Place:** Ahmedabad  
**Date:** August 10, 2023

## Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**Asahi Songwon Colors Limited**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Asahi Songwon Colors Limited having CIN -L24222GJ1990PLC014789 and having registered office at "Asahi House", 20, Times Corporate Park, Thaltej – Shilaj Road, Thaltej, Ahmedabad – 380 059, Gujarat (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the financial year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment	Date of Cessation
1.	Mrs. Paru Mrugesh Jaykrishna	00671721	19/12/1990	-
2.	Mr. Gokul Mrugesh Jaykrishna	00671652	08/03/1996	-
3.	Mr. Munjal Mrugesh Jaykrishna	00671693	08/03/1996	-
4.	Mr. Rajkumar Sukhdevsinhji	00372612	28/05/1996	-
5.	Mr. Arvind Goenka	00135653	16/04/1996	-
6.	Mr. Jayprakash Maneklal Patel	00256790	12/08/2019	-
7.	Dr. Pradeepbhai Jasubhai Jha	01539732	26/08/1997	-
8.	Mr. Arjun Gokul Jaykrishna	08548676	14/10/2019	-
9.	Mrs. Shivani Revat Lakhia	09527745	24/03/2022	-

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is issued at the request of the Company to make the disclosure in its Corporate Governance Report for the financial year ended March 31, 2023.

For, **SHYAMSINGH TOMAR & ASSOCIATES**  
Company Secretaries

**Shyamsingh R. Tomar**  
[Proprietor]  
FCS No.: 12345  
COP: 15973  
PR No.: 1076/2021  
UDIN: F012345E000778341

**Place:** Ahmedabad  
**Date:** August 10, 2023

# Independent Auditor's Report

To,  
The Members of  
**ASAHI SONGWON COLORS LIMITED**

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying standalone financial statements of Asahi Songwon Colors Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31 2023, the standalone statement of Profit and Loss (including other Comprehensive Income), the standalone statement of changes in Equity and the standalone statement of Cashflows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("here in referred as standalone financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2023, and its loss and other comprehensive loss, Change in Equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITIES FOR STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if

such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER MATTER

Corresponding figures for the year ended 31<sup>st</sup> March 2022 have been audited by another auditor who expressed an unmodified opinion dated 19<sup>th</sup> May, 2022 on the financial statements of the Company for the year ended 31<sup>st</sup> March, 2022. Our opinion on the financial statements is not modified in respect of this matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (Including other Comprehensive Income), Standalone Statement of changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements in note 40.
- b) The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 48 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
4. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **Talati and Talati LLP**  
Chartered Accountants  
FRN: 110758W/W100377

**Place:** Ahmedabad  
**Date:** May 29, 2023  
UDIN: 23188150BGQHGJ6466

**CA Kushal Talati**  
Partner  
Membership No. 188150

**ANNEXURE "A"****To Independent Auditor's Report on Standalone Financial Statements of Asahi Songwon Colors Limited for the year ended on March 31, 2023**

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

**(I) IN RESPECT OF ITS PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS:**

- a. (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE").
- (ii) Reporting under Clause 3(i)(a)(B) of the order is not applicable as the Company does not hold any Intangible Assets.
- b. No item of Property, Plant and Equipment, were physically verified during the year by the Management and consequently we are unable to state if the physical verification was carried out at reasonable intervals. Accordingly, the question of reporting on material discrepancies noted on verification does not arise.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the standalone financial statements are held in the name of the Company.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment or Intangible assets during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

**(II) IN RESPECT OF ITS INVENTORIES:**

- a. The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account
- b. During the year, the Company has been sanctioned working capital limit in excess of ₹ 5 crores from Banks or Financial Institutions on the basis of security of Loans. Based on our examination of the records of the Company, the quarterly returns/ statements filed by the Company with the said bank are not in agreement with the books of accounts maintained by the Company, however such differences between books of accounts and those

submitted to bank are reconciled. (Refer Note 53 of Standalone Financial Statements)

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security to companies, firms, Limited Liability Partnerships and other parties during the year. The Company has granted loans or advances in the nature of loans, secured or unsecured, to companies and any other parties during the year, in respect of which:

- a. The Company has granted loans and advances in the nature of loans during the year and details of which are given below:

Particulars	Aggregate amount granted/provided during the year (₹ in Lakhs)	Balance Outstanding at the Balance Sheet Date (₹ in Lakhs)
- to Subsidiaries	6718.50	1633.43
- to Joint Ventures	Nil	Nil
- to Associates	Nil	Nil
- to Others	16.39	7.58

According to the information and explanation provided to us, the Company has not given any guarantee or security to other entity during the year.

- b. In our opinion and according to the information and explanations given to us, the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
- c. In respect of some loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments are not due during the year so we were unable to comment on regularity of repayment receipts. Further, the Company has also granted loans or advances in the nature of repayable on demand without specifying terms or period of repayment so we were unable to comment on regularity of repayment receipts for the same.
- d. According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e. No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

- f. The Company has granted Loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below:

Particulars	All Parties (Including Related Parties) (₹ in Lakhs)	Promoters (₹ in Lakhs)	Related Parties (₹ In Lakhs)
Aggregate amount of loans outstanding in the nature of loans which are without specifying any terms or period of repayment	861.01	-	853.43
Percentage of loans outstanding to the total loans outstanding	52.47%	-	52.01%

- (iv) According to the information and explanation given to us, the Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013, with respect to the loans given, investments made and guarantees and securities given.
- (v) According to the information and explanation given to us and on the basis of verification of relevant records, the Company has not accepted any deposits from public and therefore clause (v) of Companies (Auditor's Report) Order, 2020 is not applicable.
- (vi) According to the information and explanation provided to us, the Company is not required to maintain cost records as per the Companies (Cost Records and Audit) Rules, 2014 read with sub section (1) of the Section 148 of the Companies Act, 2013. Therefore, reporting under Clause 3(vi) of the Order is not applicable.

#### **(VII) IN RESPECT OF STATUTORY DUES:**

- a. According to the records of the Company, the Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, wealth tax, duty of customs, duty of excise, cess and any other statutory dues with the appropriate authorities applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect statutory dues which remained outstanding as at March 31, 2023 for a period of more than six months from the date they became payable.
- b. According to the records of the Company, there are no disputed statutory dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess that have not been deposited on account of any dispute, except for the following:

Name of the statute	Nature of dues	Amount (₹ in Lacs)	Periods to which the amount relates (A.Y)	Forum where the dispute is pending	Remarks (If any)
Income tax Act	Income Tax	15.60	2010-11	Income tax Appellate Tribunal	-
Income tax Act	Income Tax	30.73	2020-21	Income tax Appellate Tribunal	-

- (viii) According to the information and explanations provided to us and on the basis of verification of relevant documents, the Company has not surrendered any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Therefore, reporting under clause 3(viii) of the Order is not applicable.

- (ix) a. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions or banks or other lenders.
- b. According to the information and explanations given to us, Company is not declared wilful defaulter by any Bank or Financial Institution or government or any government authority.
- c. Based on an overall examination of Financial Statements of the Company, in our opinion term loans taken during the year was applied for the purpose for which they were obtained.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e. Based on our audit procedure and according to information and explanation given to us, we are of the opinion that the Company has not raised funds to meet the obligations of its Subsidiary.
- f. According to the information and explanations given to us, Company has not raised loan on pledge of securities held in subsidiaries.

#### **(X) IN RESPECT OF UTILIZATION OF ISSUE PROCEEDS:**

- a. According to the information and explanations given to us, the Company had not raised any money by way of public issue nor made any preferential allotment or private placement of shares or convertible debentures during the year, therefore reporting under Clause 3(x) of the Order is not applicable.



**(XI) IN RESPECT OF FRAUDS**

- a. Based upon the audit procedures performed and information and explanations given by the management, we report that no material fraud by the Company or any fraud on the Company has been noticed or reported during the year under audit.
- b. According to the information and explanations given to us, no report u/s 143(12) of the Companies Act is required to be filed by the auditor in form ADT-4 as prescribed under rule 13 of Companies Rule, 2014 with Central Government.
- c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

**(xii)** The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.

**(xiii)** In our opinion and according to the information and explanations given to us, the transactions entered by the Company with related parties are in compliance with the provisions of section 177 and 188 of The Companies Act, 2013 and details thereof are properly disclosed in the Standalone financial statements.

**(XIV) IN RESPECT OF INTERNAL AUDIT SYSTEM**

- a. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered, during the course of our audit, the reports of Internal Audit for the period under audit, issued to the Company during the year till date, in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors.

**(xv)** According to the information and explanations given to us, in our Opinion during the year the Company has not entered in to any non-cash transactions with its directors or persons connected to its directors during the year, hence section 192 of the Companies Act, 2013 are not applicable to the Company. Therefore, reporting under Clause 3(xv) of the Order is also not applicable.

**(XVI)**

- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a), (b) and (c) of the order is not required.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi) (b) of the Order are not applicable to the Company.

- c) According to the information and explanations provided to us, neither Company is a Core Investment Company (CIC) nor the group have any CIC. Hence, the provisions stated in paragraph clause 3 (xvi) © and clause 3 (xvi) (d) of the Order are not applicable to the Company.

**(xvii)** In our opinion and according to the information and explanation given to us the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

**(xviii)** There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the order is not applicable.

**(xix)** According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**(XX) IN RESPECT TO UNSPENT CSR:**

- a. In our opinion and according to the information and explanation given to us, In respect of other than ongoing projects, the Company has no unspent amount as on reporting date which was required to be transferred to a Fund specified in Schedule VII to the companies Act within the period of six months of the expiry of financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
- b. In our opinion and according to the information and explanation given to us, there is no amount remaining unspent under sub section (5) of section 135 of the Companies Act, 2013, pursuant to any ongoing project. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable in case of the Company.

**(xxi)** There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of any Group Company included in the consolidated financial statements.

For **Talati and Talati LLP**  
Chartered Accountants  
FRN: 110758W/W100377

**Place:** Ahmedabad  
**Date:** May 29, 2023  
UDIN: 23188150BGQHGJ6466

**CA Kushal Talati**  
Partner  
Membership No. 188150

## ANNEXURE “B”

### To Independent Auditor’s Report on Standalone Financial Statements of Asahi Songwon Colors Limited for the year ended on March 31, 2023

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

(Referred to in Paragraph 2(f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date)

#### OPINION

We have audited the internal financial controls over financial reporting of Asahi Songwon Colors Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### MANAGEMENT’S AND BOARD OF DIRECTOR’S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **INHERENT LIMITATION OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO STANDALONE FINANCIAL STATEMENT**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Talati and Talati LLP**  
Chartered Accountants  
FRN: 110758W/W100377

**Place:** Ahmedabad  
**Date:** May 29, 2023  
UDIN: 23188150BGQHGJ6466

**CA Kushal Talati**  
Partner  
Membership No. 188150

# Standalone Balance Sheet

As at March 31, 2023

(₹ in lakhs)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
<b>I ASSETS</b>			
<b>1) Non-current Assets</b>			
(a) Property, Plant and Equipment	3	12,976.74	13,274.07
(b) Right of Use Assets	4	2,083.50	2,075.98
(c) Capital work-in-progress	5	-	37.80
(d) Financial Assets			
(i) Investments	6	9,821.75	5,026.62
(ii) Loans	7	780.00	-
(iii) Others Non Current Financial Assets	8	16.39	6.47
(e) Other Non Current assets	9	124.69	91.23
<b>Total Non-current Assets</b>		<b>25,803.07</b>	<b>20,512.17</b>
<b>2) Current Assets</b>			
(a) Inventories	10	4,554.29	8,048.11
(b) Financial Assets			
(i) Trade receivables	11	6,931.43	8,701.28
(ii) Cash and Cash equivalents	12	44.98	26.59
(iii) Bank balances other than (ii) above	13	357.53	345.25
(iv) Loans	14	861.01	7.05
(v) Others Financials Assets	15	13.03	10.65
(c) Current Tax Assets (Net)	16	551.73	220.88
(d) Other Current Assets	17	1,126.37	1,086.41
<b>Total Current Assets</b>		<b>14,440.37</b>	<b>18,446.22</b>
<b>TOTAL ASSETS</b>		<b>40,243.44</b>	<b>38,958.39</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
(a) Equity Share Capital	18	1,178.73	1,202.73
(b) Other Equity	19	22,367.79	24,023.33
<b>Total Equity</b>		<b>23,546.52</b>	<b>25,226.06</b>
<b>2) Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	2,237.04	1,374.42
(b) Provisions	21	242.78	186.01
(c) Deferred tax liabilities (Net)	22	1,578.39	1,565.27
(d) Other Non-Current liabilities	23	0.20	0.44
<b>Total Non Current Liabilities</b>		<b>4,058.41</b>	<b>3,126.14</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	24	7,493.90	3,864.56
(ii) Trade payables	25		
Total outstanding dues of Micro and Small Enterprises		810.68	791.55
Total outstanding dues of Creditors other than Micro and Small Enterprises		4,125.62	5,483.08
(iii) Other Financial Liabilities	26	62.03	266.10
(b) Other Current Liabilities	27	86.68	157.80
(c) Provisions	28	59.60	43.10
<b>Total Current Liabilities</b>		<b>12,638.51</b>	<b>10,606.19</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>40,243.44</b>	<b>38,958.39</b>
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of Standalone Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
CIN: L24222GJ1990PLC014789

For, **Talati and Talati LLP**  
Chartered Accountants  
ICAI Firm Registration No. 110758W/W100377

**Narendra Rathi**  
Chief Financial Officer

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN: 00671721)

**Kushal U. Talati**  
Partner  
Membership No. 188150  
Place: Ahmedabad  
Date: May 29, 2023

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

**Gokul M. Jaykrishna**  
Jt. Managing Director & CEO  
(DIN: 00671652)  
Place: Ahmedabad  
Date: May 29, 2023

# Standalone Statement of Profit & Loss

For The Year Ended March 31, 2023

(₹ in lakhs)

Sr. No.	Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
<b>I.</b>	<b>Income</b>			
	Revenue from operations	29	33,736.49	40,109.26
	Other income	30	567.86	638.73
	<b>Total Income (I)</b>		<b>34,304.35</b>	<b>40,747.99</b>
<b>II.</b>	<b>Expenses</b>			
	Cost of Materials consumed	31	20,745.36	28,880.20
	Purchase of Stock in Trade		105.72	47.91
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	2,881.14	(3,270.36)
	Employee benefits expense	33	997.14	1,095.34
	Finance cost	34	867.80	325.10
	Depreciation and amortization expense	35	1,001.18	880.53
	Other Expenses	36	8,170.55	9,564.31
	<b>Total expenses (II)</b>		<b>34,768.89</b>	<b>37,523.03</b>
<b>III.</b>	<b>Profit before Exceptional items and tax expenses (I - II)</b>		<b>(464.54)</b>	<b>3,224.96</b>
<b>IV.</b>	Exceptional items		-	-
<b>V.</b>	<b>Profit before tax expenses (III + IV)</b>		<b>(464.54)</b>	<b>3,224.96</b>
<b>VI.</b>	<b>Tax expense</b>			
	Current tax		-	685.00
	Deferred tax		6.43	121.06
	<b>Total Tax Expenses</b>		<b>6.43</b>	<b>806.06</b>
<b>VII.</b>	<b>Profit for the year (V - VI)</b>		<b>(470.97)</b>	<b>2,418.90</b>
	<b>Other Comprehensive Income</b>	37		
	(i) Items that will not be reclassified to profit or loss		18.06	(40.50)
	Income tax relating to items that will not be reclassified to profit or loss		(6.69)	55.44
	(ii) Items that will be reclassified to profit or loss		-	(67.40)
	Income tax relating to items that will be reclassified to profit or loss		-	16.97
<b>VIII.</b>	<b>Other Comprehensive Income for the year (net of tax)</b>		<b>11.37</b>	<b>(35.49)</b>
<b>IX.</b>	<b>Total Comprehensive Income for the year</b>		<b>(459.60)</b>	<b>2,383.41</b>
<b>X.</b>	<b>Earnings per equity share: (face value of ₹ 10/- each)</b>	38		
	Basic		(3.97)	20.11
	Diluted		(3.97)	20.11

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of Standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
 CIN: L24222GJ1990PLC014789

For, **Talati and Talati LLP**  
 Chartered Accountants  
 ICAI Firm Registration No. 110758W/W100377

**Narendra Rathi**  
 Chief Financial Officer

**Paru M. Jaykrishna**  
 Chairperson & Mg. Director  
 (DIN: 00671721)

**Kushal U. Talati**  
 Partner  
 Membership No. 188150  
 Place: Ahmedabad  
 Date: May 29, 2023

**Saji V. Joseph**  
 Company Secretary  
 Membership No. F 9596

**Gokul M. Jaykrishna**  
 Jt. Managing Director & CEO  
 (DIN: 00671652)  
 Place: Ahmedabad  
 Date: May 29, 2023

# Standalone Statement of Changes in Equity

For the year ended March 31, 2023

## A. EQUITY SHARE CAPITAL

Particulars	(₹ in lakhs)
	Amount
<b>As at April 01, 2021</b>	<b>1,202.73</b>
Changes in Equity Share Capital due to prior period errors	-
<b>Restated Balance as at April 01, 2021</b>	<b>1,202.73</b>
Changes in equity share capital during the year	-
<b>As at March 31, 2022</b>	<b>1,202.73</b>
<b>As at April 01, 2022</b>	<b>1,202.73</b>
Changes in Equity Share Capital due to prior period errors	-
<b>Restated Balance as at April 01, 2022</b>	<b>1,202.73</b>
Changes in equity share capital during the year pursuant to Buyback (refer Note 54)	(24.00)
<b>As at March 31, 2023</b>	<b>1,178.73</b>

## B. OTHER EQUITY

Particulars	Reserves and Surplus				Other Components of Equity			Total Other Equity
	Securities Premium	General Reserve	Retained Earning	Capital redemption reserve	Equity Instruments through Other Comprehensive Income	Effective portion of gain or loss on cash flow hedges	Other Items of Comprehensive Income / (Loss)	
<b>Balance as at April 01, 2021</b>	557.13	2,762.49	18,717.27	24.50	(58.23)	46.45	11.26	<b>22,060.87</b>
Profit for the year	-	-	2,418.90	-	-	-	-	2,418.90
Other Comprehensive Income (Net of Taxes)	-	-	-	-	8.48	(50.43)	6.46	(35.49)
Transfer from General Reserve	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,418.90</b>	<b>-</b>	<b>8.48</b>	<b>(50.43)</b>	<b>6.46</b>	<b>2,383.41</b>
Dividend paid	-	-	(420.95)	-	-	-	-	(420.95)
<b>Balance as at March 31, 2022</b>	<b>557.13</b>	<b>2,762.49</b>	<b>20,715.22</b>	<b>24.50</b>	<b>(49.75)</b>	<b>(3.98)</b>	<b>17.72</b>	<b>24,023.33</b>
<b>Balance as at April 01, 2022</b>	<b>557.13</b>	<b>2,762.49</b>	<b>20,715.22</b>	<b>24.50</b>	<b>(49.75)</b>	<b>(3.98)</b>	<b>17.72</b>	<b>24,023.33</b>
Profit for the year	-	-	(470.97)	-	-	-	-	(470.97)
Other Comprehensive Income (Net of Taxes)	-	-	-	-	(5.86)	23.92	(6.69)	11.37
Transfer from General Reserve	-	-	-	24.00	-	-	-	24.00
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(470.97)</b>	<b>24.00</b>	<b>(5.86)</b>	<b>23.92</b>	<b>(6.69)</b>	<b>(435.60)</b>

**B. OTHER EQUITY** (Contd.)

(₹ in lakhs)

Particulars	Reserves and Surplus				Other Components of Equity			Total Other Equity
	Securities Premium	General Reserve	Retained Earning	Capital redemption reserve	Equity Instruments through Other Comprehensive Income	Effective portion of gain or loss on cash flow hedges	Other Items of Comprehensive Income /(Loss)	
Buyback of Equity Shares (refer Note 54)	(557.13)	(603.87)	-	-	-	-	-	(1,161.00)
Dividend paid	-	-	(58.94)	-	-	-	-	(58.94)
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>2,158.62</b>	<b>20,185.31</b>	<b>48.50</b>	<b>(55.61)</b>	<b>19.94</b>	<b>11.03</b>	<b>22,367.79</b>

The accompanying notes form an integral part of Standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**

CIN: L24222GJ1990PLC014789

For, **Talati and Talati LLP**  
Chartered Accountants  
ICAI Firm Registration No. 110758W/W100377

**Narendra Rathi**  
Chief Financial Officer

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN: 00671721)

**Kushal U. Talati**  
Partner  
Membership No. 188150

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

**Gokul M. Jaykrishna**  
Jt. Managing Director & CEO  
(DIN: 00671652)

**Place:** Ahmedabad  
**Date:** May 29, 2023

**Place:** Ahmedabad  
**Date:** May 29, 2023

# Standalone Statement of Cash Flow

For The Year Ended March 31, 2023

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	(464.54)	3,224.96
<b>Adjustments for:</b>		
Depreciation and Amortisation Expense	1,001.18	880.53
Finance Cost	867.80	325.10
Profit/(Loss) on sale of Property, Plant and Equipment (Net)	(4.87)	(0.61)
Interest Income	(20.49)	(14.63)
Profit/(Loss) from sale of Non Current Investment (Net)	-	0.63
Dividend Income	(0.26)	1,190.72
<b>Operating Profit Before Working Capital Changes</b>	<b>1,378.82</b>	<b>4,415.68</b>
<b>Working Capital Changes</b>		
<b>Adjustments for</b>		
(Increase)/Decrease Trade receivables	1,769.85	(964.91)
(Increase)/Decrease Inventories	3,493.82	(3,450.84)
Increase/(Decrease) Trade payables	(1,515.80)	2,360.23
Changes in Loans, Current and Financial Assets	(1,719.14)	1,050.32
<b>Net Cash Flow Generated from Operating Activities</b>	<b>3,407.55</b>	<b>3,410.48</b>
Direct taxes paid (Net)	(330.85)	(944.73)
	(330.85)	(944.73)
<b>Net Cash Flow from Operating Activities</b>	<b>3,076.70</b>	<b>2,465.75</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment (Including capital advances)	(717.05)	(2,505.81)
Proceeds from sale of Property, Plant & Equipment	48.57	76.27
Investment in Equity Shares of Subsidiary	(4,801.00)	-
Sale of Non Current Investments	-	21.82
Margin money deposit (placed)/matured	(13.04)	(156.14)
Dividend Income	0.26	0.30
Interest and Other Income	20.49	14.63
<b>Net Cash Flow from (used in) Investing Activities</b>	<b>(5,461.77)</b>	<b>(2,548.93)</b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment of long term borrowings	(828.76)	(501.83)
Availment of long term borrowings	2,040.40	1,258.49
Availment/(Repayment) Short term borrowings	3,280.32	73.27
Payment of Dividend	(58.94)	(420.95)
Payment of Buyback of shares with tax	(1,161.00)	-
Unclaimed dividend paid	(0.76)	(0.86)
Finance Cost	(867.80)	(325.10)
<b>Net Cash Flow from (used in) Financing Activities</b>	<b>2,403.46</b>	<b>83.02</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>18.39</b>	<b>(0.16)</b>
<b>Cash and cash equivalent at the beginning of the year</b>	<b>26.59</b>	<b>26.75</b>
<b>Cash and cash equivalent at the end of the year</b>	<b>44.98</b>	<b>26.59</b>

**Notes to Cash Flow Statement:**

1. Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

The accompanying notes form an integral part of Standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
CIN: L24222GJ1990PLC014789

For, **Talati and Talati LLP**  
Chartered Accountants  
ICAI Firm Registration No. 110758W/W100377

**Narendra Rathi**  
Chief Financial Officer

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN: 00671721)

**Kushal U. Talati**  
Partner  
Membership No. 188150  
**Place:** Ahmedabad  
**Date:** May 29, 2023

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

**Gokul M. Jaykrishna**  
Jt. Managing Director & CEO  
(DIN: 00671652)  
**Place:** Ahmedabad  
**Date:** May 29, 2023



# Notes forming part of the Standalone Financial Statements

## 1. COMPANY INFORMATION

Asahi Songwon Colors Limited ("the Company") is a public limited Company domiciled and incorporated in India having CIN: L24222GJ1990PLC014789 with its registered office at "Asahi House", 20, Times Corporate Park, Thaltej - Shilaj Road, Thaltej, Ahmedabad - 380 059. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.

The Company is principally engaged in the business of manufacturing & export of color pigments and its derivatives. The Company's manufacturing facility is located at Padra, Vadodara, Gujarat.

The standalone financial statements as at March 31, 2023 present the financial position of the Company.

The standalone financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 29, 2023.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation of Standalone Financial Statements

#### i) Compliance with Ind-AS

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

ii) The standalone financial statements have been prepared and presented on the going concern basis and at historical cost basis considering the applicable provisions of Companies Act 2013, except for the following items that have been measured at fair value as required by relevant IND AS.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- a) Certain financial assets/liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- b) Any other item as specifically stated in the accounting policy.

#### iii) Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupees, which are the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### iv) Rounding of amounts

The standalone financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 00,000) as per the requirement of Schedule III, unless otherwise stated.

### 2.2 Critical accounting estimates, judgements, and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

#### a. Depreciation/amortisation and useful lives of property plant and equipment

Useful lives and residual values of Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

#### b. Taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

#### c. Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

#### d. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent

liabilities. Such liabilities are disclosed in the notes but are not recognised.

### e. Impairment of financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## 2.3 Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

## 2.4 Property, Plant and Equipment (PPE) (IND AS 16)

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount/rebate, import duties, non-refundable taxes, Net of Cenvat and VAT credit/GST input credit wherever applicable, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

Expenditure on acquisition of PPE for Research and Development (R&D) is included in PPE and depreciation thereon is provided as applicable.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on

such foreign exchange difference is recognised from first day of its financial year.

### De-recognised upon disposal

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is Recognised in Statement of Profit and Loss when asset is derecognised.

### Treatment of Expenditure during Construction Period

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

### Depreciation

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is Recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for plant and equipment wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act. Useful life considered for calculation of depreciation for various assets class are as follows:

Asset Class	Useful Life
Factory Building	30 years
Non-Factory Building	60 years
Road, Fencing, Borewell, etc.	5/10 years
Plant & Equipment	15/20 years
Lab Equipment	10 years
Electric Installation	10 years
Furniture & Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computers	3 years

The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold Land is amortised over the primary period of the lease.

## 2.5 Intangible assets (IND AS 38)

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### Computer Software

Computer software are amortized over period of 3 years.

### Internally Generated Intangible Assets - Research and Development Expenditure:

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

## 2.6 Leases (IND AS 116)

At the inception of a lease, the lease arrangements is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

### As a Lessee:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: i) the contract involves the use of an identified asset ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At the commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

### As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually

## 2.7 Inventories (IND AS 2)

Inventories consisting of stores and spares, raw materials, work in progress, stock in trade, goods in transit and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis and is net of credits under GST.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Traded goods include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## **2.8 Borrowing Cost (IND AS 23)**

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing cost are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## **2.9 Impairment of Assets (IND AS 36)**

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

### **Impairment of investment in subsidiaries**

The Company assess at each reporting date whether there is an indication that an asset may be impaired if any indication exists,

on which annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An assets recoverable amount is the higher of an asset's or cash generating units (CGU's) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

## **2.10 Government Grants (IND AS 20)**

Government grants are Recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is Recognised as income on a systematic basis over the expected useful life of the related asset.

## **2.11 Taxes (IND AS 12)**

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is Recognised in the Statement of Profit and Loss, except to the extent that it relates to items Recognised directly in equity or in other comprehensive income.

### **a) Current Tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

### **b) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## 2.12 Employees Benefits (IND AS 19)

### a) Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are Recognised during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

### b) Post-employment obligations

The Company operates the following post-employment schemes:

- i) Defined benefit plans such as gratuity and;
- ii) Defined contribution plans such as provident fund.

#### i) Defined benefit plans-Gratuity obligations

The liability or assets Recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are Recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are Recognised immediately in profit or loss as past service cost.

#### ii) Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are Recognised as employee benefit expense when they are due.

## 2.13 Provisions, Contingent Liability and Contingent Assets (IND AS 37)

Disputed liabilities and claims against the Company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise, GST etc.) pending in appeal/court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is Recognised in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability. No contingent asset is Recognised but disclosed by way of notes to accounts.

## 2.14 Trade receivables

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss. Trade receivable overdue for more than 180 days are considered as receivable with significant increase in credit risk.

## 2.15 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

## 2.16 Revenue Recognition (IND AS 115)

### i) Revenue from operations:

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific

location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from services, including those embedded in contract for sale of goods, namely, freight and insurance services mainly in case of export sales, is recognised upon completion of services.

Revenue is measured based on the consideration to which the Company expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Company only on an exception basis. Revenue excludes any taxes or duties collected on behalf of government that are levied on sales such as goods and services tax.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

#### ii) Other income:

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends are recognised in the Standalone Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Lease rental income is recognised on accrual basis.

### 2.17 Cash Flows and Cash and Cash Equivalents (IND AS 7)

Statement of cash flows is prepared in accordance with the indirect method prescribed in the IND AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on

hand, deposits held with Banks, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

### 2.18 Earnings per share (IND AS 33)

#### i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after 'income-tax' effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 2.19 Segment Reporting (IND AS 108)

Based on "Management Approach" as defined in IND AS 108 – Operating Segments, the Management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### 2.20 Foreign Currency Transactions (IND AS 21)

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when

they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

## 2.21 Fair Value Measurement (IND AS 113)

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 2.22 Events occurring after the balance sheet date (IND AS 10)

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Company after the reporting period are not Recognised as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not Recognised as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

## 2.23 Financial Instruments (IND AS 109)

### i) Recognition and initial measurement

All financial assets and financial liabilities are initially Recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### ii) Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

#### Investments in subsidiary companies, associate companies and joint venture Company:

Investments in subsidiary Company is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment

is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary Company the difference between net disposal proceeds and the carrying amounts are recognised in the Standalone Statement of Profit and Loss.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are Recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are Recognised in profit or loss. Any gain or loss on de-recognition is also Recognised in profit or loss.

### De-recognition

#### Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets Recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not deRecognised.

#### Financial liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is Recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is Recognised in profit or loss.

#### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off

the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### 2.24 Cash Dividend to Equity Holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 2.25 Research and Development

Expenditure on research is Recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is Recognised as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated/amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

### 2.26 Goods and Service Tax/Service Tax input Credit:

Goods and Service tax/Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits.

### 2.27 Recent accounting pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA has amended the Companies (Indian Accounting Standards) Amendment Rules, 2023 as below:

#### Ind AS 1 – Presentation of Financial Statements

This amendment required the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

The Company is currently revisiting their accounting policy information disclosure to ensure consistency with the amended requirements.

#### Ind AS 8 - Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.



The amendments are not expected to have a material impact on the Companies Standalone financial statements.

### **Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Company is currently assessing the impact of the amendments.

### 3. PROPERTY, PLANT AND EQUIPMENTS

(₹ in lakhs)

Particular	Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Gross Carrying Amount</b>							
<b>Gross Amount as on April 01, 2021</b>	<b>406.80</b>	<b>1,354.32</b>	<b>16,649.38</b>	<b>93.30</b>	<b>368.29</b>	<b>86.97</b>	<b>18,959.06</b>
Additions	203.01	-	2,278.47	1.13	20.40	9.49	2,512.50
Disposal & Adjustment	0.25	84.69	19.42	-	9.78	-	114.14
<b>Balance as at March 31, 2022</b>	<b>609.56</b>	<b>1,269.63</b>	<b>18,908.43</b>	<b>94.43</b>	<b>378.91</b>	<b>96.46</b>	<b>21,357.42</b>
Additions	-	-	275.42	387.50	18.08	42.42	723.42
Disposal & Adjustment	-	-	119.09	-	-	1.49	120.58
<b>Balance as at March 31, 2023</b>	<b>609.56</b>	<b>1,269.63</b>	<b>19,064.76</b>	<b>481.93</b>	<b>396.99</b>	<b>137.39</b>	<b>21,960.26</b>
<b>Accumulated Depreciation</b>							
<b>Balance as at April 01, 2021</b>	<b>-</b>	<b>569.62</b>	<b>6,365.42</b>	<b>61.56</b>	<b>176.98</b>	<b>64.30</b>	<b>7,237.88</b>
Depreciation for the period	-	43.88	775.81	7.05	42.99	8.81	878.54
Disposal & Adjustment	-	9.08	15.40	-	8.59	-	33.07
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>604.42</b>	<b>7,125.83</b>	<b>68.61</b>	<b>211.38</b>	<b>73.11</b>	<b>8,083.35</b>
Depreciation for the period	-	41.97	878.65	7.12	38.99	10.55	977.28
Disposal & Adjustment	-	-	76.96	-	-	0.15	77.11
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>646.39</b>	<b>7,927.52</b>	<b>75.73</b>	<b>250.37</b>	<b>83.51</b>	<b>8,983.52</b>
<b>Net carrying amount</b>							
Balance as at March 31, 2022	609.56	665.21	11,782.60	25.82	167.53	23.35	13,274.07
Balance as at March 31, 2023	609.56	623.24	11,137.24	406.20	146.62	53.88	12,976.74

**Note:** The title deeds of all the immovable properties are held in the name of Company.

The Company has pledged certain Property, Plant and Equipments against borrowings, details of which have been given in Note 20.

The Company has not done revaluation of PPE/Intangible assets during financial year ended March 31, 2023 and March 31, 2022.

There are no assets which are lying with third parties.

### 4. RIGHT OF USE ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Gross Carrying Amount</b>	2,077.99	2,077.99
Additions	31.43	-
Disposals	-	-
<b>Balance at the End of the Year</b>	<b>2,109.42</b>	<b>2,077.99</b>
<b>Accumulated Amortisation</b>		
Balance at the beginning of the year	2.01	0.01
Amortisation for the period	23.91	2.00
<b>Balance at the End of the Year</b>	<b>25.92</b>	<b>2.01</b>
<b>Net carrying amount</b>	<b>2,083.50</b>	<b>2,075.98</b>

## 5. CAPITAL WORK IN PROGRESS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Tangible Assets	-	37.80
<b>Total</b>	<b>-</b>	<b>37.80</b>

### Ageing Schedule

As at March 31, 2023

(₹ in lakhs)

Particular	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total
Tangible Assets	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Ageing Schedule

As at March 31, 2022

(₹ in lakhs)

Particular	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total
Tangible Assets	6.37	-	31.43	-	37.80
<b>Total</b>	<b>6.37</b>	<b>-</b>	<b>31.43</b>	<b>-</b>	<b>37.80</b>

## 6. NON CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹	No. of Shares	₹
<b>6.1 Investment in Subsidiary Companies</b>				
<b>Unquoted, fully paid- up</b>				
<b>Subsidiary companies Company measured at cost</b>				
Shares of ₹ 10/- Each of Atlas Life Sciences (India) Private Limited	10,000	1.00	-	-
Shares of ₹ 10/- Each of Atlas Life Sciences Private Limited	23,40,000	4800.00	-	-
Shares of ₹ 10/- each of Asahi Tennants Color Private Limited	3,43,71,132	4895.07	3,43,71,132	4895.07
	<b>3,67,21,132</b>	<b>9,696.07</b>	<b>3,43,71,132</b>	<b>4,895.07</b>
<b>6.2 Investment in Associates</b>				
Shares of ₹ 10/- each of Plutoeco Enviro Association	2,500	0.25	2,500	0.25
	<b>2,500</b>	<b>0.25</b>	<b>2,500</b>	<b>0.25</b>
<b>6.3 Other investments</b>				
<b>a) Investments in equity instruments (fully paid-up)</b>				
<b>Other companies measured at FVOCI</b>				
<b>Quoted</b>				
Shares of ₹ 1/- each of HDFC Life Insurance Company Limited	15,000	74.90	15,000	80.77
	<b>15,000</b>	<b>74.90</b>	<b>15,000</b>	<b>80.77</b>

## 6. NON CURRENT INVESTMENTS (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹	No. of Shares	₹
<b>b) Investments in equity instruments (fully paid-up)</b>				
<b>Other companies measured at Cost</b>				
<b>Unquoted</b>				
Shares of ₹ 10/- each of Swadesh Essfil Private Limited @ premium of ₹ 573.94 per share	3,425	20.00	3,425	20.00
Shares of Bhadreshwar Vidyut Private Ltd. of ₹ 10/- each at discounted value of ₹ 0.19 per Share	2,81,000	0.53	2,81,000	0.53
	<b>2,84,425</b>	<b>20.53</b>	<b>2,84,425</b>	<b>20.53</b>
<b>c) Investment in Debentures</b>				
<b>Other companies measured at Cost</b>				
<b>Unquoted</b>				
Compulsory Convertible Debentures of ₹ 100/- each of Smart Institute Private Limited	30,000	30.00	30,000	30.00
	<b>30,000</b>	<b>30.00</b>	<b>30,000</b>	<b>30.00</b>
	<b>3,70,50,557</b>	<b>9,821.75</b>	<b>3,47,00,557</b>	<b>5,026.62</b>

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate amount of quoted investments	74.90	80.77
Aggregate market value of quoted investments	74.90	80.77
Aggregate amount of unquoted investments	9,746.85	4,945.85

## 7. NON CURRENT LOANS

### Unsecured, Considered good

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to Subsidiaries	780.00	-
<b>Total</b>	<b>780.00</b>	<b>-</b>

**Note:** Unsecured Loan given to Asahi Tennants Color Private Limited (Subsidiary) repayable after 6 years from the date of disbursement. Interest chargeable at 6.50% p.a.

## 8. OTHER NON CURRENT FINANCIAL ASSETS

### Unsecured, Considered good

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Security Deposits	16.39	6.47
<b>Total</b>	<b>16.39</b>	<b>6.47</b>

## 9. OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Capital Advances	124.69	91.23
<b>Total</b>	<b>124.69</b>	<b>91.23</b>

**10. INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Raw materials	1,443.80	1,787.98
b. Work in progress	177.19	550.06
c. Finished goods	2,061.94	4,727.36
d. Finished Goods in Transit	553.54	396.39
e. Stores and spares	261.55	458.81
f. Others (Fuel and Oil)	56.26	127.51
<b>Total</b>	<b>4,554.29</b>	<b>8,048.11</b>

**Note:** For details of inventory pledged as security refer Note 20.

**11. TRADE RECEIVABLES**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good	6,931.43	8,701.28
Credit Impaired	42.94	42.34
<b>Less: Allowance for Credit Losses</b>	<b>(42.94)</b>	<b>(42.34)</b>
<b>Total</b>	<b>6,931.43</b>	<b>8,701.28</b>

**Trade Receivables Ageing Schedule**

As at March 31, 2023

(₹ in lakhs)

Particular	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. Undisputed Trade Receivables - Considered Good	5,826.69	406.62	556.92	23.12	6.45	68.69	6,888.49
ii. Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii. Undisputed Trade Receivables - Credit Impaired	-	-	0.56	0.12	0.07	42.19	42.94
iv. Disputed Trade Receivables- Considered Good	-	-	-	-	-	-	-
v. Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>5,826.69</b>	<b>406.62</b>	<b>557.48</b>	<b>23.24</b>	<b>6.52</b>	<b>110.88</b>	<b>6,931.43</b>

## Trade Receivables Ageing Schedule

As at March 31, 2022

Particular	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. Undisputed Trade Receivables - Considered Good	7,050.27	1,434.67	87.33	13.71	10.92	62.04	8,658.94
ii. Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii. Undisputed Trade Receivables - Credit Impaired	-	-	0.09	0.07	0.11	42.07	42.34
iv. Disputed Trade Receivables- Considered Good	-	-	-	-	-	-	-
v. Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>7,050.27</b>	<b>1,434.67</b>	<b>87.42</b>	<b>13.78</b>	<b>11.03</b>	<b>104.11</b>	<b>8,701.28</b>

The Company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	42.34	40.12
Change/(Release) to Statement of Profit and Loss	0.60	2.22
Utilised During the year	-	-
<b>Balance at the End of the Year</b>	<b>42.94</b>	<b>42.34</b>

Refer Note 24 for details of pledges and securities.

No Trade Receivable are due from Directors or other officers of the Company either severally or jointly with any other person.

## 12. CASH & CASH EQUIVALENTS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Balance with Banks in Current accounts	34.74	17.97
Cash on hand	10.24	8.63
<b>Total</b>	<b>44.98</b>	<b>26.59</b>

## 13. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Term Deposits with Bank as Margin Money against Letters of Credit, Bank Guarantees and Collateral Security	353.70	340.66
Earmarked balance for Unpaid Dividend	3.83	4.59
<b>Total</b>	<b>357.53</b>	<b>345.25</b>

**14. CURRENT LOANS****Unsecured, Considered good**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to Employees	7.58	7.05
Loans to Subsidiaries	853.43	-
<b>Total</b>	<b>861.01</b>	<b>7.05</b>

**15. OTHERS CURRENT FINANCIALS ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on term deposits	13.03	10.65
<b>Total</b>	<b>13.03</b>	<b>10.65</b>

**16. CURRENT TAX ASSETS (NET)**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance payment of tax (Net)	551.73	220.88
<b>Total</b>	<b>551.73</b>	<b>220.88</b>

**17. OTHERS CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with government authorities	767.01	749.55
Prepaid expenses	75.87	79.76
Advances Other than Capital Advances	283.48	257.10
<b>Total</b>	<b>1,126.37</b>	<b>1,086.41</b>

**18. SHARE CAPITAL**

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹	No. of Shares	₹
<b>Authorised:</b>				
Equity Shares of ₹ 10 each	1,65,00,000	1,650.00	1,65,00,000	1,650.00
<b>Issued &amp; Subscribed and Fully Paid Up</b>				
Equity Shares of ₹ 10 each	1,17,87,262	1,178.73	1,20,27,262	1,202.73
<b>Total</b>	<b>1,17,87,262</b>	<b>1,178.73</b>	<b>1,20,27,262</b>	<b>1,202.73</b>

**a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	(₹ in lakhs)			
	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹	No. of Shares	₹
<b>Equity Shares</b>				
At the beginning of the period	1,20,27,262	1,202.73	1,20,27,262	1,202.73
Less: Buy-back of equity shares	(2,40,000)	(24.00)	-	-
<b>Outstanding at the end of the period</b>	<b>1,17,87,262</b>	<b>1,178.73</b>	<b>1,20,27,262</b>	<b>1,202.73</b>

**b) Terms/rights attached to Equity Shares**

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Shares are entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after the payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Shares held by holding/ultimate holding Company/or their subsidiaries/associates: Not Applicable**

**d) Details of shares in the Company held by each shareholder holding in the Company more than 5 percent shares**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding
	Mrugesh Jaykrishna Family Trust - 1	51,78,403	43.93	52,76,651
Gokul M. Jaykrishna Family Trust	26,48,980	22.47	26,99,238	22.44
DIC Corporation	8,65,200	7.34	8,65,200	7.19
	<b>86,92,583</b>	<b>73.74</b>	<b>88,41,089</b>	<b>73.50</b>

**e) Details of shares in the Company held by Promoters**

Particulars	As at March 31, 2023		As at March 31, 2022		
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding	% Change
	Mrugesh Jaykrishna Family Trust - 1	51,78,403	43.93	52,76,651	43.87
Gokul M. Jaykrishna Family Trust	26,48,980	22.47	26,99,238	22.44	0.03
Gokul M. Jaykrishna	9,627	0.08	9,809	0.08	0.00
Arjun G. Jaykrishna	28,384	0.24	28,922	0.24	0.00



- f) 1. Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash: **NIL**
2. Aggregate number and class of shares allotted as fully paid by way of Bonus Shares: **NIL**
3. Aggregate number and class of shares bought back: **During the financial year 2022-23 Company has bought back 2,40,000 equity shares of ₹ 10 each @ 400 per share**
4. Securities which are convertible into Equity Shares: **NIL**
5. Aggregate Value of Calls unpaid by directors and officers: **NIL**

## 19. OTHER EQUITY

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Securities Premium</b>		
Balance as per last year	557.13	557.13
<b>Less:</b> Buy-back of Shares	557.13	-
Balance at the end of the Year	-	557.13
<b>General Reserve</b>		
Balance as per last year	2,762.50	2,762.50
<b>Less:</b> Buy-back of Shares	603.87	-
<b>Less:</b> Transfer to Capital Redemption Reserve	-	-
Balance at the end of the Year	2,158.63	2,762.50
<b>Capital Redemption Reserve</b>		
Balance as per last year	24.50	24.50
<b>Add:</b> Transfer from General Reserve	24.00	-
Balance at the end of the Year	48.50	24.50
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance at the beginning of the year	20,679.20	18,716.74
<b>Add:</b> Profit after tax for the Year	(470.97)	2,418.90
Re-measurement of Defined Benefit Plan	18.06	(17.51)
Mark to Market Forex gain (Loss)	-	(67.40)
Loss on Investments - Fair Value through OCI	-	(22.99)
Income Tax relating to Other Comprehensive Income	(6.69)	72.41
Amount available for Appropriation	20,219.60	21,100.15
<b>Less: Appropriations</b>		
Dividend	58.94	420.95
Dividend Distribution Tax	-	-
Total Appropriation	58.94	420.95
Balance at the end of the Year	20,160.66	20,679.20
<b>Total</b>	<b>22,367.79</b>	<b>24,023.33</b>

## Distribution made and proposed to be made

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Cash dividends on equity shares declared and paid:</b>		
March 31, 2022: ₹ 0.50 per share	58.94	-
March 31, 2021: ₹ 3.50 per share	-	420.95
<b>Proposed dividends on equity shares declared and paid:</b>		
March 31, 2023: ₹ 0.50 per share	58.94	-
March 31, 2022: ₹ 0.50 per share	-	58.94

### Description of nature and purpose of each reserves:

**General Reserve:** General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. General Reserve is a free reserve available to the Company. As per Companies Act 2013, transfer of profits to general reserve is not mandatory.

**Securities Premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

**Capital Redemption Reserve:** In accordance with Section 69 of the companies Act. 2013, the Company has created capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

**Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

**Equity instruments through other comprehensive income -** This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

**Other Comprehensive Income:** Other Comprehensive Income includes re-measurement loss on defined benefit plans, net of taxes that will not be reclassified to profit and loss.

## 20. NON CURRENT BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
<b>a. Term Loans from Banks</b>		
From Federal Bank Ltd	-	250.00
From HDFC Bank Ltd	2,237.04	1,124.42
Net of Repayable in one year considered as Current Borrowings (Refer Note: 24)		
<b>Total</b>	<b>2,237.04</b>	<b>1,374.42</b>

### I. a Indian Rupee Term loan from Banks are secured by:

#### i Primary Security:

**Federal Bank Ltd. Term Loan:** Exclusive charge on Fixed Assets purchased out of the term loan of Federal Bank Ltd.

**HDFC Bank Ltd. Term Loan:** Exclusive charge on Fixed Assets purchased out of the term loan of HDFC Bank Ltd.

### I. b Interest on Term Loan ranges from floating rate of Interest 7.50% to 8.40% p.a. linked to various benchmarks like T-Bill, MCLR etc.

### I. c Term of Repayment.

- i Term Loan from Federal Bank Ltd. ₹ 250 lakhs (Previous year ₹ 750 lakhs), Repayable in 6 equal Instalments of ₹ 125 lakhs will end on July-2023

- ii Term Loan from HDFC Bank Ltd. ₹ 1,118.65 lakhs (Previous year ₹ 1,258.49 lakhs), Repayable in 54 equal monthly Instalments of ₹ 23.30 lakhs will end on April-2027
- iii Term Loan from HDFC Bank Ltd. ₹ 1,851.47 lakhs (Previous year ₹ Nil), Repayable in 54 equal monthly Instalments of ₹ 37.78 lakhs will end on April-2027
- iv There was no default in repayment of loan or interest.

## 21. NON CURRENT PROVISIONS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Provisions for employees benefits</b>		
Provision for Gratuity	188.56	186.01
Provision for Leave Encashment	54.21	-
<b>Total</b>	<b>242.78</b>	<b>186.01</b>

## 22. DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>a. Deferred Tax Liabilities</b>		
Opening Balance	1,622.31	1,575.17
Accumulated depreciation	209.18	119.55
Other comprehensive income from investments	-	(72.41)
	1,831.49	1,622.31
<b>b. Deferred Tax Assets</b>		
Opening Balance	57.04	58.55
Defined benefit plan for employees	19.06	(1.51)
Others	177.00	-
	253.10	57.04
<b>Liabilities (Net)</b>	<b>1,578.39</b>	<b>1,565.27</b>

## 23. OTHER NON CURRENT LIABILITIES

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Deposits from customers	0.20	0.44
<b>Other Non Current Liabilities</b>	<b>0.20</b>	<b>0.44</b>

## 24. CURRENT BORROWING

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Secured Loans *		
<b>Loans repayable on demand from bank</b>		
<b>From State Bank of India</b>		
Working Capital Loans	3,006.87	30.49
<b>Unsecured Loans *</b>		
<b>Loans repayable on demand from bank</b>		
<b>From Federal Bank Ltd</b>		
Working Capital Loans	3,503.95	1,200.00

## 24. CURRENT BORROWING (Contd.)

(₹ in lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>From HDFC Bank Ltd</b>		
Working Capital Loans	-	2,000.00
<b>Current Maturities of Long Term Borrowings</b>		
Current Maturities of Long Term Borrowings	983.09	634.07
<b>Total</b>	<b>7,493.90</b>	<b>3,864.56</b>

The working capital limits from bank are secured by:

### i Primary Security:

First charge in favour of State Bank of India by way of hypothecation over entire present and future current assets of Company.

### ii Collateral Security:

**First charge in favour of State Bank of India on the entire Fixed Assets of the Company (Excluding Vehicles Purchased) of which includes:**

- Equitable mortgage and/or hypothecation charge on entire Fixed Assets (Land, Building, Plant and Machinery) both present and future of the Company situated at Survey No. 437 to 440 ECP Channel Road, Village Dudhwada, Taluka Padra, District Vadodara, Gujarat.
- Lien of TDR worth of ₹ 25 lakhs.

### iii Interest on Working Capital Loan ranges from 7.50 % to 8.20% p.a. linked to various benchmarks like T-Bill, MCLR etc.

## 25. TRADE PAYABLES

(₹ in lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade payable</b>		
Dues to Micro and Small Enterprises	810.68	791.55
Dues to Creditors other than Micro and Small Enterprises	4,125.62	5,483.08
<b>Total</b>	<b>4,936.30</b>	<b>6,274.63</b>

### 25.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
a. Principal amount remaining unpaid to any supplier as at the end of accounting year	810.68	791.55
b. Interest due and remaining unpaid to any supplier as at the end of accounting year	-	-
c. Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
d. Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act, 2006	-	-
e. Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-

**25.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006** (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
f. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	-	-
<b>Total</b>	<b>810.68</b>	<b>791.55</b>

**Trade Payables Ageing Schedule**

As at March 31, 2023

(₹ in lakhs)

Particular	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Payables							
a) MSME	810.68	-	-	-	-	-	810.68
b) Others	3,278.09	694.52	128.50	9.26	5.07	10.18	4,125.62
(ii) Disputed Trade Payables							
a) MSME	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
<b>Total (i + ii)</b>	<b>4,088.77</b>	<b>694.52</b>	<b>128.50</b>	<b>9.26</b>	<b>5.07</b>	<b>10.18</b>	<b>4,936.30</b>

**Trade Payables Ageing Schedule**

As at March 31, 2022

(₹ in lakhs)

Particular	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Payables							
a) MSME	791.55	-	-	-	-	-	791.55
b) Others	4,514.56	944.14	5.66	7.00	0.53	11.19	5,483.08
(ii) Disputed Trade Payables							
a) MSME	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
<b>Total (i + ii)</b>	<b>5,306.11</b>	<b>944.14</b>	<b>5.66</b>	<b>7.00</b>	<b>0.53</b>	<b>11.19</b>	<b>6,274.63</b>

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**26. OTHER CURRENT FINANCIAL LIABILITIES**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Unpaid Dividends #	3.83	4.59
b. Payable for fixed assets	38.10	252.72
c. Interest accrued but not paid	20.10	8.79
<b>Total</b>	<b>62.03</b>	<b>266.10</b>

# The Company has transferred ₹ 0.72 lakhs (Previous Year ₹ 0.86 lakhs) to the Investors Education and Protection Fund (IEPF) during the year.

## 27. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a. Other payables</b>		
Advances from customers	-	1.18
Statutory liabilities	32.81	91.53
Other Current liabilities and payables	53.87	65.08
<b>Total</b>	<b>86.68</b>	<b>157.80</b>

## 28. CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity	39.39	43.10
Provision for Leave Encashment	20.21	-
<b>Total</b>	<b>59.60</b>	<b>43.10</b>

## 29. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from Sale of Products</b>		
a. Export Sales	20,894.05	22,400.70
b. Domestic Sales	12,706.41	17,640.99
<b>Total Sale of Products</b>	<b>33,600.46</b>	<b>40,041.69</b>
<b>c. Other operating revenues</b>		
Export incentives	0.17	0.35
Interest Income on TDR	20.49	14.63
Other Operating Income	115.37	52.60
<b>Total - Other Operating revenues</b>	<b>136.03</b>	<b>67.57</b>
<b>Total</b>	<b>33,736.49</b>	<b>40,109.26</b>

## 30. OTHER INCOME

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a. Dividend Income	0.26	0.30
b. Exchange Rate Difference	370.66	472.50
c. Interest Income Others	109.53	27.03
d. Others	87.42	138.90
<b>Total</b>	<b>567.86</b>	<b>638.72</b>

**31. COST OF MATERIALS CONSUMED**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a. Raw Materials		
Opening Stock	1,735.84	1,533.61
<b>Add:</b> Purchases	19,960.88	28,590.38
	21,696.72	30,123.99
<b>Less:</b> Closing Stock	1,317.41	1,735.84
<b>Cost of Raw Material Consumed</b>	<b>20,379.31</b>	<b>28,388.15</b>
b. Packing Material		
Opening Stock	108.07	67.62
<b>Add:</b> Purchases	294.88	532.51
	402.95	600.13
<b>Less:</b> Closing Stock	36.90	108.07
Cost of Packing Material Consumed	366.05	492.06
<b>Cost of Total material consumed</b>	<b>20,745.36</b>	<b>28,880.20</b>

**32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a. Inventories at the end of the year		
Finished goods	2,615.48	5,123.76
Work-in-progress	177.19	550.06
<b>Total</b>	<b>2,792.68</b>	<b>5,673.82</b>
b. Inventories at the beginning of the year		
Finished goods	5,123.76	2,214.34
Work-in-progress	550.06	189.12
<b>Total</b>	<b>5,673.82</b>	<b>2,403.46</b>
<b>Net (Increase)/decrease</b>	<b>2,881.14</b>	<b>(3,270.36)</b>

**33. EMPLOYEE BENEFITS EXPENSE**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a. Salaries, Wages & Bonus *	810.11	769.13
b. Contribution to Provident and other funds	42.47	49.72
c. Staff welfare expenses	43.34	41.74
d. Directors Remuneration including perquisites and commission	101.22	234.76
<b>Total</b>	<b>997.14</b>	<b>1,095.34</b>

\* Salaries, Wages and Bonus excluded the salaries paid to the staff related to R & D, is debited to Research and Development expenses.

The Code on Social Security, 2020 ('Code') relating to employees benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### 34. FINANCE COSTS

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>a. Interest</b>		
Term Loans	246.24	46.68
Working Capitals	569.28	228.22
<b>b. Other Financial Costs</b>		
Bank and other charges	52.28	50.20
<b>Total</b>	<b>867.80</b>	<b>325.10</b>

### 35. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation and amortization for the year on tangible assets	1,001.18	880.53
<b>Depreciation and amortization relating to continuing operations</b>	<b>1,001.18</b>	<b>880.53</b>

### 36. OTHER EXPENSES

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Power and Fuel	3,991.18	4,810.15
Consumption of Stores and Spare parts	457.53	325.96
Pollution Treatment Expenses	767.04	943.31
Repairs to Machinery	160.05	269.49
Repairs to Building	6.33	17.25
Repairs to Other Assets	20.36	22.30
Manufacturing & Labour Charges	884.17	941.11
Freight and forwarding Expenses	926.03	1,382.63
Other Selling and Distribution Expenses	171.04	117.33
Rent	54.30	42.20
Rates & Taxes (excluding taxes on income)	7.71	14.91
Insurance	64.60	54.11
Travelling, Conveyance & Vehicle Expenses	56.71	45.70
Directors Travelling Expenses	150.50	81.28
Auditors Remuneration *	2.75	3.27
Directors Sitting Fees	2.76	2.48
Legal & Professional Expenses	224.06	244.30
General Charges	80.01	86.05
Research and Development Expenses (Refer Note: 42)	76.78	95.40
Donation	-	0.11



**36. OTHER EXPENSES** (Contd.)

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Expenditure towards Corporate Social Responsibility activities (Refer Note: 46)	65.93	62.15
Expected Credit Loss Provision	0.60	2.22
Loss on sales of Property, Plant & Equipment	0.11	0.61
<b>Total</b>	<b>8,170.55</b>	<b>9,564.31</b>

**36.1 \* Payment to Auditors**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Audit fees	2.75	2.75
Out of pocket expenses	-	0.02
Others (Certification work)	-	0.50
<b>Total</b>	<b>2.75</b>	<b>3.27</b>

**37. OTHER COMPREHENSIVE INCOME**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Items that will not be reclassified to Profit and Loss</b>		
Other comprehensive Income/(Expense) FVOCI	23.93	(22.99)
Re-measurement Gain/(Loss) of Defined Benefit Plan	(5.86)	(17.51)
Income tax relating to items that will not be reclassified to Profit or Loss	(6.69)	55.44
<b>Items that will be reclassified to Profit and Loss</b>		
Effective Portion of Gain/(Loss) on cashflow hedges	-	(67.40)
Income Tax that will be reclassified to Profit and Loss	-	16.97
	<b>11.37</b>	<b>(35.49)</b>

**38. EARNING PER SHARE****Basic and diluted earnings per share**

Earning Per share is calculated by dividing the Profit/(Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year	(470.97)	2,418.90
Net Profit attributable to Equity Shareholders	(470.97)	2,418.90
Profit after taxation before Extra Ordinary Items	(470.97)	2,418.90
Number of Equity Shares for Basic EPS	1,17,87,262	1,20,72,262
Number of Equity Shares for Diluted EPS	1,17,87,262	1,20,72,262
Nominal Value Per Share	10	10
Basic Earning Per Share	(3.97)	20.11
Diluted Earning Per Share	(3.97)	20.11

### 39. INCOME TAXES

#### A. The major components of income tax expense for the year as under:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Current tax</b>		
In respect of current year	-	685.00
<b>Deferred tax</b>		
In respect of Accumulated Depreciation	209.18	119.55
In respect of Other comprehensive income from investments	(6.69)	3.02
In respect of defined benefit plan for employees and others	(196.06)	(1.51)
<b>Total deferred tax</b>	6.43	121.06
<b>Total tax expense charged to statement of Profit and Loss</b>	<b>6.43</b>	<b>806.06</b>

#### B. Reconciliation of effective tax rate

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Applicable Tax Rate	25.168%	25.168%
Profit before tax	(464.54)	3,224.96
Income not considered for tax purpose	11.37	(35.49)
Expenses not allowed for tax purpose	-	(471.99)
Tax payable at lower rate	-	(0.64)
<b>Net Taxable income for the year</b>	(453.17)	2,716.84
<b>Effective Tax for the year</b>	(114.05)	683.77
Effective tax at lower rate	-	0.11
Total current tax calculated for the year	(114.05)	683.88
<b>Excess provision</b>	-	1.12
<b>Effective current tax rate for the year</b>	-	21.21%

### 40. CONTINGENT LIABILITIES

Particulars	(₹ in lakhs)	
	March 31, 2023	March 31, 2022
In Respect of Income Tax	46.33	47.20
Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year	482.60	516.28

### 41. CAPITAL COMMITMENT

Particulars	(₹ in lakhs)	
	March 31, 2023	March 31, 2022
Estimated amount of Contracts/purchase orders remaining to be executed and not provided for Capital goods/Capital work in progress	-	-

## 42. RESEARCH AND DEVELOPMENT

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Capital Goods</b>		
Machinery and Equipment for Research Laboratory	-	-
<b>Total Capital Expenditure</b>	-	-
<b>Revenue Expenses</b>		
Salaries & Wages	67.21	77.39
Laboratory Chemicals and other goods	9.34	17.09
Stationery	0.04	0.04
Consumable stores	-	0.06
Travelling Expenses	-	0.16
Conveyance Expenses	-	0.15
Testing Expenses	0.03	0.30
Seminar for R & D	-	-
Sampling Expenses	-	-
Electricity Expenses	0.16	0.21
<b>Total Revenue Expenditure</b>	<b>76.78</b>	<b>95.40</b>
<b>Total Expenditure towards R &amp; D</b>	<b>76.78</b>	<b>95.40</b>

## 43. EMPLOYEES BENEFITS

In compliance with the Accounting Standard on "Employee Benefits" (AS 19) notified by Companies (Accounting Standards) Rules, 2006, the following disclosures have been made:

### 1. Defined Contribution Plan:

The Company has Recognised the following amount as an expense:

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Contribution to Provident and other Funds	42.47	49.72

## 2. Defined Benefit Plan

### Table Showing Change in the Present Value of Projected Benefit Obligation

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Present Value of Benefit Obligation at the Beginning of the Period	334.27	282.62
Interest Cost	24.30	19.50
Current Service Cost	20.07	17.02
Past Service Cost	-	-
Liability Transferred In/Acquisitions	-	-
(Liability Transferred Out/Divestments)	-	-
(Gains)/Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	(13.96)	(7.55)
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	0.27
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(5.14)	(11.23)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(24.02)	33.64
Present Value of Benefit Obligation at the End of the Period	335.52	334.27
<b>Table Showing Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the Beginning of the Period	105.16	-
Interest Income	7.64	-
Contributions by the Employer	-	100
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	(5.24)	5.16
Fair Value of Plan Assets at the End of the Period	107.56	105.16
<b>Amount Recognised in the Balance Sheet</b>		
(Present Value of Benefit Obligation at the end of the Period)	(335.51)	(334.27)
Fair Value of Plan Assets at the end of the Period	107.56	105.16
Funded Status (Surplus/(Deficit))	(227.95)	(229.11)
Net (Liability)/Asset Recognised in the Balance Sheet	(227.95)	(229.11)
<b>Net Interest Cost for Current Period</b>		
Present Value of Benefit Obligation at the Beginning of the Period	334.26	282.62
(Fair Value of Plan Assets at the Beginning of the Period)	(105.16)	-
Net Liability/(Asset) at the Beginning	229.10	282.62
Interest Cost	24.30	19.50
(Interest Income)	(7.64)	-
Net Interest Cost for Current Period	<b>16.66</b>	<b>19.50</b>

**2. Defined Benefit Plan** (Contd.)

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Expenses Recognised in the Statement of Profit or Loss for Current Period</b>		
Current Service Cost	20.07	17.02
Net Interest Cost	16.66	19.51
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Transfer In/(Out)	-	-
Expenses Recognised	36.73	36.53
<b>Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period</b>		
Actuarial (Gains)/Losses on Obligation For the Period	(29.17)	22.67
Return on Plan Assets, Excluding Interest Income	5.24	(5.16)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognised in OCI	(23.93)	17.51
<b>Balance Sheet Reconciliation</b>		
Opening Net Liability	229.11	282.62
Expenses Recognised in Statement of Profit or Loss	36.73	36.53
Expenses Recognised in OCI	(23.93)	17.51
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(13.96)	(7.55)
(Employer's Contribution)	-	(100.00)
Net Liability/(Asset) Recognised in the Balance Sheet	227.95	229.11
<b>Category of Assets</b>		
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	107.56	105.16
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
<b>Total</b>	<b>107.56</b>	<b>105.16</b>
<b>Other Details</b>		
No of Active Members	124	138
Per Month Salary For Active Members	39.49	43.10
Weighted Average Duration of the Projected Benefit Obligation	9.00	9.00
Average Expected Future Service	15.00	15.00
Projected Benefit Obligation	335.52	334.26
Prescribed Contribution For Next Year (12 Months)	39.49	43.10

## 2. Defined Benefit Plan (Contd.)

	(₹ in lakhs)	
Particulars	March 31, 2023	March 31, 2022
<b>Net Interest Cost for Next Year</b>		
Present Value of Benefit Obligation at the End of the Period	335.52	334.27
(Fair Value of Plan Assets at the End of the Period)	(107.56)	(105.16)
Net Liability/(Asset) at the End of the Period	227.96	229.11
Interest Cost	25.10	24.30
(Interest Income)	(8.05)	(7.65)
Net Interest Cost for Next Year	17.05	16.65
<b>Expenses Recognised in the Statement of Profit or Loss for Next Year</b>		
Current Service Cost	14.67	20.07
Net Interest Cost	17.05	16.66
(Expected Contributions by the Employees)	-	-
Expenses Recognised	31.72	36.73
<b>Maturity Analysis of the Benefit Payments: From the Employer</b>		
Projected Benefits Payable in Future Years From the Date of Reporting		
1 <sup>st</sup> Following Year	134.52	28.08
2 <sup>nd</sup> Following Year	6.39	114.39
3 <sup>rd</sup> Following Year	6.74	6.65
4 <sup>th</sup> Following Year	7.10	7.01
5 <sup>th</sup> Following Year	21.60	7.39
Sum of Years 6 To 10	59.43	65.56
<b>Sensitivity Analysis</b>		
<b>Impact of change in discount rate when base assumption is decreased/increased by 100 basis point</b>		
Present Value of Obligation for Discount Rate Increased by 100 basis point	313.35	309.81
Present Value of Obligation for Discount Rate Decreased by 100 basis point	361.72	363.15
<b>Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point</b>		
Present Value of Obligation for Salary Increment Rate Increased by 100 basis point	361.85	305.32
Present Value of Obligation for Salary Increment Rate Decreased by 100 basis point	312.86	359.22
<b>Impact of change in discount rate when base assumption is decreased/increased by 100 basis point</b>		
Present Value of Obligation for Withdrawal Rate @ 1.00%	338.79	331.31
Present Value of Obligation for Withdrawal Rate @ 3.00%	331.78	337.66

## 44. SEGMENT REPORTING

The Company operates in a single segment and in line with Ind AS - 108 - "Operating Segments", the operation of the Company fall under Chemical Business which is considered to be the only reportable business segment.

## 45. RELATED PARTY DISCLOSURES AND THEIR RELATIVES

Related Party Disclosures as required by Accounting Standard Ind AS 24 issued by Institute of Chartered Accountants of India are given below:

### 1 Related Parties and Nature of Relationship

#### a) Enterprises in which Key Managerial Personnel (KMP) and their relatives have significant influence:

Asahi Tennants Color Private Limited - Subsidiary Company

Akshar Chem (India) Ltd

Skyjet Aviation Pvt Ltd

Skyways

Gokul M. Jaykrishna HUF

Hunter Wealth Management LLP

Pluto Associates LLP

Plutoeco Enviro Association - Associate Company

Atlas Life Sciences (India) Private Limited - Subsidiary Company

Atlas Life Sciences Private Limited - Subsidiary Company

#### b) Key Managerial Personnel:

Mrs. Paru M. Jaykrishna - Chairperson and Managing Director

Mr. Gokul M. Jaykrishna - Joint Managing Director and CEO

Mr. Arjun G. Jaykrishna - Executive Director

Mr. Pratik Shah - Chief Financial Officer (upto 12.12.2022)

Mr. Narendra Rathi - Chief Financial Officer (w.e.f 13.02.2023)

Mr. Saji V Joseph - Company Secretary

#### c) Relative of Key Managerial Personnel

Mr. Mrugesh Jaykrishna

## 2. Details of Transactions during the year

### A. Enterprises own or significantly influenced by key managerial personnel or their relatives

		(₹ in lakhs)	
Particulars	March 31, 2023	March 31, 2022	
1 Asahi Tennants Color Private Limited			
Purchase of Goods/Services	2.82	-	
Sales of Goods/Services	124.29	90.69	
Unsecured Loans	780.00	-	
2 Aksharchem (India) Ltd			
Purchase of Goods	41.39	27.26	
Sales of Goods/Services	-	-	
3 Skyways			
Rent Paid	2.29	1.86	
4 Hunter Wealth Management LLP			
Rent/Maintenance Income	1.20	1.20	
5 Pluto Associates LLP			
Rent Paid	18.00	-	
6 Gokul M. Jaykrishna HUF			
Rent Paid	8.25	9.00	
7 Atlas Life Sciences (India) Private Limited			
Unsecured Loans	853.43	-	

### B. Key Managerial Personnel and their relatives

1 Mrs. Paru M. Jaykrishna			
Remuneration	42.00	72.00	
Perquisites	-	0.08	
Provident Fund Contribution	5.04	8.64	

**B. Key Managerial Personnel and their relatives** (Contd.)

		(₹ in lakhs)	
Particulars	March 31, 2023	March 31, 2022	
<b>2 Mr. Gokul M. Jaykrishna</b>			
Remuneration	44.80	76.80	
Commission	-	30.00	
Perquisites	0.12	1.87	
Provident Fund Contribution	3.36	5.76	
<b>3 Mr. Arjun G. Jaykrishna</b>			
Remuneration	14.00	24.00	
Perquisites	0.29	-	
Commission	-	30.00	
<b>4 Mr. Mrugesh Jaykrishna</b>			
Consultancy Charges	29.31	29.31	
<b>5 Mr. Pratik Shah (Upto 12.12.2022)</b>			
Salary and allowances	14.43	14.81	
<b>6 Mr. Narendra Rathi (w.e.f 13.02.2023)</b>			
Salary and allowances	4.70	-	
<b>7 Mr. Saji V Joseph</b>			
Salary and allowances	15.15	15.38	

**C. Outstanding payables/(receivables) to/from Related parties and key Managerial persons**

1	Asahi Tennants Color Private Limited	(212.41)	(53.78)
2	Aksharchem (India) Ltd	41.38	-
3	Skyways	0.53	0.14
4	Skyjet Aviation Pvt Ltd.	(0.63)	(0.63)
5	Hunter Wealth Management LLP	(1.20)	(0.60)
6	Pluto Associates LLP	4.05	-
7	Gokul M. Jaykrishna HUF	-	0.68
8	Mrs. Paru M Jaykrishna	-	2.15
9	Mr. Gokul M. Jaykrishna	-	3.15
10	Mr. Mrugesh Jaykrishna	2.24	2.25
11	Mr. Arjun G. Jaykrishna	-	1.40
12	Mr. Pratik Shah (upto 12.12.2022)	-	1.44
13	Mr. Narendra Rathi (w.e.f 13.02.2023)	1.09	-
14	Mr. Saji V Joseph	1.26	0.93

**46. DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES U/S 135 OF THE COMPANIES ACT, 2013 IS AS UNDER:**

a. Gross amount required to be spent by the Company during the year: ₹ 65.35 lakhs (Previous year ₹ 61.36 lakhs)

		(₹ in lakhs)	
Particulars	March 31, 2023	March 31, 2022	
<b>Amount required to be spent by the Company during the year</b>	65.35	61.36	
Amount of expenditure incurred on:			
(i) Construction/acquisition of any assets	-	-	
(ii) On purposes other than (i) above	65.35	61.36	
Shortfall at the end of the year	-	-	
Total of previous year shortfall	-	-	
Reason for shortfall	NA	NA	
Nature of CSR activities	Education, skilling, health, environmental sustainability, Rural Development activities		



## 47. CAPITAL MANAGEMENT

For the purpose of the Company capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	(₹ in lakhs)	
	March 31, 2023	March 31, 2022
Borrowings (Note No: 20 & 24)	9,730.95	5,238.98
Less: cash and cash equivalents (Note No: 12)	(44.98)	(26.59)
Net Debt	9,685.96	5,212.39
Total Equity	23,546.52	25,226.06
Total Equity and net debt	33,232.49	30,438.45
Gearing Ratio	0.29 : 1	0.17 : 1

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowing in the current period.

As at March 31, 2023 the Company has only one class of equity shares. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

## 48. DIVIDEND

The Board of Directors has recommended final dividend for the financial year 2022-23 on Equity Share Capital 5% (₹ 0.50 Per Equity of face value of ₹ 10/- each) subject to approval of the shareholders in the ensuing Annual General Meeting (AGM)

## 49. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial liabilities comprise other than derivatives mainly of borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, other balances with banks, loans, investments and cash and cash equivalents that arise directly from its operations.

The Company's activities are exposed to Credit risk, Market risk and Liquidity risk.

The Board of directors of the Company are overall responsible for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### 49.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

#### Trade receivables and loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management of the Company.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 120 days for customers. More than 85% of the Company's customers have been transacting with the Company for over four years,

and none of these customers' balances are credit-impaired at the reporting date.

Confirmation of balances from Debtors & Loans and Advances have been received and the same is being reconciled.

### Cash and cash equivalents

The Company holds cash and cash equivalents of ₹ 44.98 lakhs at March 31, 2023 (March 31, 2022: ₹ 26.59 lakhs). The cash and cash equivalents are held with bank and cash on hand.

### 49.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses process costing to cost its products, which assists it in

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

Nature of Borrowing	Change in basis points	Impact on PAT	
		(₹ in lakhs)	
		As at March 31, 2023	As at March 31, 2022
Borrowings from Bank	0.5%	(36.41)	(19.60)
	-0.5%	36.41	19.60

### 49.5 Foreign Currency Risk

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and functional currency. The functional currency of the Company is INR. The currencies in which these transactions are primarily denominated are US dollars.

The Company Forex risk management policy is to hedge currency exchange fluctuation and mitigate currency volatility and risks and to avoid uncertainties in cash flows. All foreign

monitoring cash flow requirements and optimizing its cash return on investments.

### 49.3 Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### 49.4 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

currency exposures – financial assets and liabilities and firm commitments (imports) & probable forecast transactions (exports) which are off-balance sheet exposures are covered under Forex risk management policy.

Hedging of trade exposures viz., imports and exports are generally hedged on net exposures basis. The Company mostly uses forward exchange contracts to hedge its currency risks mostly with the maturity of less than one year from the reporting date. The Company does not use derivative financial instruments for trading or speculative purposes.

### Outstanding foreign exchange exposure

Particulars	(₹ in lakhs)	
	March 31, 2023	March 31, 2022
<b>Trade Receivables</b>		
Rupees	3,210.99	4,226.51
<b>Trade Payables</b>		
Rupees	658.48	269.84
Net Exposure in Rupees	2,552.51	3,956.67

## Forward Exchange Contracts

### Forward Contracts outstanding/PCFC Outstanding

(₹ in lakhs)

Particulars	Currency	March 31, 2023	March 31, 2022
Net Exposure	US \$	31.44	53.41

## Risk over uncovered foreign currency

(₹ in lakhs)

Particulars	Currency	March 31, 2023	March 31, 2022
Exposure covered	US \$	-	53.41
Un hedged Exposure	US \$	31.44	-
Un hedged Exposure	₹	2,552.51	-
Risk over uncovered exposure @ 5% +/- Forex Rate fluctuation	₹	129.17	-

## Price Risk

### Investment Price Risk

The Company's exposure to price risk arises from investments in equity and mutual fund held by the Company and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investments, the Company diversifies its portfolio.

### Sensitivity Analysis

The table below summarises the impact of increase/decrease of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 3% or decreased by 3% with all other variables held constant.

## Risk over uncovered foreign currency:

(₹ in lakhs)

Particulars	Movement in Rate	Impact on OCI	
		2022-23	2021-22
Equity Shares (Quoted)	3%	1.68	1.81
Equity Shares (Quoted)	-3%	(1.68)	(1.81)

## Commodity Price Risk

Principal Raw Materials for Company's products are Phthalic Anhydride and Cuprous Chloride. Company sources its raw material requirements from domestic markets as well as from International Markets. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through appropriate contracts and commitments.

## 50. FINANCIAL INSTRUMENTS - FAIR VALUES & RISK MANAGEMENT

### I. Accounting Classifications & Fair Value Measurements

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All financial instruments are initially Recognised and subsequently re-measured at fair value as described below:

- The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
- Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.

3. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.
4. The fair value of forward foreign exchange contracts and currency swaps is determined using forward exchange rates and yield curves at the balance sheet date.

The Company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

**Level 1:** This includes financial instruments measured using quoted prices. The fair value of all equity instruments

that are traded on the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## II. Figures as at March 31, 2022

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
(₹ in lakhs)				
<b>Financial assets at amortised cost:</b>				
Investments (Non-Current)	4,945.60	-	-	4,945.60
Non Current Loans	-	-	-	-
Other Non Current Financial Assets	6.47	-	-	6.47
Trade Receivables	8,701.28	-	-	8,701.28
Cash and Cash Equivalents	26.59	-	-	26.59
Bank Balances Other than Cash and Cash Equivalents	345.25	-	-	345.25
Current Loans	7.05	-	-	7.05
Other Current Financial Assets	10.65	-	-	10.65
<b>TOTAL</b>	<b>14,042.89</b>	<b>-</b>	<b>-</b>	<b>14,042.89</b>
<b>Financial assets at fair value through other comprehensive income:</b>				
Investments (Current)	-	-	-	-
Investments (Non-Current)	80.77	80.77	-	-
<b>TOTAL</b>	<b>80.77</b>	<b>80.77</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities at amortised cost:</b>				
Borrowings (Non-Current)	1,374.42	-	-	1,374.42
Borrowings (Current)	3,864.56	-	-	3,864.56
Trade Payables	6,274.63	-	-	6,274.63
Other financial liabilities	266.10	-	-	266.10
<b>TOTAL</b>	<b>11,779.72</b>	<b>-</b>	<b>-</b>	<b>11,779.72</b>

### III. Figures as at March 31, 2023

(₹ in lakhs)

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets at amortised cost:</b>				
Investments (Non-Current)	9,746.60	-	-	9,746.60
Non Current Loans	780.00	-	-	780.00
Other Non Current Financial Assets	16.39	-	-	16.39
Trade Receivables	6,931.43	-	-	6,931.43
Cash and Cash Equivalents	44.98	-	-	44.98
Bank Balances Other than Cash and Cash Equivalents	357.53	-	-	357.53
Current Loans	861.01	-	-	861.01
Other Current Financial Assets	13.03	-	-	13.03
<b>TOTAL</b>	<b>18,750.98</b>	<b>-</b>	<b>-</b>	<b>18,750.98</b>
<b>Financial assets at fair value through other comprehensive income:</b>				
Investments (Current)	-	-	-	-
Investments (Non-Current)	74.90	74.90	-	-
<b>TOTAL</b>	<b>74.90</b>	<b>74.90</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities at amortised cost:</b>				
Borrowings (Non-Current)	2,237.04	-	-	2,237.04
Borrowings (Current)	7,493.90	-	-	7,493.90
Trade Payables	4,936.30	-	-	4,936.30
Other financial liabilities	62.03	-	-	62.03
<b>TOTAL</b>	<b>14,729.28</b>	<b>-</b>	<b>-</b>	<b>14,729.28</b>

#### 51. OFFSETTING FINANCIAL ASSETS AND LIABILITIES

The Company has not offset any financial asset and financial liability. It offsets a financial asset and a financial liability when it currently has a legal enforceable right to set-off the recognised amounts and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### a) Master netting arrangements – not currently enforceable

Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/

receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements are considered as terminated. As the Company does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Standalone Balance Sheet.

##### b) Collateral against borrowings

The Company has hypothecated/mortgaged assets as collateral against a number of its sanctioned line of credit (Refer Note 20) for further information on assets hypothecated | mortgaged as security). In case of default as per borrowing arrangement, such collateral can be adjusted against the amounts due.

**52. ADDITIONAL REGULATORY INFORMATION - RATIOS**

(₹ in lakhs)

Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	% Change	Reason for Change
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.14	1.74	-34.30%	The decrease is due to increase in working capital loans and decrease in Inventory and Receivables on account of lower demand.
Debt-Equity ratio (in times)	Total Debt	Total Equity	0.41	0.21	98.99%	The increase is on account of increase in debts and decrease in shareholder's equity.
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest payments + Principal repayments	0.85	4.67	-81.78%	The decrease is on account of net loss and increase in repayment of debt obligations and interest cost.
Return on equity ratio (in %)	Profit After Tax	Average Total Equity	-2%	10%	-119.36%	The decrease is on account of net loss for the year.
Trade receivables turnover ratio (in times)	Total Net Sales	Average trade receivables	4.30	4.85	-11.31%	-
Trade payables turnover ratio (in times)	Total Purchases	Average trade payables	3.61	5.62	-35.74%	The decrease is on account of lower purchases during the year due to lower demand and consumption.
Inventory Turnover Ratio	Total Net Sales	Average Inventory	5.33	6.33	-15.80%	-
Net capital turnover ratio (in times)	Total Net Sales	Average Working Capital (i.e. Total Current Assets less Total Current Liabilities)	6.97	5.55	25.57%	The increase is on account of better realisation of receivables and lower inventory.
Net profit ratio (in %)	Profit After Tax	Revenue from Operations	-1%	6%	-123.15%	The decrease is on account of net loss for the year due to adverse market situation
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Deferred tax liabilities	2%	13%	-87.89%	The decrease is on account of net loss for the year due to adverse market situation
Return on investment (in %)	Income from Investments	Average Investments	5.90%	5.68%	3.84%	-

### 53. ADDITIONAL REGULATORY INFORMATION RECONCILIATION OF QUARTERLY STOCK STATEMENTS SUBMITTED TO BANKS WHERE BORROWINGS HAVE BEEN AVAILABLE BASED ON SECURITY OF CURRENT ASSETS

(₹ in lakhs)

Quarter	Name of Bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in quarterly statement	Amount of difference	Reason for Difference
June, 2022	State Bank of India	Inventory-Raw Material	1,349.53	1,345.59	3.94	
June, 2022	State Bank of India	Inventory-Stock in process	353.87	344.87	9.00	
June, 2022	State Bank of India	Inventory- Finished Goods	5,044.00	5,021.16	22.84	
June, 2022	State Bank of India	Inventory- Finished Goods in transit	798.57	787.87	10.70	
June, 2022	State Bank of India	Inventory- Stores & Packing Materials	344.04	344.04	-	
June, 2022	State Bank of India	Trade Receivables	11,017.76	11,017.91	(0.15)	
September, 2022	State Bank of India	Inventory-Raw Material	1,649.71	1,649.97	(0.26)	
September, 2022	State Bank of India	Inventory-Stock in process	221.34	216.84	4.50	
September, 2022	State Bank of India	Inventory- Finished Goods	6,077.88	6,081.05	(3.17)	
September, 2022	State Bank of India	Inventory- Finished Goods in transit	241.50	236.80	4.70	
September, 2022	State Bank of India	Inventory- Stores & Packing Materials	323.84	280.67	43.17	
September, 2022	State Bank of India	Trade Receivables	6,002.22	5,995.30	6.92	
December, 2022	State Bank of India	Inventory-Raw Material	1,178.97	1,266.97	(88.00)	
December, 2022	State Bank of India	Inventory-Stock in process	242.83	193.66	49.17	
December, 2022	State Bank of India	Inventory- Finished Goods	4,984.59	4,720.55	264.04	
December, 2022	State Bank of India	Inventory- Finished Goods in transit	624.94	588.47	36.47	
December, 2022	State Bank of India	Inventory- Stores & Packing Materials	334.84	307.60	27.24	
December, 2022	State Bank of India	Trade Receivables	5,873.10	5,808.03	65.07	
March, 2023	State Bank of India	Inventory-Raw Material	1,443.80	1,508.67	(64.87)	
March, 2023	State Bank of India	Inventory-Stock in process	177.19	181.44	(4.25)	
March, 2023	State Bank of India	Inventory- Finished Goods	2,059.95	2,017.24	42.71	
March, 2023	State Bank of India	Inventory- Finished Goods in transit	553.54	536.34	17.20	
March, 2023	State Bank of India	Inventory- Stores & Packing Materials	247.76	220.11	27.65	
March, 2023	State Bank of India	Trade Receivables	6,907.68	6,967.94	(60.26)	

Refer Note Below

#### Note: Reason for Differences

- The differences in inventories and trade receivables are majorly on account of goods in transit where the goods have been physically dispatched from the Company location however, the same has not been considered as revenue from the purpose of revenue recognition principles and hence reversed from books of accounts for respective quarter ends. Similarly, goods in transit for goods which have not reached respective Company locations are not considered however, considered as purchases as per accounting principles. This has led to offsetting differences between Inventory, trade receivables and trade payable balances.
- The management, basis their understanding with banks, submits stock statement of physical stock as available at respective locations at the period end. Accordingly adjustment for goods in transit (inward and outward) is not considered for the purpose of filing returns with banks.

## 54. BUY-BACK OF SHARES

In accordance with the provisions contained in the SEBI (Buy-back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, the board of directors in its meeting held on May 19, 2022 had approved a proposal of buyback of 2,40,000 Equity Shares (representing 2% of the total paid-up equity share capital of the Company) at a price of ₹ 400/- per Equity Share, which opened on June 22, 2022 and closed on July 05, 2022 and settlement date for the Buyback offer was July 15, 2022. Accordingly, the Company has bought back and extinguished a total of 2,40,000 Equity Shares at an buyback price of ₹ 400/- per Equity Shares. The buyback resulted in a cash outflow of ₹ 960 lakhs (excluding transaction costs)

Particulars	March 31, 2023
Date of Board meeting approving the buy-back	19-May-2022
Date of Buy Back opening date	22-Jun-2022
Date of Buy Back closing date	5-Jul-2022
Date of Buy Back settlement date	15-Jul-2022
Numbers of shares bought back	2,40,000
Face value of shares bought back	₹ 10.00
Buy-back of price approved by the Board	₹ 400.00
Consideration paid towards buy-back (excluding transaction costs)	₹ 960.00 lakhs

Pursuant to the buy-back, the Company has adjusted premium per share and expenses on buy-back of aggregating ₹ 557.13 lakhs from securities premium and ₹ 378.87 lakhs from General Reserve. Further, an amount of 24.00 lakhs (equivalent to the face value of shares) has been transferred to capital redemption reserve and debited to general reserve.

## 55. EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the end of the reporting period, which require any adjustment or disclosure in the Standalone Financial Statements.

**56.** The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**57.** The Company do not have any transactions with companies struck off.

**58.** The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**59.** The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

**60.** The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

**61.** The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

**62.** The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



### 63. AUTHORISATION FOR ISSUE OF THE STANDALONE FINANCIAL STATEMENTS

The Standalone Financial Statements are approved for by Audit Committee and the Board of Directors at their respective meeting conducted on May 29, 2023.

The figures of the previous period have been regrouped/reclassified, wherever necessary, so as to be in conformity with the figures of the current period's classification/disclosure.

As per our report of even date attached

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**

CIN: L24222GJ1990PLC014789

For, **Talati and Talati LLP**  
Chartered Accountants  
ICAI Firm Registration No. 110758W/W100377

**Narendra Rathi**  
Chief Financial Officer

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN: 00671721)

**Kushal U. Talati**  
Partner  
Membership No. 188150

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

**Gokul M. Jaykrishna**  
Jt. Managing Director & CEO  
(DIN: 00671652)

**Place:** Ahmedabad

**Date:** May 29, 2023

**Place:** Ahmedabad

**Date:** May 29, 2023

# Independent Auditor's Report

To,  
The Members of  
**ASAHI SONGWON COLORS LIMITED**

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying Consolidated Financial Statements of Asahi Songwon Colors Limited (the 'The Company') and its subsidiaries (hereinafter referred to as "The Company and Subsidiaries" and together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of changes in equity and Consolidated Statement of cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated loss, their consolidated total comprehensive income, the consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the

Consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of a subsidiary Company audited by the other auditor, to the extent to it relates to subsidiary Company and, in doing so, place reliance on work of other auditor and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary Company is traced from their financial statements audited by other auditors. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of each Company.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **OTHER MATTER**

We did not audit the financial information of Three subsidiaries included in the consolidated financial results, whose financial information (before consolidation adjustments) reflects total assets of ₹ 23,879.90 lakhs as at March 31, 2023 and total revenues (including other income) of ₹ 5,123.77 lakhs and ₹ 17,760.68 lakhs for the quarter and year ended on March 31, 2023 respectively, total net loss after tax of ₹ 279.23 lakhs and ₹ 1,341.06 lakhs for the quarter and year ended March 31, 2023 respectively, total comprehensive Loss of ₹ 278.13 lakhs and ₹ 1340.63 lakhs for the quarter and year ended on March 31, 2023 and net cash inflow of ₹ 6.50 lakhs for the year ended on March 31, 2023, as considered in the consolidated Financial Results. The independent auditor's reports on financial information of this entities have been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

We did not audit the financial information of associate included in the consolidated financial results, whose financial information reflects profit/(loss) after tax of ₹ Nil lakhs and ₹ Nil lakhs for the quarter and year ended March 31, 2023 respectively, and total comprehensive Income/(loss) of ₹ Nil lakhs and ₹ Nil lakhs for the quarter and year ended March 31, 2023 respectively.

Corresponding figures for the year ended 31<sup>st</sup> March 2022 have been audited by another auditor who expressed an unmodified opinion dated May 19, 2022 on the consolidated financial statements of the Company for the year ended March 31, 2022. Our opinion on the consolidated financial statements is not modified in respect of this matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, according to the information and explanations given to us and based on the CARO reports issued by the respective auditors of companies included in the Consolidated Financial Statements, to which reporting under CARO is applicable as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the Consolidated Financial Statements.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, returns and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of the subsidiaries Company incorporated in India, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**" which is based on the auditors' reports of the Parent, subsidiary Company and joint venture Company incorporated in India.
- g) In our opinion and based on the consideration of report of other statutory auditor of the subsidiary companies incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiary incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. – Refer Note 43 to the Consolidated Financial Statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring the amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company incorporated in India.
  - iv. (a) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or such subsidiaries or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The respective managements of the Company and its subsidiaries which is Company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiaries respectively that, to the best of its knowledge

and belief, no funds have been received by the respective Company or such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiaries

which is Company incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. No dividend has been declared or paid during the year by subsidiary Company incorporated in India.

For **Talati and Talati LLP**  
Chartered Accountants  
FRN: 110758W/W100377

**CA Kushal Talati**  
Partner  
Membership No. 188150

**Place:** Ahmedabad  
**Date:** 29<sup>th</sup> May, 2023  
UDIN: 23188150BGQHGK6102

## ANNEXURE A

### To the Independent Auditors' Report of even date on the Consolidated Financial Statements of ASAHI SONGWON COLORS LIMITED

#### Report On The Internal Financial Controls Over Financial Reporting Under Clause (1) Of Subsection 3 Of Sec.143 Of The Companies Act, 2013("The Act")

We have audited the internal financial controls over financial reporting of Asahi Songwon Colors Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Consolidated Financial Statements of the Company and its subsidiary companies, which is incorporated in India, as of that date for the year ended on that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company which is the Company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary Company, which is incorporated in India.

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company. (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING.

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies of procedures may deteriorate.

## OPINION

In our opinion, the Company and such Company incorporated in India which is its subsidiary companies, have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by such Companies considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

For **Talati and Talati LLP**  
Chartered Accountants  
FRN: 110758W/W100377

**Place:** Ahmedabad  
**Date:** 29<sup>th</sup> May, 2023  
UDIN: 23188150BGQHKG6102

**CA Kushal Talati**  
Partner  
Membership No. 188150

# Consolidated Balance Sheet

As at March 31, 2023

(₹ in lakhs)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
<b>I ASSETS</b>			
<b>1) Non-current Assets</b>			
(a) Property, Plant and Equipment	3	21,067.99	19,671.86
(b) Right of Use Assets	4	3,632.68	3,642.50
(c) Capital work-in-progress	5	2,497.01	37.80
(d) Other Intangible Assets	6	2,817.08	214.54
(e) Financial Assets			
(i) Investments	7	125.73	131.55
(ii) Other Financial Assets	8	168.34	158.41
(f) Deffered Tax Assets	9	153.19	194.93
(g) Other Non Current assets	10	607.54	91.23
<b>Total Non-current Assets</b>		<b>31,069.56</b>	<b>24,142.82</b>
<b>2) Current Assets</b>			
(a) Inventories	11	8,623.41	10,610.87
(b) Financial Assets			
(i) Investments	12	5.26	-
(ii) Trade receivables	13	10,707.09	9,057.52
(iii) Cash and Cash equivalents	14	71.37	30.07
(iv) Bank balances other than (ii) above	15	810.10	387.67
(v) Loans	16	7.58	8.77
(vi) Others	17	18.73	15.26
(c) Current Tax Assets	18	589.06	224.83
(d) Other Current Assets	19	2,768.17	2,489.37
<b>Total Current Assets</b>		<b>23,600.77</b>	<b>22,824.36</b>
<b>TOTAL ASSETS</b>		<b>54,670.33</b>	<b>46,967.18</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
(a) Equity Share capital	20	1,178.73	1,202.73
(b) Other Equity	21	20,679.94	23,028.99
<b>Equity attributable to the Equity holders of the parent</b>		<b>21,858.67</b>	<b>24,231.72</b>
(c) Non Controlling Interest	22	4,146.50	4,211.38
<b>Total Equity</b>		<b>26,005.17</b>	<b>28,443.10</b>
<b>2) Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	5,595.34	2,707.75
(b) Provisions	24	280.62	194.93
(c) Deferred tax liabilities	25	1,700.57	1,565.27
(d) Other Non-Current liabilities	26	0.20	0.44
<b>Total Non Current Liabilities</b>		<b>7,576.73</b>	<b>4,468.39</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	12,372.64	6,038.05
(ii) Trade payables			
Total outstanding dues of Micro and Small Enterprises		810.68	791.55
Total outstanding creditors dues of other than Micro and Small Enterprises	28	7,337.02	6,552.39
(iii) Other Financial Liabilities	29	88.03	378.00
(b) Other Current Liabilities	30	386.87	252.56
(c) Provisions	31	93.19	43.14
<b>Total Current Liabilities</b>		<b>21,088.43</b>	<b>14,055.69</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>54,670.33</b>	<b>46,967.18</b>
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of Consolidated Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
CIN: L24222GJ1990PLC014789

For, **Talati and Talati LLP**  
Chartered Accountants  
ICAI Firm Registration No. 110758W/W100377

**Narendra Rathi**  
Chief Financial Officer

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN: 00671721)

**Kushal U. Talati**  
Partner  
Membership No. 188150  
Place: Ahmedabad  
Date: May 29, 2023

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

**Gokul M. Jaykrishna**  
Jt. Managing Director & CEO  
(DIN: 00671652)  
Place: Ahmedabad  
Date: May 29, 2023



# Consolidated Statement of Profit & Loss

For The Year Ended March 31, 2023

(₹ in lakhs)

Sr. No.	Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
<b>I.</b>	<b>Income:</b>			
	Revenue from operations	32	50,455.14	41,082.26
	Other income	33	585.93	561.12
	<b>Total Income (I)</b>		<b>51,041.07</b>	<b>41,643.38</b>
<b>II.</b>	<b>Expenses</b>			
	Cost of Materials consumed	34	33,835.80	30,468.58
	Purchase of Stock in Trade		1,496.71	47.91
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	35	2,926.16	(4309.99)
	Employee benefits expense	36	1,872.27	1,357.07
	Finance cost	37	1,401.96	472.42
	Depreciation and amortization expense	38	1,486.45	1,195.70
	Other Expenses	39	9,795.89	10,323.44
	<b>Total expenses (II)</b>		<b>52,815.24</b>	<b>39,555.13</b>
<b>III.</b>	<b>Profit before Exceptional items and tax expenses (I - II) [B]</b>		<b>(1,774.17)</b>	<b>2,088.25</b>
<b>IV.</b>	Exceptional items		-	-
<b>V.</b>	<b>Profit before tax expenses (III+ IV)</b>		<b>(1,774.17)</b>	<b>2,088.25</b>
<b>VI.</b>	<b>Tax expense</b>			
	Current tax		(2.12)	685.00
	Deferred tax		74.83	(61.82)
<b>VII.</b>	<b>Profit for the year (V - VI)</b>		<b>(1,846.88)</b>	<b>1,465.07</b>
<b>VIII.</b>	<b>Other Comprehensive Income</b>	40		
	(i) Items that will not be reclassified to profit or loss		18.76	9.42
	Income tax relating to items that will not be reclassified to profit or loss		(6.63)	8.78
	(ii) Items that will be reclassified to profit or loss		-	(67.40)
	Income tax relating to items that will be reclassified to profit or loss		-	16.97
	<b>Other Comprehensive Income for the year (net of tax)</b>		<b>12.13</b>	<b>(32.23)</b>
<b>IX.</b>	<b>Total Comprehensive Income for the year</b>		<b>(1,834.75)</b>	<b>1,432.84</b>
<b>X.</b>	<b>Profit for the year attributable to</b>			
	Owners of the Company		(1,164.90)	1,935.96
	Non Controlling Interest		(681.98)	(470.89)
<b>XI.</b>	<b>Other Comprehensive Income (Net of Tax) attributable to</b>			
	Owners of the Company		11.80	(33.83)
	Non Controlling Interest		0.33	1.60
<b>XII.</b>	<b>Total Comprehensive Income (Net of Tax) attributable to</b>			
	Owners of the Company		<b>(1,153.10)</b>	<b>1,902.13</b>
	Non Controlling Interest		<b>(681.65)</b>	<b>(469.29)</b>
<b>XIII.</b>	<b>Earnings per equity share (face value of ₹ 10/- each)</b>	41		
	Basic		<b>(9.83)</b>	16.10
	Diluted		<b>(9.83)</b>	16.10
	Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of Consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
 CIN: L24222GJ1990PLC014789

For, **Talati and Talati LLP**  
 Chartered Accountants  
 ICAI Firm Registration No. 110758W/W100377

**Narendra Rathi**  
 Chief Financial Officer

**Paru M. Jaykrishna**  
 Chairperson & Mg. Director  
 (DIN: 00671721)

**Kushal U. Talati**  
 Partner  
 Membership No. 188150  
**Place:** Ahmedabad  
**Date:** May 29, 2023

**Saji V. Joseph**  
 Company Secretary  
 Membership No. F 9596

**Gokul M. Jaykrishna**  
 Jt. Managing Director & CEO  
 (DIN: 00671652)  
**Place:** Ahmedabad  
**Date:** May 29, 2023

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

## A. EQUITY SHARE CAPITAL

Particulars	Note	(₹ in lakhs)
		Amount
<b>As at April 01, 2021</b>		1,202.73
Changes in Equity Share Capital due to prior period errors		-
<b>Restated Balance as at April 01, 2021</b>		<b>1,202.73</b>
Changes in equity share capital during the year		-
<b>As at March 31, 2022</b>		<b>1,202.73</b>
<b>As at April 01, 2022</b>		<b>1,202.73</b>
Changes in Equity Share Capital due to prior period errors		-
<b>Restated Balance as at April 01, 2022</b>		<b>1,202.73</b>
Changes in equity share capital during the year pursuant to Buyback (refer Note 58)		(24.00)
<b>As at March 31, 2023</b>		<b>1,178.73</b>

## B. OTHER EQUITY

Particulars	Reserves and Surplus				Other Components of Equity			Total Other Equity
	Securities Premium	General Reserve	Retained Earning	Capital redemption reserve	Equity Instruments through Other Comprehensive Income	Effective portion of gain or loss on cash flow hedges	Other Items of Comprehensive Income / (Loss)	
Balance as at April 01, 2021	557.13	2,762.50	18,200.09	24.50	(58.22)	46.45	15.36	21,547.81
Profit for the year	-	-	1,935.96	-	-	-	-	1,935.96
Other Comprehensive Income	-	-	-	-	8.48	(50.43)	8.12	(33.83)
Transfer from General Reserve	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,935.96</b>	<b>-</b>	<b>8.48</b>	<b>(50.43)</b>	<b>8.12</b>	<b>1,902.13</b>
Dividend Paid	-	-	(420.95)	-	-	-	-	(420.95)
<b>Balance as at March 31, 2022</b>	<b>557.13</b>	<b>2,762.50</b>	<b>20,557.00</b>	<b>24.50</b>	<b>(49.74)</b>	<b>(3.98)</b>	<b>23.48</b>	<b>23,028.99</b>
<b>Balance as at April 01, 2022</b>	<b>557.13</b>	<b>2,762.50</b>	<b>20,557.00</b>	<b>24.50</b>	<b>(49.74)</b>	<b>(3.98)</b>	<b>23.48</b>	<b>23,028.99</b>
Profit for the year	-	-	(1,164.90)	-	-	-	-	(1,164.90)
Other Comprehensive Income	-	-	-	-	(5.86)	24.35	(6.69)	11.80
Transfer from General Reserve	-	-	-	24.00	-	-	-	24.00
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(1,164.90)</b>	<b>24.00</b>	<b>(5.86)</b>	<b>24.35</b>	<b>(6.69)</b>	<b>(1,129.10)</b>
Dividend Paid	-	-	(58.94)	-	-	-	-	(58.94)

**B. OTHER EQUITY** (Contd.)

(₹ in lakhs)

Particulars	Reserves and Surplus				Other Components of Equity			Total Other Equity
	Securities Premium	General Reserve	Retained Earning	Capital redemption reserve	Equity Instruments through Other Comprehensive Income	Effective portion of gain or loss on cash flow hedges	Other Items of Comprehensive Income / (Loss)	
Buyback of Equity Shares (refer Note 54)	(557.13)	(603.87)	-	-	-	-	-	(1161.00)
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>2,158.63</b>	<b>19,333.16</b>	<b>48.50</b>	<b>(55.60)</b>	<b>20.37</b>	<b>16.79</b>	<b>20,679.95</b>

The accompanying notes form an integral part of Consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

**Asahi Songwon Colors Limited**

CIN: L24222GJ1990PLC014789

For, **Talati and Talati LLP**

Chartered Accountants

ICAI Firm Registration No. 110758W/W100377

**Narendra Rathi**  
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(DIN: 00671721)

**Kushal U. Talati**

Partner

Membership No. 188150

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

**Gokul M. Jaykrishna**  
Jt. Managing Director & CEO  
(DIN: 00671652)

**Place:** Ahmedabad

**Date:** May 29, 2023

**Place:** Ahmedabad

**Date:** May 29, 2023

# Consolidated Statement of Cash Flow

For The Year Ended March 31, 2023

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	(1,774.17)	2,088.24
<b>Adjustments for:</b>		
Depreciation and Amortisation Expense	1,486.45	1,195.70
Finance Cost	1,401.96	472.42
Profit/(Loss) on sale of Property, Plant and Equipment (Net)	(125.46)	(0.61)
Interest Income	(12.79)	(20.78)
Profit/(Loss) from sale of Current Investment (Net)	0.27	0.63
Dividend Income	(0.26)	2,750.17
		(0.30)
		1,647.06
<b>Operating Profit Before Working Capital Changes</b>	<b>976.00</b>	<b>3,735.30</b>
<b>Working Capital Changes</b>		
<b>Adjustments for</b>		
(Increase)/Decrease Trade receivables	2,299.41	(1,320.44)
(Increase)/Decrease Inventories	3,424.53	(5,738.69)
Increase/(Decrease) Trade payables	(2,297.12)	3,306.85
Changes in Loans, Current and Financial Assets	(1,041.59)	2,385.23
		925.67
		(2,826.61)
<b>Net Cash Flow Generated from Operating Activities</b>	<b>3,361.23</b>	<b>908.69</b>
Direct taxes paid (Net)	(364.13)	(946.22)
	(364.13)	(946.22)
<b>Net Cash Flow from Operating Activities</b>	<b>2,997.10</b>	<b>(37.53)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment (Including capital advances)	(3,146.24)	(2,778.75)
Proceeds from sale of Property, Plant & Equipment	210.40	76.27
Purchase of Non Current Investments	(4,800)	-
Sale of Non Current Investments	-	21.82
Margin money deposit (placed)/matured	1.74	(156.14)
Dividend Income	0.26	0.30
Interest Income	12.78	20.78
<b>Net Cash Flow from (used in) Investing Activities</b>	<b>(7,721.06)</b>	<b>(2,815.72)</b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment of long term borrowings	(1,768.27)	(501.83)
Availment of long term borrowings	4,414.24	3,258.49
Availment/(Repayment) Short term borrowings	4,725.53	974.34
Payment of Buy back of shares and tax	(1,161)	-
Payment of Dividend	(58.94)	(420.95)
Unclaimed dividend paid	(0.76)	0.86
Finance Cost	(1,401.96)	(472.42)
<b>Net Cash Flow from (used in) Financing Activities</b>	<b>4,748.84</b>	<b>2,838.49</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>24.88</b>	<b>(14.76)</b>
<b>Cash and cash equivalent at the beginning of the year</b>	<b>46.49</b>	<b>44.83</b>
<b>Cash and cash equivalent at the end of the year</b>	<b>71.37</b>	<b>30.07</b>

**Notes to Cash Flow Statement:**

1. Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

The accompanying notes form an integral part of Consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
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Company Secretary  
Membership No. F 9596

**Gokul M. Jaykrishna**  
Jt. Managing Director & CEO  
(DIN: 00671652)  
Place: Ahmedabad  
Date: May 29, 2023

# Notes forming part of the Consolidated Financial Statements

## GROUP INFORMATION

The Consolidated Financial Statements comprise financial statements of **Asahi Songwon Colors Limited** ('the Parent/Company'), its subsidiaries (collectively, 'the Group') for the year ended March 31, 2023.

The Parent Company is a public limited Company domiciled and incorporated in India having CIN: L24222GJ1990PLC014789 with its registered office at "Asahi House", 20, Times Corporate Park, Thaltej - Shilaj Road, Thaltej, Ahmedabad - 380 059. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.

The Group is principally engaged in the business of manufacturing & export of color pigments and its derivatives.

The financial statements as at March 31, 2023 present the financial position of the Group.

## 2. SIGNIFICANT ACCOUNTING POLICIES.

### 2.1 Basis of Preparation of Consolidated Financial Statements

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

#### (i) Compliance with Ind-AS

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

#### (ii) Basis of Preparation and presentation

The consolidated financial statements have been prepared and presented on the going concern basis and at historical cost basis considering the applicable provisions of Companies Act 2013, except for the following items that have been measured at fair value as required by relevant Ind AS.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- a) Certain financial assets/liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- b) Any other item as specifically stated in the accounting policy.

#### (iii) Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates.

#### (iv) Basis of Consolidation

##### a) Subsidiary Companies

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group decides whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- ◆ the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- ◆ potential voting rights held by the Group, other vote holders or other parties;
- ◆ rights arising from other contractual arrangements; and
- ◆ any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The acquisition method of accounting is used to account for business combinations by the Group.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. The Goodwill is determined separately for each subsidiary Company and such amounts are not set off between different entities.

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Sr No.	Name of the Subsidiary	Country of Incorporation	Extent of Holding/Voting power (%) as on March 31, 2023
1.	Aashi Tennants Color Private Limited	India	51
2.	Atlas Lifesciences Private Limited	India	78
3.	Atlas Lifesciences (India) Private Limited	India	100

#### b) Associate companies

Associate companies are all entities over which the Group has significant influence, but not control or joint control. Investments in associate companies are accounted for using the equity method of accounting {see (c) below}.

Following associate Company has been considered in the preparation of the consolidated financial statements:

Sr No.	Name of the Subsidiary	Country of Incorporation	Extent of Holding/Voting power (%) as on March 31, 2023
1.	Plutoeco Environ	India	25

#### c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise share of the Group in post-acquisition profit | loss and other comprehensive income of the entity. Dividends received or receivable from the associate companies and joint venture Company are recognised as a reduction in the carrying amount of the investment. When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associate Company and joint venture Company are eliminated to the extent of the Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment annually.

#### (v) Change in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### (vi) Rounding of amounts

The consolidated financial statements are presented in ₹ and all values are rounded to the nearest lakhs (00,000) as per the requirement of Schedule III, unless otherwise stated.

## 2.2 Critical accounting estimates, judgements, and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

### a. Depreciation/amortisation and useful lives of property plant and equipment

Useful lives and residual values of Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

### b. Taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

### c. Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

### d. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

### e. Impairment of financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## 2.3 Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Group as its normal operating cycle.

## 2.4 Property, Plant and Equipment (PPE) (Ind AS 16)

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount/rebate, import duties, non-refundable taxes, Net of Cenvat and VAT credit/GST input credit wherever applicable, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Group in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

Expenditure on acquisition of PPE for Research and Development (R&D) is included in PPE and depreciation thereon is provided as applicable.

The Group adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of its financial year.

### De-recognised upon disposal

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and loss when asset is derecognised.

### Treatment of Expenditure during Construction Period

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

### Depreciation

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognized till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date that the asset is derecognised.

The Group depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for plant and equipment wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act. Useful life considered for calculation of depreciation for various assets class are as follows:

Asset Class	Useful Life
Factory Building	30 years
Non-Factory Building	60 years
Road, Fencing, Borewell, etc.	5/10 years
Plant & Equipment	15/20 years
Lab Equipment	10 years
Electric Installation	10 years
Furniture & Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computers	3 years

The identified component of fixed asset is depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold Land is amortised over the primary period of the lease.

## 2.5 Goodwill and Other Intangible Assets

### Goodwill

Goodwill represents the cost of the acquired businesses | subsidiary in excess of the fair value of identifiable net assets acquired. Goodwill is not amortised, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill of the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

### Other Intangible Assets (Ind AS 38)

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### Computer Software

Computer software are amortized over period of 3 years.

### Internally Generated Intangible Assets - Research and Development Expenditure

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

## 2.6 Leases (Ind AS 116)

At the inception of a lease, the lease arrangements is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

### As a lessee

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To



assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: i) the contract involves the use of an identified asset; ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At the commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

### As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

## 2.7 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- i) fair values of the assets transferred;
- ii) liabilities incurred to the former owners of the acquired business;
- iii) equity interest issued by the Group; and
- iv) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the:

- sum of consideration transferred;
- amount of any non-controlling interest in the acquired entity;
- acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve. Where settlement of any part of cash consideration is deferred, the amounts payable in future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

## 2.8 Inventories (Ind AS 2)

Inventories consisting of stores and spares, raw materials, work in progress, stock in trade, goods in transit and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis and is net of credits under GST.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Traded goods include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## 2.9 Borrowing Cost (Ind AS 23)

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing cost are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## 2.10 Impairment of Assets (Ind AS 36)

At the end of each reporting period, the Group reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount

rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

### Impairment of investment in subsidiaries

The Company assess at each reporting date whether there is an indication that an asset may be impaired if any indication exists, on which annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An assets recoverable amount is the higher of an asset's or cash generating units (CGU's) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

## 2.11 Government Grants (Ind AS 20)

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

## 2.12 Taxes (Ind AS 12)

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

### a) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of

the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

### b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## 2.13 Employees Benefits (Ind AS 19)

### a) Employee Benefits

All employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

### b) Post-employment obligations

The Group operates the following post-employment schemes:

- (i) Defined benefit plans such as gratuity; and
- (ii) Defined contribution plans such as provident fund.

#### (i) Defined benefit plans-Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the

defined benefit obligations at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than ₹, the cash flows are discounted using market yields determined by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### (ii) Defined contribution plans

The Group pays provident fund contributions to publicly administered funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

## 2.14 Provisions, Contingent Liability and Contingent Assets (Ind AS 37)

Disputed liabilities and claims against the Group including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise, GST etc.) pending in appeal/court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability. No contingent asset is recognized but disclosed by way of notes to accounts.

## 2.15 Trade receivables

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss.

Trade receivable overdue for more than 180 days are considered as receivable with significant increase in credit risk.

## 2.16 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

## 2.17 Revenue Recognition (Ind AS 18)

### i) Revenue from operations

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from services, including those embedded in contract for sale of goods, namely, freight and insurance services mainly in case of export sales, is recognised upon completion of services.

Revenue is measured based on the consideration to which the Group expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Company only on an exception basis. Revenue excludes any taxes or duties collected on behalf of government that are levied on sales such as goods and services tax.

Eligible export incentives are recognised in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability.

### ii) Other income

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends are recognised in the Consolidated Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Lease rental income is recognised on accrual basis.

## 2.18 Cash Flows and Cash and Cash Equivalents (Ind AS 7)

Statement of cash flows is prepared in accordance with the indirect method prescribed in the Ind AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

## 2.19 Earnings per share (Ind AS 33)

### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group;
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after 'income-tax' effect of interest and other financing costs associated with dilutive potential equity shares; and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 2.20 Segment Reporting (Ind AS 108)

Based on "Management Approach" as defined in ₹ AS 108 – Operating Segments, the Management evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

## 2.21 Foreign Currency Transactions (Ind AS 21)

In preparing the consolidated financial statements of the Group, transactions in foreign currencies, other than the Group's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at

that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

## 2.22 Fair Value Measurement (Ind AS 113)

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 2.23 Events occurring after the balance sheet date (Ind AS 10)

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Group after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of consolidated financial statements are not recognized as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the consolidated financial statements.

## 2.24 Financial Instruments (Ind AS 109)

### i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### ii. Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

### Investments in subsidiary companies, associate companies and joint venture Company:

Investments in subsidiary Company is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary Company the difference between net disposal proceeds and the carrying amounts are recognised in the Standalone Statement of Profit and Loss.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

### De-recognition

#### Financial assets

The Group de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

#### Financial liabilities

The Group de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### 2.25 Cash Dividend to Equity Holders of the Group

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 2.26 Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated/amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

### 2.27 Goods and Service Tax/Service Tax input Credit

Goods and Service tax/Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits.

### 2.28 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA has amended the Companies (Indian Accounting Standards) Amendment Rules, 2023 as below:

#### Ind AS 1 – Presentation of Financial Statements

This amendment required the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

The Company is currently revisiting their accounting policy information disclosure to ensure consistency with the amended requirements.

#### Ind AS 8 - Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Companies Standalone financial statements.

#### **Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Company is currently assessing the impact of the amendments.

### 3. PROPERTY, PLANT AND EQUIPMENTS

(₹ in lakhs)

Particular	Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Gross Carrying Amount</b>							
<b>Gross Amount as on April 01, 2021</b>	<b>406.80</b>	<b>3,936.14</b>	<b>19,737.05</b>	<b>107.94</b>	<b>372.11</b>	<b>95.88</b>	<b>24,655.92</b>
Additions	203.01	27.10	3,231.51	4.14	46.54	11.28	3,523.58
Disposal & Adjustment	0.25	84.69	19.42	-	9.78	-	114.14
<b>Balance as at March 31, 2022</b>	<b>609.56</b>	<b>3,878.55</b>	<b>22,949.14</b>	<b>112.08</b>	<b>408.87</b>	<b>107.16</b>	<b>28,065.36</b>
Additions	-	384.13	322.77	387.50	18.08	44.72	1,157.20
Addition on Acquisition of Assets of Atlas Life Sciences Private Limited	-	436.98	1,500.57	<b>78.81</b>	136.21	48.88	2,201.44
Disposal & Adjustment	-	10.07	130.56	-	47.55	3.32	191.50
<b>Balance as at March 31, 2023</b>	<b>609.56</b>	<b>4689.59</b>	<b>24,641.92</b>	<b>578.39</b>	<b>515.61</b>	<b>197.44</b>	<b>31,232.50</b>
<b>Accumulated Depreciation</b>							
<b>Balance as at April 01, 2021</b>	<b>-</b>	<b>577.36</b>	<b>6,380.03</b>	<b>61.67</b>	<b>177.44</b>	<b>64.43</b>	<b>7,260.93</b>
Depreciaton for the period	-	141.17	959.93	8.61	44.60	11.33	1,165.64
Disposal & Adjustment	-	9.08	15.40	-	8.59	-	33.07
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>709.45</b>	<b>7,324.56</b>	<b>70.28</b>	<b>213.45</b>	<b>75.76</b>	<b>8,393.50</b>
Depreciaton for the period	-	158.75	1,195.60	13.48	52.99	18.94	1,439.76
Addition on Acquisition of Assets of Atlas Life Sciences Private Limited	-	68.03	251.94	45.31	34.30	37.82	437.40
Disposal & Adjustment	-	6.92	76.96	-	21.67	0.61	106.16
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>929.30</b>	<b>8,695.14</b>	<b>129.07</b>	<b>279.07</b>	<b>131.92</b>	<b>10,164.50</b>
<b>Net carrying amount</b>							
Balance as at March 31, 2022	609.56	3,169.10	15,624.58	41.80	195.42	31.40	19,671.86
Balance as at March 31, 2023	609.56	3,760.29	15,946.78	449.31	236.53	65.52	21,067.99

**Note:** The title deeds of all the immovable properties are held in the name of group.

The Group has pledged certain Property, Plant and Equipments against borrowings, details of which have been given in Note 23.

The Group has not done revaluation of PPE/Intangible assets during financial year ended March 31, 2023 and March 31, 2022. There are no assets which are lying with third parties.

### 4. RIGHT OF USE ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Gross Carrying Amount</b>		
	3,663.22	3,663.22
Additions	31.43	-
Disposals	-	-
<b>Balance at the End of the Year</b>	<b>3,694.65</b>	<b>3,663.22</b>
<b>Accumulated Amortisation</b>		
Balance at the beginning of the year	20.72	1.39
Amortisation for the period	41.25	19.33
<b>Balance at the End of the Year</b>	<b>61.97</b>	<b>20.72</b>
<b>Net carrying amount</b>	<b>3,632.68</b>	<b>3,642.50</b>



## 5. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a. Goodwill</b>		
Opening Balance	-	-
Addition: Acquisition during the year (Atlas Life Sciences Private Limited)	2,613.27	-
Less: Impairment during the year	-	-
<b>Closing Balance</b>	<b>2,613.27</b>	<b>-</b>
<b>b. Other Inrangible Assets</b>	<b>203.81</b>	214.54
<b>Total</b>	<b>2,817.08</b>	<b>214.54</b>

Goodwill acquired in Business Combination is allocated, at acquisition, to the Cash Generating Unit (CGU) that are expected to benefit from that Business Combination. The carrying amount of Goodwill has been shown above. (refer note 47 for Business Combinations).

## 6. CAPITAL WORK IN PROGRESS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Tangible Assets	1,995.26	37.80
Addition on Acquisition of Assets of Atlas Life Sciences Private Limited	501.75	-
<b>Total</b>	<b>2,497.01</b>	<b>37.80</b>

### Ageing Schedule

As at March 31, 2023

(₹ in lakhs)

Particular	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total
Tangible Assets	1,995.41	32.91	37.46	431.23	2,497.01
<b>Total</b>	<b>1,995.41</b>	<b>32.91</b>	<b>37.46</b>	<b>431.23</b>	<b>2,497.01</b>

### Ageing Schedule

As at March 31, 2022

(₹ in lakhs)

Particular	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total
Tangible Assets	6.37	-	31.43	-	37.80
<b>Total</b>	<b>6.37</b>	<b>-</b>	<b>31.43</b>	<b>-</b>	<b>37.80</b>

## 7. NON-CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹	No. of Shares	₹
<b>A. Investments in Associates and Joint Ventures</b>				
<b>Investments in equity instruments (fully paid-up)</b>				
<b>Unquoted</b>				
Shares of ₹ 10/- each of Plutoeco Enviro Association	2,500	0.25	2,500	0.25
	2,500	0.25	2,500	0.25

## 7. NON-CURRENT INVESTMENTS (Contd.)

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Aggregate amount of quoted investments	0.25	0.25

Particulars	(₹ in lakhs)			
	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹	No. of Shares	₹
<b>B. Other Investments</b>				
<b>B.1) Investments in equity instruments (fully paid-up)</b>				
<b>Other companies measured at FVOCI</b>				
<b>Quoted</b>				
Equity Shares of ₹ 1/- each of HDFC Life Insurance Company Limited	15,000	74.90	15,000	80.77
	<b>20,431</b>	<b>74.90</b>	<b>15,000</b>	<b>80.77</b>
<b>B.2) Investments in equity instruments (fully paid-up)</b>				
<b>Other companies measured at Cost</b>				
<b>Unquoted</b>				
Shares of ₹ 10/- each of Swadesh Essfil Private Limited @ premium of ₹ 573.94 per share	3,425	20.00	3,425	20.00
Shares of Bhadreshwar Vidyut Private Ltd. of ₹ 10/- each at discounted value of ₹ 0.19 per Share	2,81,000	0.53	2,81,000	0.53
Soor (Vastrapur) Owners Association	-	0.05	-	-
	<b>2,84,425</b>	<b>20.58</b>	<b>2,84,425</b>	<b>20.53</b>
<b>B.3) Investment in Debentures</b>				
<b>Other companies measured at Cost</b>				
<b>Unquoted</b>				
Compulsory Convertible Debentures of ₹ 100/- each of Smart Institute Private Limited	30,000	30.00	30,000	30.00
	<b>30,000</b>	<b>30.00</b>	<b>30,000</b>	<b>30.00</b>
	<b>3,34,856</b>	<b>125.48</b>	<b>3,29,425</b>	<b>131.30</b>

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Aggregate amount of quoted investments	74.90	80.77
Aggregate market value of quoted investments	74.90	80.77
Aggregate amount of unquoted investments	50.58	50.53

## 8. OTHER NON CURRENT FINANCIAL ASSETS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
a. Security Deposits	168.34	158.41
<b>Total</b>	<b>168.34</b>	<b>158.41</b>

## 9. DEFERRED TAX ASSETS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
a. Deferred Tax Assets	153.19	194.93
<b>Total</b>	<b>153.19</b>	<b>194.93</b>

**10. OTHER NON-CURRENT ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Capital Advances	607.54	91.23
<b>Total</b>	<b>607.54</b>	<b>91.23</b>

**11. INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Raw materials	3,511.23	3,221.92
b. Work in progress	1,624.85	1,496.92
c. Finished goods	2,544.39	4,867.24
d. Finished Goods in Transit	553.54	396.39
e. Stores and spares	323.40	497.17
f. Others (Fuel and Oil)	66.01	131.23
<b>Total</b>	<b>8,623.41</b>	<b>10,610.87</b>

**Note:** For details of inventory pledged as security refer Note 27.**12. CURRENT INVESTMENTS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Kotak Balanced Advantage Fund (35,150.098 Units)	5.26	-
<b>Total</b>	<b>5.26</b>	<b>-</b>

**13. TRADE RECEIVABLES**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good	10,707.09	9,057.52
Credit Impaired	42.94	42.34
Less: Allowance for Credit Losses	(42.94)	(42.34)
<b>Total</b>	<b>10,707.09</b>	<b>9,057.52</b>

**Trade Receivables Ageing Schedule**

As at March 31, 2023

(₹ in lakhs)

Particular	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. Undisputed Trade Receivables - Considered Good	9,131.36	826.49	607.98	23.18	6.45	68.69	10,664.15
ii. Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii. Undisputed Trade Receivables - Credit Impaired	-	-	0.56	0.12	0.07	42.19	42.94
iv. Disputed Trade Receivables- Considered Good	-	-	-	-	-	-	-
v. Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>9,131.36</b>	<b>826.49</b>	<b>608.54</b>	<b>23.30</b>	<b>6.52</b>	<b>110.88</b>	<b>10,707.09</b>

## Trade Receivables Ageing Schedule

As at March 31, 2022

Particular	Outstanding for following periods from due date of payment						(₹ in lakhs)
	Not Due	Less than 6 months	6 months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i. Undisputed Trade Receivables - Considered Good	7,319.57	1,521.61	87.33	13.71	10.92	62.04	9,015.18
ii. Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii. Undisputed Trade Receivables - Credit Impaired	-	-	0.09	0.07	0.11	42.07	42.34
iv. Disputed Trade Receivables- Considered Good	-	-	-	-	-	-	-
v. Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>7,319.57</b>	<b>1,521.61</b>	<b>87.42</b>	<b>13.78</b>	<b>11.03</b>	<b>104.11</b>	<b>9,057.52</b>

The Company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Opening Balance</b>	<b>42.34</b>	<b>40.12</b>
Change/(Release) to Statement of Profit and Loss	0.60	2.22
Utilised During the year	-	-
<b>Balance at the End of the Year</b>	<b>42.94</b>	<b>42.34</b>

Refer Note 27 for details of pledges and securities.

No Trade Receivable are due from Directors or other officers of the Company either severally or jointly with any other person.

## 14. CASH & CASH EQUIVALENTS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Balance with Banks in Current accounts	58.05	18.97
Cash on hand	13.32	11.11
<b>Total</b>	<b>71.37</b>	<b>30.07</b>

## 15. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Term Deposits with Bank as Margin Money against Letters of Credit, Bank Guarantees and Collateral Security	806.27	383.08
Earmarked balance for Unpaid Dividend	3.83	4.59
<b>Total</b>	<b>810.10</b>	<b>387.67</b>

**16. CURRENT LOANS****Unsecured, Considered good**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to Employees	7.58	8.77
<b>Total</b>	<b>7.58</b>	<b>8.77</b>

**17. OTHERS CURRENT FINANCIALS ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on term deposits	18.73	15.26
<b>Total</b>	<b>18.73</b>	<b>15.26</b>

**18. CURRENT TAX ASSETS (NET)**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance payment of tax (Net)	589.06	224.83
<b>Total</b>	<b>589.06</b>	<b>224.83</b>

**19. OTHERS CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with government authorities	2,341.89	2,136.61
Prepaid expenses	109.14	94.91
Misc. Expenses Assets	0.05	-
Advances Other than Capital Advances	317.09	257.86
<b>Total</b>	<b>2,768.17</b>	<b>2,489.37</b>

**20. SHARE CAPITAL**

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹	No. of Shares	₹
<b>Authorised:</b>				
Equity Shares of ₹ 10 each	1,65,00,000	1,650.00	1,65,00,000	1,650.00
<b>Issued &amp; Subscribed and Fully Paid Up</b>				
Equity Shares of ₹ 10 each	1,17,87,262	1,178.73	1,20,27,262	1,202.73
<b>Total</b>	<b>1,17,87,262</b>	<b>1,178.73</b>	<b>1,20,27,262</b>	<b>1,202.73</b>

**a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	(₹ in lakhs)			
	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹	No. of Shares	₹
<b>Equity Shares</b>				
At the beginning of the period	1,20,27,262	1,202.73	1,20,27,262	1,202.73
Less: Buy-back of equity shares	(2,40,000)	(24.00)	-	-
<b>Outstanding at the end of the period</b>	<b>1,17,87,262</b>	<b>1,178.73</b>	<b>1,20,27,262</b>	<b>1,202.73</b>

**b) Terms/rights attached to Equity Shares**

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Shares are entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after the payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Shares held by holding/ultimate holding Company/or their subsidiaries/associates: Not Applicable**

**d) Details of shares in the Company held by each shareholder holding in the Company more than 5 percent shares**

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding
Mrugesh Jaykrishna Family Trust - 1	51,78,403	43.93	52,76,651	43.87
Gokul M. Jaykrishna Family Trust	26,48,980	22.47	26,99,238	22.44
DIC Corporation	8,65,200	7.34	8,65,200	7.19
	<b>86,92,583</b>	<b>73.74</b>	<b>88,41,089</b>	<b>73.50</b>

**e) Details of shares in the Company held by Promoters**

Particulars	As at March 31, 2023		As at March 31, 2022		
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding	% Change
Mrugesh Jaykrishna Family Trust - 1	51,78,403	43.93	52,76,651	43.87	0.06
Gokul M. Jaykrishna Family Trust	26,48,980	22.47	26,99,238	22.44	0.03
Gokul M. Jaykrishna	9,627	0.08	9,809	0.08	0.00
Arjun G. Jaykrishna	28,384	0.24	28,922	0.24	0.00

- f) 1. Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash: **NIL**
2. Aggregate number and class of shares allotted as fully paid by way of Bonus Shares: **NIL**
3. Aggregate number and class of shares bought back: **During the financial year 2022-23 Company has bought back 2,40,000 equity shares of ₹ 10 each @ 400 per share**
4. Securities which are convertible into Equity Shares: **NIL**
5. Aggregate Value of Calls unpaid by directors and officers: **NIL**

## 21. OTHER EQUITY

(₹ in lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Securities Premium</b>		
Balance as per last year	557.13	557.13
Less: Buy-back of Shares	557.13	-
Balance at the end of the Year	-	<b>557.13</b>
<b>General Reserve</b>		
Balance as per last year	2,762.50	2,762.50
Add: Appropriations From Current year's Profit	-	-
Less: Transfer to Capital Redemption Reserve	603.88	-
Balance at the end of the Year	<b>2,158.62</b>	<b>2,762.50</b>
<b>Capital Redemption Reserve</b>		
Balance as per last year	24.50	24.50
Add: Transfer from General Reserve	24.00	-
Balance at the end of the Year	<b>48.50</b>	<b>24.50</b>
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance at the beginning of the year	19,684.86	18,203.68
Add: Profit after tax for the Year attributable to Owners of the Company	(1,164.90)	1,935.96
Other Comprehensive Income attributable to Owners of the Company	11.80	(33.83)
Gain on Transaction with controlling interest	-	-
Amount available for Appropriation	18,531.76	20,105.81
<b>Less: Appropriations</b>		
Dividend	58.94	420.95
<b>Dividend Distribution Tax</b>		
Total Appropriation	58.94	420.95
Balance at the end of the Year	18,472.82	19,684.86
<b>Total</b>	<b>20,679.94</b>	<b>23,028.99</b>

### 21.1 Distribution made and proposed to be made

(₹ in lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Cash dividends on equity shares declared and paid:</b>		
March 31, 2022: ₹ 0.50 per share	58.94	-
March 31, 2021: ₹ 3.50 per share	-	420.95
<b>Proposed dividends on equity shares declared and paid:</b>		
March 31, 2023: ₹ 0.50 per share	58.94	-
March 31, 2022: ₹ 0.50 per share	-	58.94

## Description of nature and purpose of each reserves

**General Reserve:** General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. General Reserve is a free reserve available to the Company. As per Companies Act 2013, transfer of profits to general reserve is not mandatory.

**Securities Premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

**Capital Redemption Reserve:** In accordance with Section 69 of the companies Act. 2013, the Company has created capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

**Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

**Equity instruments through other comprehensive income:** This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

**Other Comprehensive Income:** Other Comprehensive Income includes re-measurement loss on defined benefit plans, net of taxes that will not be reclassified to profit and loss.

## 22. NON CONTROLLING INTEREST

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Balance at the Beginning of the Year</b>	<b>4,211.38</b>	<b>4,680.67</b>
Addition in Share of Non Controlling Interest in Total Equity	616.77	-
Profit Attributable to Non Controlling Interest	(681.98)	(470.89)
Other Comprehensive Income attributable to Owners of the Company	0.33	1.60
<b>Balance at the end of the Year</b>	<b>4,146.50</b>	<b>4,211.38</b>

## 23. NON-CURRENT BORROWINGS

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
<b>a. Term Loans from Banks</b>		
From Federal Bank Ltd.	1,926.04	250.00
From HDFC Bank Ltd	2,903.71	1,124.42
From Kotak Mahindra Bank Ltd	-	1,333.33
Net of Repayable in one year considered as Current Borrowings (Refer Note: 27)		
Vehicle Loans	17.47	-
<b>Unsecured</b>		
Loans from Promoters	748.13	-
<b>Total</b>	<b>5,595.34</b>	<b>2,707.75</b>

### I.a Indian Rupee Term loan of Asahi Songwon Colors Limited from Banks are secured by

#### i Primary Security

Federal Bank Ltd. Term Loan: Exclusive charge on Fixed Assets purchased out of the term loan of Federal Bank Ltd in Asahi Songwon Colors Limited.

HDFC Bank Ltd. Term Loan: Exclusive charge on Fixed Assets purchased out of the term loan of HDFC Bank Ltd in Asahi Songwon Colors Limited.

#### ii Term of Repayment

Term Loan from Federal Bank Ltd. ₹ 250 lakhs (Previous year ₹ 750 lakhs), Repayable in 6 equal Instalments of ₹ 125 lakhs will end on July-2023

Term Loan from HDFC Bank Ltd. ₹ 1,118.65 lakhs (Previous year ₹ 1,258.49 lakhs), Repayable in 54 equal monthly Instalments of ₹ 23.30 lakhs will end on April-2027

Term Loan from HDFC Bank Ltd. ₹ 1851.47 lakhs (Previous year ₹ Nil), Repayable in 54 equal monthly Instalments of ₹ 37.78 lakhs will end on April-2027



## I.b Indian Rupee Term loan of Asahi Tennants Color Private Limited from HDFC Bank Ltd are secured by

### i. Primary Security

Movable Assets: Fixed and exclusive charge by way of hypothecation on entire Movable Fixed Assets (Plant & Machinery and other movable fixed assets) of the Company, both present and future, situated at D-2/CH-39, GIDC Estate Dahej-II, Village Vadadla, Taluka Vagra, Dist Bharuch-392110 Gujarat.

Immovable Assets: Fixed and exclusive charge by way of Equitable Mortgage on entire Fixed Assets (Land & Building) of the Company, situated at D-2/CH-39, GIDC Estate Dahej-II, Village Vadadla, Taluka Vagra, Dist Bharuch-392110 Gujarat.

### ii. Term of Repayment

Term Loan from HDFC Bank Ltd. ₹ 1,333.33 lakhs (Previous year ₹ Nil/-), Repayable in 8 equal Quarterly Instalments of ₹ 166.67 lakhs will end on March-2025.

## I.c Indian Rupee Term loan of Atlas Life Sciences Private Limited from Banks are secured by

### i. Primary Security

Federal Bank Ltd. Term Loan: First Charge on all Plant & Machineries of the Atlas Life Sciences Private Limited.

### ii Collateral Security

Commercial Building bearing Survey No: FP 30,31 TP No.1 SN525, 526/B mouje Odhav situated at Industrial Premises First Floor Kwick metal compound behind rudra complex near grid station odhav Ahmedabad-382415 of Atlas Life Sciences Private Limited.

Mouje Odhav S NO 343 to 346, Shed No 360/361 Odhav Industrial Estate developed by GIDC in the name of Atlas Life Sciences Private Limited.

### iii. Term of Repayment

Term loan from Federal Bank Ltd. ₹ 178.72 lakhs (Previous year Nil) Repayable in 20 equal monthly installments of ₹ 8.94 lakhs.

Term loan from Federal Bank Ltd. ₹ 190 lakhs (Previous year Nil) Repayable in 36 equal monthly installments of ₹ 5.28 lakhs.

Term loan from Federal Bank Ltd. ₹ 150 lakhs (Previous year Nil) Repayable in 17 equal monthly installments of ₹ 8.82 lakhs.

I.d Interest on Term Loan ranges from floating rate of Interest 7.50% to 8.40% p.a. linked to various benchmarks like T-Bill, MCLR etc.

I.e There was no default in repayment of loan or interest.

## 24. NON CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provisions for employees benefits</b>		
Provision for Gratuity	217.53	194.93
Provision for Leave Encashment	63.09	-
<b>Total</b>	<b>280.62</b>	<b>194.93</b>

## 25. DEFERRED TAX LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a. Deferred Tax Liabilities</b>		
Opening Balance	1,622.32	1,575.18
Accumulated depreciation	357.29	119.55
Other comprehensive income from investments	-	(72.41)
	<b>1,979.61</b>	<b>1,622.32</b>
<b>b. Deferred Tax Assets</b>		
Opening Balance	57.05	58.56
Defined benefit plan for employees and others	221.99	(1.51)
	279.04	57.05
<b>Liabilities (Net)</b>	<b>1,700.57</b>	<b>1,565.27</b>

## 26. OTHER NON CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits from customers	0.20	0.44
<b>Other Non Current Liabilities</b>	<b>0.20</b>	<b>0.44</b>

## 27. CURRENT BORROWING

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans *</b>		
<b>Loans repayable on demand from bank</b>		
<b>From State Bank of India</b>		
Working Capital Loans	3,006.87	30.49
<b>From Kotak Mahindra Bank Ltd</b>		
Working Capital Loans	-	1,506.81
<b>From HDFC Bank Ltd</b>		
Working Capital Loans	2,375.46	-
<b>From Federal Bank Ltd</b>		
Working Capital Loans	1,293.83	-
<b>Unsecured Loans</b>		
<b>Loans repayable on demand from bank</b>		
<b>From Federal Bank Ltd</b>		
Working Capital Loans	3,803.84	1,200.00
<b>From HDFC Bank Ltd</b>		
Working Capital Loans	-	2,000.00
<b>Current Maturities of Long Term Borrowings</b>	<b>1,892.65</b>	<b>1,300.74</b>
<b>Total</b>	<b>12,372.64</b>	<b>6,038.05</b>

### a) The working capital limits from State Bank of India are secured by:

#### i Primary Security

First charge in favour of State Bank of India by way of hypothecation over entire present and future current assets of Company.

#### ii Collateral Security

First charge in favour of State Bank of India on the entire Fixed Assets of the Company (Excluding Vehicles Purchased) of which includes:

- Equitable mortgage and/or hypothecation charge on entire Fixed Assets (Land, Building, Plant and Machinery) both present and future of the Company situated at Survey No. 437 to 440 ECP Channel Road, Village Dudhwada, Taluka Padra, District Vadodara, Gujarat.

- Lien on TDR of ₹ 25 lakhs.

### b) The working capital limits from HDFC Bank are secured by:

#### Primary Security

First charge in favour of HDFC Bank Ltd by way of hypothecation over entire present and future current assets of Asahi Tennants Color Private Limited.

#### Collateral Security

**Movable Assets:** Fixed and exclusive charge by way of hypothecation on entire Movable Fixed Assets (Plant & Machinery and other movable fixed assets) of the Company, both present and future, situated at D-2/CH-39, GIDC Estate Dahej-II, Village Vadadla, Taluka Vagra, Dist Bharuch-392110 Gujarat.

**Immovable Assets:** Fixed and exclusive charge by way of Equitable Mortgage on entire Fixed Assets (Land & Building) of the Company, situated at D-2/CH-39, GIDC Estate Dahej-II, Village Vadadla, Taluka Vagra, Dist Bharuch-392110 Gujarat.

### c) The working capital limits from Federal Bank are secured by

#### Primary Security

First charge in favour of Federal Bank Ltd by way of hypothecation over entire present and future current assets of Atlas Life Sciences Private Limited.

#### ii Collateral Security

Commercial Building bearing Survey No: FP 30,31 TP No.1 SN525, 526/B mouje Odhav situated at Industrial Premises First Floor Kwick metal compound behind rudra complex near grid station odhav Ahmedabad-382415 of Atlas Life Sciences Private Limited.

Mouje Odhav S NO 343 to 346, Shed No 360/361 Odhav Industrial Estate developed by GIDC in the name of Atlas Life Sciences Private Limited.

d) Interest on Working Capital Loan ranges from 7.50 % to 8.20% p.a. linked to various benchmarks like T-Bill, MCLR etc.

## 28. TRADE PAYABLES

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Trade payable</b>		
Dues to Micro and Small Enterprises	810.68	791.55
Dues to Creditors other than Micro and Small Enterprises	7,337.02	6,552.39
<b>Total</b>	<b>8,147.70</b>	<b>7,343.94</b>

### 28.1 DISCLOSURES AS REQUIRED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
a. Principal amount remaining unpaid to any supplier as at the end of accounting year.	810.68	791.55
b. Interest due and remaining unpaid to any supplier as at the end of accounting year.	-	-
c. Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
d. Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act, 2006.	-	-
e. Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
f. Amount of further interest remaining due and payable even in succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductivble expenditure under Section 23 of MSMED Act, 2006.	-	-
<b>Total</b>	<b>810.68</b>	<b>791.55</b>

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Trade Payables Ageing Schedule

As at March 31, 2023

(₹ in lakhs)

Particular	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Payables							
a) MSME	810.68	-	-	-	-	-	810.68
b) Others	5,662.03	1,140.31	509.90	9.43	5.07	10.29	7,337.02
(ii) Disputed Trade Payables							
a) MSME	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
<b>Total (i + ii)</b>	<b>6,472.71</b>	<b>1,140.31</b>	<b>509.90</b>	<b>9.43</b>	<b>5.07</b>	<b>10.29</b>	<b>8,147.70</b>

## Trade Payables Ageing Schedule

As at March 31, 2022

(₹ in lakhs)

Particular	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Payables							
a) MSME	791.55	-	-	-	-	-	791.55
b) Others	5,314.58	1,204.37	14.72	7.00	0.53	11.19	6,552.39
(ii) Disputed Trade Payables							
a) MSME	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
<b>Total (i + ii)</b>	<b>6,106.13</b>	<b>1,204.37</b>	<b>14.72</b>	<b>7.00</b>	<b>0.53</b>	<b>11.19</b>	<b>7,343.94</b>

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 29. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a. Unpaid Dividends #	3.83	4.59
b. Payable for fixed assets	38.10	348.49
c. Interest accrued but not paid	46.10	24.92
<b>Total</b>	<b>88.03</b>	<b>378.00</b>

# The Company has transferred ₹ 0.72 lakhs (Previous Year ₹ 0.86 lakhs) to the Investors Education and Protection Fund (IEPF) during the year.

**30. OTHER CURRENT LIABILITIES**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>a. Other payables</b>		
Advances from customers	-	1.18
Statutory liabilities	71.23	107.98
Other Current liabilities and payables	315.64	143.40
<b>Total</b>	<b>386.87</b>	<b>252.56</b>

**31. CURRENT PROVISIONS**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provision for Gratuity	69.26	43.14
Provision for Leave Encashment	23.93	-
<b>Total</b>	<b>93.19</b>	<b>43.14</b>

**32. REVENUE FROM OPERATIONS**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from Sale of Products</b>		
a. Export Sales	23,308.26	22,812.43
b. Domestic Sales	26,945.72	18,187.72
<b>Total - Sale of Products</b>	<b>50,253.99</b>	<b>41,000.15</b>
<b>c. Other operating revenues</b>		
Export incentives	12.21	0.53
Interest Income on FDR	28.19	20.78
Other Operating Income	160.75	60.80
<b>Total - Other Operating revenues</b>	<b>201.15</b>	<b>82.11</b>
<b>Total</b>	<b>50,455.14</b>	<b>41,082.26</b>

**33. OTHER INCOME**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a. Dividend Income	0.26	0.30
b. Exchange Rate Difference	403.27	472.50
c. Interest Income Others	40.63	27.03
d. Others	141.77	61.29
<b>Total</b>	<b>585.93</b>	<b>561.12</b>

**34. COST OF MATERIALS CONSUMED**

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>a. Raw Materials</b>		
Opening Stock	3,729.34	1,747.55
Add: Purchases	33,084.06	31,386.70
	36,813.40	33,134.25
Less: Closing Stock	3,386.88	3,169.78
Cost of Raw Material Consumed	33,426.53	29,964.47
<b>b. Packing Material</b>		
Opening Stock	126.68	70.47
Add: Purchases	339.61	560.32
	466.29	630.80
Less: Closing Stock	57.01	126.68
Cost of Packing Material Consumed	409.28	504.11
<b>Cost of Total material consumed</b>	<b>33,835.80</b>	<b>30,468.58</b>

**35. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>a. Inventories at the end of the year</b>		
Finished goods	3,247.75	5,263.64
Work-in-progress	1,475.02	1,496.92
<b>Total</b>	<b>4,722.77</b>	<b>6,760.56</b>
<b>b. Inventories at the beginning of the year</b>		
Finished goods	5,967.83	2,230.29
Work-in-progress	1,681.11	220.28
<b>Total</b>	<b>7,648.93</b>	<b>2,450.57</b>
<b>Net (Increase)/decrease</b>	<b>2,926.16</b>	<b>(4,309.99)</b>

**36. EMPLOYEE BENEFITS EXPENSE**

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
a. Salaries, Wages & Bonus *	1,455.66	937.74
b. Contribution to Provident and other funds	137.24	55.13
c. Staff welfare expenses	50.46	45.45
d. Directors Remuneration including perquisites and commission	228.91	318.76
<b>Total</b>	<b>1,872.27</b>	<b>1,357.07</b>

\* Salaries, Wages and Bonus excluded the salaries paid to the staff related to R & D, is debited to Research and Development expenses.

The Code on Social Security, 2020 ('Code') relating to employees benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**37. FINANCE COSTS**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>a. Interest</b>		
Term Loans	403.72	100.37
Working Capitals	913.31	308.88
<b>b. Other Financial Costs</b>		
Bank and other charges	84.93	63.18
<b>Total</b>	<b>1,401.96</b>	<b>472.42</b>

**38. DEPRECIATION AND AMORTIZATION EXPENSE**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation and amortization for the year on tangible assets	1,486.45	1,195.70
<b>Depreciation and amortization relating to continuing operations</b>	<b>1,486.45</b>	<b>1,195.70</b>

**39. OTHER EXPENSES**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power and Fuel	4,656.21	5,019.12
Consumption of Stores and Spare parts	540.57	403.06
Pollution Treatment Expenses	792.35	957.87
Repairs to Machinery	244.69	286.38
Repairs to Building	8.19	17.25
Repairs to Other Assets	25.13	23.18
Manufacturing & Labour Charges	1,290.70	1,143.38
Freight and forwarding Expenses	1,028.51	1,424.28
Other Selling and Distribution Expenses	265.01	118.36
Rent	63.23	44.12
Rates & Taxes (excluding taxes on income)	8.59	14.91
Insurance	91.60	66.30
Travelling, Conveyance & Vehicle Expenses	78.95	51.92
Directors Travelling Expenses	150.57	81.78
Auditors Remuneration *	7.29	5.77
Directors Sitting Fees	2.76	2.48
Legal & Professional Expenses	286.58	338.67
General Charges	104.17	92.98
Research and Development Expenses (Refer Note: 46)	77.15	95.41
Donation	-	0.11
Expenditure towards Corporate Social Responsibility activities (Refer Note: 50)	72.93	62.15
Expected Credit Loss Provision	0.59	2.22
Preliminary Expenditure Written Off	-	71.14
Loss on sales of Property, Plant & Equipments	0.11	0.61
<b>Total</b>	<b>9,795.89</b>	<b>10,323.44</b>

### 39.1 Depreciation and Amortization Expense

(₹ in lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Audit fees	7.29	5.77
<b>Total</b>	<b>7.29</b>	<b>5.77</b>

### 40. OTHER COMPREHENSIVE INCOME

(₹ in lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Items that will not be reclassified to Profit and Loss</b>		
Equity Instruments through FVOCI	24.19	22.99
Re-measurement of Defined Benefit Plan	(5.43)	(13.57)
Income tax relating to items that will not be reclassified to profit or loss	(6.63)	8.78
<b>Items that will be reclassified to Profit and Loss</b>		
Mark to Market Forex gain (Loss)	-	(67.40)
Income tax relating to items that will be reclassified to profit or loss	-	16.97
	<b>12.13</b>	<b>(32.23)</b>

### 41. EARNING PER SHARE

#### Basic and diluted earnings per share

Earning Per share is calculated by dividing the Profit/(Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below:

(₹ in lakhs)		
Particulars	March 31, 2023	March 31, 2022
Profit for the year	(1,164.90)	1,935.96
Net Profit attributable to Equity Shareholders	(1,164.90)	1,935.96
Profit after taxation before Extra Ordinary Items	(1,164.90)	1,935.96
Number of Equity Shares for Basic EPS	1,17,82,262	1,20,27,262
Number of Equity Shares for Diluted EPS	1,17,82,262	1,20,27,262
Nominal Value Per Share	10	10
Basic Earning Per Share	<b>(9.83)</b>	<b>16.10</b>
Diluted Earning Per Share	<b>(9.83)</b>	<b>16.10</b>

### 42. INCOME TAXES

#### A. The major components of income tax expense for the year as under

(₹ in lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Current tax</b>		
In respect of current year	(2.12)	685.00
<b>Deferred tax</b>		
In respect of Accumulated Depreciation	277.58	(63.33)
In respect of Other comprehensive income from investments	(6.69)	3.02
In respect of defined benefit plan for employees and others	(196.06)	(1.51)
<b>Total deferred tax</b>	<b>74.83</b>	<b>(61.82)</b>
<b>Total tax expenses charged to statement of Profit and Loss</b>	<b>72.71</b>	<b>623.18</b>



**B. Reconciliation of effective Tax Rate**

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Applicable Tax Rate</b>	<b>25.168%</b>	<b>25.168%</b>
Profit before tax	(1,774.17)	2,088.25
Income not considered for tax purpose	12.13	(32.23)
Expenses not allowed for tax purpose	-	(119.39)
Tax payable at lower rate	-	182.88
<b>Net Taxable income for the year</b>	<b>(1,762.04)</b>	<b>2,119.51</b>
<b>Effective Tax for the year</b>	<b>-</b>	<b>533.44</b>
Effective tax at lower rate	-	-
Total current tax calculated for the year	-	533.44
<b>Excess provision</b>	<b>-</b>	<b>151.56</b>
<b>Effective current tax rate for the year</b>	<b>-</b>	<b>25.54%</b>

**43. CONTINGENT LIABILITIES**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
In Respect of Income Tax	46.33	47.20
Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year	599.26	659.32

**44. CAPITAL COMMITMENT**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Estimated amount of Contracts/purchase orders remaining to be executed and not provided for Capital goods/Capital work in progress	5,467.18	-

**45. RESEARCH AND DEVELOPEMENT**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Capital Goods</b>		
Machinery and Equipments for Research Laboratory	-	-
<b>Total Capital Expenditure</b>	<b>-</b>	<b>-</b>
<b>Revenue Expenses</b>		
Salaries & Wages	67.21	77.39
Laboratory Chemicals and other goods	9.34	17.09
Stationery	0.04	0.04
Consumable stores	-	0.06
Travelling Expenses	-	0.16
Conveyance Expenses	-	0.15
Testing Expenses	0.03	0.30
Seminar for R & D	-	-
Sampling Expenses	-	-
Electricity Expenses	0.16	0.21
<b>Total Revenue Expenditure</b>	<b>76.78</b>	<b>95.40</b>
<b>Total Expenditure towards R &amp; D</b>	<b>76.78</b>	<b>95.40</b>

## 46. EMPLOYEES BENEFITS

In compliance with the Accounting Standard on “Employee Benefits” (AS 19) notified by Companies (Accounting Standards) Rules, 2006, the following disclosures have been made:

### 1. Defined Contribution Plan

The Group has recognized the following amount as an expense

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Contribution to Provident and other Funds	61.81	55.13

### 2. Defined Benefit Plan

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
-------------	----------------	----------------

#### Table Showing Change in the Present Value of Projected Benefit Obligation

Present Value of Benefit Obligation at the Beginning of the Period	343.23	289.81
Interest Cost	33.47	20.00
Current Service Cost	33.31	22.23
Past Service Cost	-	-
Liability Transferred In/Acquisitions	121.04	-
(Liability Transferred Out/Divestments)	-	-
(Gains)/Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	(32.65)	(7.55)
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	0.25
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(6.23)	(11.95)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(22.74)	30.43
Present Value of Benefit Obligation at the End of the Period	469.42	343.22

#### Table Showing Change in the Fair Value of Plan Assets

Fair Value of Plan Assets at the Beginning of the Period	105.16	-
Interest Income	11.60	-
Contributions by the Employer	5.34	100.00
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	65.15	-
(Assets Transferred Out/Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	(4.61)	5.16

**2. Defined Benefit Plan** (Contd.)

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Fair Value of Plan Assets at the End of the Period	182.64	105.16
<b>Amount Recognized in the Balance Sheet</b>		
(Present Value of Benefit Obligation at the end of the Period)	(469.42)	(343.22)
Fair Value of Plan Assets at the end of the Period	182.64	105.16
Funded Status (Surplus/(Deficit))	(286.78)	(238.06)
Net (Liability)/Asset Recognized in the Balance Sheet	(286.78)	(238.06)
<b>Net Interest Cost for Current Period</b>		
Present Value of Benefit Obligation at the Beginning of the Period	343.22	289.81
(Fair Value of Plan Assets at the Beginning of the Period)	(105.16)	-
Net Liability/(Asset) at the Beginning	300.21	289.81
Interest Cost	33.47	20.00
(Interest Income)	(11.60)	-
Net Interest Cost for Current Period	21.88	20.00
<b>Expenses Recognized in the Statement of Profit or Loss for Current Period</b>		
Current Service Cost	33.31	22.24
Net Interest Cost	21.87	20.00
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	36.73	42.24
<b>Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</b>		
Actuarial (Gains)/Losses on Obligation For the Period	(28.99)	18.73
Return on Plan Assets, Excluding Interest Income	4.61	(5.16)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(24.37)	13.57
<b>Balance Sheet Reconciliation</b>		
Opening Net Liability	238.07	289.81
Expenses Recognized in Statement of Profit or Loss	55.18	42.24
Expenses Recognized in OCI	(24.37)	13.57
Net Liability/(Asset) Transfer In	55.88	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(32.65)	(7.55)
(Employer's Contribution)	(5.34)	(100.00)
Net Liability/(Asset) Recognized in the Balance Sheet	286.78	238.07
<b>Category of Assets</b>		
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-

## 2. Defined Benefit Plan (Contd.)

	(₹ in lakhs)	
Particulars	March 31, 2023	March 31, 2022
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	182.64	105.16
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
<b>Total</b>	<b>182.64</b>	<b>105.16</b>
<b>Other Details</b>		
No of Active Members	231	161
Per Month Salary For Active Members	78.12	57.01
Weighted Average Duration of the Projected Benefit Obligation	30	26
Average Expected Future Service	50	34
Projected Benefit Obligation	469.42	343.22
Prescribed Contribution For Next Year (12 Months)	63.50	43.10
<b>Net Interest Cost for Next Year</b>		
Present Value of Benefit Obligation at the End of the Period	469.42	343.22
(Fair Value of Plan Assets at the End of the Period)	(182.64)	(105.16)
Net Liability/(Asset) at the End of the Period	286.78	238.07
Interest Cost	35.13	24.96
(Interest Income)	(13.67)	(7.64)
Net Interest Cost for Next Year	21.46	17.32
<b>Expenses Recognized in the Statement of Profit or Loss for Next Year</b>		
Current Service Cost	29.20	26.02
Net Interest Cost	21.46	17.32
(Expected Contributions by the Employees)	-	-
Expenses Recognized	50.66	43.34
<b>Maturity Analysis of the Benefit Payments: From the Employer</b>		
<b>Projected Benefits Payable in Future Years From the Date of Reporting</b>		
1 <sup>st</sup> Following Year	200.62	28.12
2 <sup>nd</sup> Following Year	7.91	144.44
3 <sup>rd</sup> Following Year	12.41	6.70
4 <sup>th</sup> Following Year	9.14	7.29
5 <sup>th</sup> Following Year	23.85	7.73
Sum of Years 6 To 10	106.45	68.70
<b>Sensitivity Analysis</b>		
<b>Impact of change in discount rate when base assumption is decreased/increased by 100 basis point</b>		
Present Value of Obligation for Discount Rate @ 5.90%	440.76	317.43
Present Value of Obligation for Discount Rate @ 7.90%	503.19	373.82

## 2. Defined Benefit Plan (Contd.)

Particulars	(₹ in lakhs)	
	March 31, 2023	March 31, 2022
<b>Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point</b>		
Present Value of Obligation for Salary Increment Rate @ 5.00%	492.38	312.56
Present Value of Obligation for Salary Increment Rate @ 7.00%	440.13	369.54
<b>Impact of change in discount rate when base assumption is decreased/increased by 100 basis point</b>		
Present Value of Obligation for Withdrawal Rate @ 1.00%	472.92	340.20
Present Value of Obligation for Withdrawal Rate @ 3.00%	465.34	346.63

## 47. SEGMENT REPORTING

The Group has reported segment information as per the Ind AS 108, "Operating Segments", as below:

Name of Segment	Main Product Groups
Chemicals	Dyes and Pigments
Life Science Chemicals	API and API Intermediates

Particulars	(₹ in lakhs)	
	March 31, 2023	
<b>I Segment Revenue</b>		
(a) Pigments		38,326.28
(b) API		12,714.19
<b>Total</b>		<b>51,040.47</b>
Less: Inter Segment Revenue		-
<b>Total Revenue</b>		<b>51,040.47</b>
<b>II Segment Results</b>		
(a) Pigments		(665.08)
(b) API		292.87
<b>Total</b>		<b>(372.21)</b>
Less:		
(i) Finance Costs		1,401.96
<b>Total Profit Before Tax</b>		<b>(1,774.17)</b>
<b>III Segment Assets</b>		
(a) Pigments		57,297.16
(b) API		9,439.47
Less: Elimination		12,066.30
<b>Total Assets</b>		<b>54,670.33</b>
<b>IV Segment Liabilities</b>		
(a) Pigments		23,963.00
(b) API		6,564.97
Less: Elimination		1,862.81
<b>Total Liabilities</b>		<b>28,665.16</b>

### Business Combinations

**Note:** On April 18, 2022, the Company entered into an closing agreement to purchase 78% shareholding of the Atlas Life Sciences Private Limited for a consideration of ₹ 48 crores from its existing shareholders with remaining 22% to be acquired in future as per certain terms and conditions. The acquisition was accounted for as a Business Combination using the acquisition method of accounting in accordance with Ind AS 103 'Business Combinations'. The purchase price has been allocated to the assets acquired and liabilities assumed based on the fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired has been allocated to Goodwill.

**Details of amount paid and payable, including allocation based on Purchase Price accounting in accordance with Ind AS 103 are summarised below:**

Particulars	(₹ in lakhs)	
	March 31, 2023	March 31, 2022
Purchase consideration as per Ind AS 103	4,800.00	-
Identifiable Net Assets on date of purchase (18.04.2022) as per Ind AS 103	2,186.73	-
<b>Goodwill</b>	<b>2,613.27</b>	<b>-</b>

**48. RELATED PARTY DISCLOSURES AND THEIR RELATIVES**

Related Party Disclosures as required by Accounting Standard Ind AS 24 issued by Institute of Chartered Accountants of India are given below:

**1. Related Parties and Nature of Relationship**

**a) Enterprises in which Key Managerial Personnel (KMP) and their relatives have significant influence**

AksharChem (India) Ltd  
Skyjet Aviation Pvt Ltd  
Skyways  
Gokul M. Jaykrishna HUF  
Hunter Wealth Management LLP

Plutoeco Enviro Association - Associate Company  
Pluto Associates LLP

**b) Key Managerial Personnel**

Mrs. Paru M. Jaykrishna - Chairperson and Managing Director  
Mr. Gokul M. Jaykrishna - Joint Managing Director and CEO  
Mr. Arjun M. Jaykrishna - Executive Director  
Mr. Pratik Shah - Chief Financial Officer (upto 12.12.2022)  
Mr. Narendra Rathi - Chief Financial Officer (w.e.f 13.02.2023)  
Mr. Saji V Joseph - Company Secretary

**c) Relative of Key Managerial Personnel**

Mr. Mrugesh Jaykrishna

**2. Details of Transactions during the year**

**A. Enterprises own or significantly influenced by key managerial personnel or their relatives**

Particulars	(₹ in lakhs)	
	March 31, 2023	March 31, 2022
1 AksharChem (India) Ltd		
Purchase of Goods	41.39	27.26
2 Skyways		
Rent Paid	2.29	1.86
3 Hunter Wealth Management LLP		
Rent/Maintenance Income	1.20	1.20
4 Gokul M. Jaykrishna HUF		
Rent Paid	8.25	9.00
5 Pluto Associates LLP		
Rent Paid	18.00	-
<b>B Key Managerial Personnel and their relatives</b>		
<b>1 Mrs. Paru M. Jaykrishna</b>		
Remuneration	42.00	72.00
Perquisites	-	0.08
Provident Fund Contribution	5.04	8.64
<b>2 Mr. Gokul M. Jaykrishna</b>		
Remuneration	86.45	124.80
Commission	-	30.00
Perquisites	0.12	1.87
Provident Fund Contribution	3.36	5.76
<b>3 Mr. Arjun G. Jaykrishna</b>		
Remuneration	40.64	60.00
Perquisites	0.29	-
Commission	-	30.00

**2. Details of Transactions during the year** (Contd.)

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>4 Mr. Mrugesh Jaykrishna</b>		
Consultancy	29.31	29.31
<b>5 Mr. Pratik Shah (Upto 12.12.2022)</b>		
Salary and allowances	24.93	23.58
<b>6 Mr. Narendra Rathi (w.e.f 13.02.2023)</b>		
Salary and allowances	7.40	1.05
<b>7 Mr. Saji V Joseph</b>		
Salary and allowances	15.88	15.38
<b>C Outstanding payables/(receivables) to/from Related parties and key Managerial persons</b>		
1 Aksharchem (India) Ltd,	41.38	-
2 Skyways	0.53	0.14
3 Skyjet Aviation Pvt Ltd.	(0.63)	(0.63)
4 Hunter Wealth Management LLP	(1.20)	(0.60)
5 Pluto Associates LLP	4.05	-
6 Gokul M. Jaykrishna HUF	-	0.68
7 Mr. Paru M. Jaykrishna	-	2.15
8 Mr. Gokul M. Jaykrishna	37.46	3.15
9 Mr. Mrugesh Jaykrishna	2.24	2.25
10 Mr. Arjun G. Jaykrishna	10.55	1.40
11 Mr. Pratik Shah (upto 12.12.2022)	-	1.44
12 Mr. Narendra Rathi (w.e.f 13.02.2023)	1.81	-
13 Mr. Saji V Joseph	1.26	0.93

**49. DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES U/S 135 OF THE COMPANIES ACT, 2013 IS AS UNDER****a. Gross amount required to be spent by the Company during the year: ₹ 65.35 lakhs (Previous year ₹ 61.36 lakhs)**

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Amount required to be spent by the Company during the year	65.35	61.36
Amount of expenditure incurred on:		
(i) Construction/acquisition of any assets	-	-
(ii) On purposes other than (i) above	65.35	61.36
Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Education, skilling, health, environmental sustainability, Rural Development activities	

## 50. CAPITAL MANAGEMENT

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	(₹ in lakhs)	
	March 31, 2023	March 31, 2022
Borrowings (Note No: 23 & 27)	17,967.98	8,745.80
Less: cash and cash equivalents (Note No: 14)	(71.37)	(30.07)
Net Debt	17,896.61	8,715.72
Total Equity	26,005.17	28,443.10
Total Equity and net debt	43,901.78	37,158.82
Gearing Ratio	0.41 : 1	0.23 : 1

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowing in the current period.

As at March 31, 2023, the Group has only one class of equity shares. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

## 51. DIVIDEND

### Final Dividend

The Board of Directors has recommended final dividend for the financial year 2022-2023 on Equity Share Capital 5% (₹ 0.50 Per Equity of face value of ₹ 10/- each) subject to approval of the shareholders in the ensuing Annual General Meeting (AGM)

## 52. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Group's financial liabilities comprise other than derivatives mainly of borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets, other than derivatives, include trade and other receivables, other balances with banks, loans, investments and cash and cash equivalents that arise directly from its operations.

The Group's activities are exposed to Credit risk, Market risk and Liquidity risk.

The Board of directors of the Group are overall responsible for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### 52.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

#### Trade receivables and loans

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management of the Group.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 120 days for customers. More than 85% of the Group's customers have been transacting with the Group for over four years, and none of these customers' balances are credit-impaired at the reporting date.



Confirmation of balances from Debtors & Loans and Advances have been received and the same is being reconciled.

### Cash and cash equivalents

The Group holds cash and cash equivalents of ₹ 71.37 lakhs at March 31, 2023 (March 31, 2022: ₹ 30.07 lakhs). The cash and cash equivalents are held with bank and cash on hand.

### 52.2 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities

### 52.4 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

Nature of Borrowing	Change in basis points	Impact on PAT	
		(₹ in lakhs)	
		As at March 31, 2023	As at March 31, 2022
Borrowing from Bank	0.5%	(41.16)	(32.72)
	-0.5%	41.16	32.72

### 52.5 Foreign Currency Risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and functional currency. The functional currency of the Group is INR. The currencies in which these transactions are primarily denominated are US dollars.

The Group Forex risk management policy is to hedge currency exchange fluctuation and mitigate currency volatility and risks and to avoid uncertainties in cash flows. All foreign currency exposures – financial assets and liabilities and firm commitments (imports) & probable forecast transactions (exports) which are off-balance sheet exposures are covered under Forex risk management policy.

Hedging of trade exposures viz., imports and exports are generally hedged on net exposures basis. The Group mostly uses forward exchange contracts to hedge its currency risks mostly with the maturity of less than one year from the reporting date. The Group does not use derivative financial instruments for trading or speculative purposes.

### Outstanding foreign exchange exposure

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables</b>		
Rupees	3,238.45	4,353.71
<b>Trade Payables</b>		
Rupees	717.60	653.31
Net Exposure in Rupees	2,520.85	3,437.65

when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses process costing to cost its products, which assists it in monitoring cash flow requirements and optimizing its cash return on investments.

### 52.3 Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

## Forward Exchange Contracts

Forward Contracts outstanding

(₹ in lakhs)

Particulars	Currency	As at March 31, 2023	As at March 31, 2022	Cross Currency
Net Exposure	US \$	31.07	50.03	Rupees

## Risk over uncovered foreign currency

(₹ in lakhs)

Particulars	Currency	As at March 31, 2023	As at March 31, 2022	Cross Currency
Exposure covered	US \$	31.07	50.03	Rupees
Un hedged Exposure	US \$	-	-	
Un hedged Exposure	INR	2,522.17	-	Rupees
Risk over uncovered exposure @ 5% +/- Forex Rate fluctuation	INR	127.92	-	

## Price Risk

### Investment Price Risk

The Group's exposure to price risk arises from investments in equity and mutual fund held by the Group and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investments, the Group diversifies its portfolio.

### Sensitivity Analysis

The table below summarises the impact of increase/decrease of the index on the Group's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 3% or decreased by 3% with all other variables held constant.

(₹ in lakhs)

Particulars	Movement in Rate	Impact on OCI	
		2022-23	2021-22
Equity Shares (Quoted)	3%	1.68	2.83
Equity Shares (Quoted)	-3%	(1.68)	(2.83)

### Commodity Price Risk

Principal Raw Materials for Group's products are Phthalic Anhydride and Cuprous Chloride. Group sources its raw material requirements from domestic markets as well as from International Markets. Group effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through appropriate contracts and commitments.

## 53. FINANCIAL INSTRUMENTS - FAIR VALUES & RISK MANAGEMENT

### Accounting Classifications & Fair Value Measurements

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
- Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.
- The fair value of forward foreign exchange contracts and currency swaps is determined using forward exchange rates and yield curves at the balance sheet date.

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

**Level 1:** This includes financial instruments measured using quoted prices. The fair value of all equity instruments that are traded on the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## II. Figures as at March 31, 2022

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
<b>(₹ in lakhs)</b>				
<b>Financial assets at amortised cost</b>				
Investments (Non-Current)	50.53	-	-	50.53
Non-Current Loans	-	-	-	-
Other Non-Current Financial Assets	158.41	-	-	158.41
Trade Receivables	9,057.52	-	-	9,057.52
Cash and Cash Equivalents	30.07	-	-	30.07
Bank Balances Other than Cash and Cash Equivalents	387.67	-	-	387.67
Current Loans	8.77	-	-	8.77
Other Current Financial Assets	15.26	-	-	15.26
<b>TOTAL</b>	<b>9,708.23</b>	<b>-</b>	<b>-</b>	<b>9,708.23</b>
<b>Financial assets at fair value through profit or loss</b>				
Investments (Current)	-	-	-	-
Investments (Non-Current)	80.77	80.77	-	-
<b>TOTAL</b>	<b>80.77</b>	<b>80.77</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities at amortised cost</b>				
Borrowings (Non-Current)	2,707.75	-	-	2,707.75
Borrowings (Current)	6,038.05	-	-	6,038.05
Trade Payables	7,343.94	-	-	7,343.94
Other financial liabilities	378.00	-	-	378.00
<b>TOTAL</b>	<b>16,467.74</b>	<b>-</b>	<b>-</b>	<b>16,467.74</b>

## III. Figures as at March 31, 2023

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
<b>(₹ in lakhs)</b>				
<b>Financial assets at amortised cost</b>				
Investments (Non-Current)	50.58	-	-	50.58
Non-Current Loans	-	-	-	-
Other Non-Current Financial Assets	168.34	-	-	168.34
Trade Receivables	10,707.09	-	-	10,707.09
Cash and Cash Equivalents	71.37	-	-	71.37
Bank Balances Other than Cash and Cash Equivalents	810.10	-	-	810.10

### III. Figures as at March 31, 2023 (Contd.)

(₹ in lakhs)

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
Current Loans	7.58	-	-	7.58
Other Current Financial Assets	18.73	-	-	18.73
<b>TOTAL</b>	<b>11,833.79</b>	<b>-</b>	<b>-</b>	<b>11,833.79</b>
<b>Financial assets at fair value through profit or loss</b>				
Investments (Current)	-	-	-	-
Investments (Non-Current)	74.90	74.90	-	-
<b>TOTAL</b>	<b>74.90</b>	<b>74.90</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities at amortised cost</b>				
Borrowings (Non-Current)	5,595.34	-	-	5,595.34
Borrowings (Current)	12,372.64	-	-	12,372.64
Trade Payables	8,147.70	-	-	8,147.70
Other financial liabilities	88.03	-	-	88.03
<b>TOTAL</b>	<b>26,203.71</b>	<b>-</b>	<b>-</b>	<b>26,203.71</b>

#### 54. OFFSETTING FINANCIAL ASSETS AND LIABILITIES

The Group has not offset any financial asset and financial liability. It offsets a financial asset and a financial liability when it currently has a legal enforceable right to set-off the recognised amounts and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### a) Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements are considered as terminated. As the Company does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Standalone Balance Sheet.

##### b) Collateral against borrowings

The Company has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit (Refer Note 22) for further information on assets hypothecated | mortgaged as security). In case of default as per borrowing arrangement, such collateral can be adjusted against the amounts due.

## 55. ADDITIONAL REGULATORY INFORMATION - RATIOS

Ratio	Numerator	Denominator	FY		FY 2021-22	% Change	Reason for Change
			2022-23	2021-22			
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.12	1.62	1.62	-31%	The decrease is due to increase in working capital loans and decrease in Inventory and Receivables on account of lower demand.
Debt-Equity ratio (in times)	Total Debt	Total Equity	0.69	0.31	0.31	125%	The increase is on account of increase in debts and decrease in shareholder's equity.
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest payments + Principal repayments	0.37	3.44	3.44	-89%	The decrease is on account of net loss and increase in repayment of debt obligations and interest cost.
Return on equity ratio (in %)	Profit After Tax	Average Total Equity	-7%	5%	5%	-229%	The decrease is on account of net loss for the year.
Trade receivables turnover ratio (in times)	Total Net Sales	Average trade receivables	5.09	4.86	4.86	5%	
Trade payables turnover ratio (in times)	Total Purchases	Average trade payables	4.32	5.55	5.55	-22%	
Inventory Turnover Ratio	Total Net Sales	Average Inventory	5.23	5.30	5.30	-1%	
Net capital turnover ratio (in times)	Total Net Sales	Average Working Capital (i.e Total Current Assets less Total Current Liabilities)	8.91	5.14	5.14	73%	The increase is on account of better realisation of receivables and lower inventory.
Net profit ratio (in %)	Profit After Tax	Revenue from Operations	-4%	4%	4%	-203%	The decrease is on account of net loss for the year due to adverse market situation.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Deferred tax liabilities	-1%	9%	9%	-116%	The decrease is on account of net loss for the year due to adverse market situation.
Return on investment (in %)	Income from Investments	Average Investments	2.19%	5.02%	5.02%	-56%	The decrease in the return on investment is due to time gap of Investments.

(₹ in lakhs)

**56. DISCLOSURE OF ADDITIONAL INFORMATION AS REQUIRED BY DIVISION II OF SCHEDULE III TO THE COMPANIES ACT, 2013**

(₹ in lakhs)

Particulars	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit and Loss		Share in Other Comprehensive Income/(Loss)		Share in Total Comprehensive Income/(Loss)	
	As % of consolidated net assets	₹	As % of consolidated Profit and Loss	₹	As % of consolidated Other Comprehensive Income/(Loss)	₹	As % of consolidated Total Comprehensive Income/(Loss)	₹
<b>Parent</b>								
Asahi Songwon Colors Limited	90.55%	23,546.52	25.50%	(470.97)	93.73%	11.37	25.05%	(459.60)
<b>Sub-total (A)</b>	<b>90.55%</b>	<b>23546.52</b>	<b>25.50%</b>	<b>(470.97)</b>	<b>93.73%</b>	<b>11.37</b>	<b>25.05%</b>	<b>(459.60)</b>
<b>Subsidiary</b>								
Asahi Tenants Colors Private Limited	27.59%	7,174.37	39.17%	(723.46)	2.64%	0.32	39.41%	(723.14)
Atlas Life Sciences Private Limited	11.05%	2,873.53	-2.84%	52.38	0.91%	0.11	-2.86%	52.49
Atlas Life Sciences (India) Private Limited	0.00%	0.97	0.00%	(0.03)	0.00%	-		(0.03)
<b>Sub-total (B)</b>	<b>38.64%</b>	<b>10048.86</b>	<b>36.34%</b>	<b>(671.12)</b>	<b>3.54%</b>	<b>0.43</b>	<b>36.55%</b>	<b>(670.69)</b>
Non-Controlling Interest. (C)	15.94%	4,146.50	36.93%	(681.98)	2.72%	0.33	37.15%	(681.65)
Adjustment arising out of Consolidation. (D)	45.13%	11,736.71	1.24%	(22.81)	-	-	1.24%	(22.81)
<b>Total (A+B+C-D)</b>	<b>100.00%</b>	<b>26005.17</b>	<b>100.00%</b>	<b>(1,846.88)</b>	<b>100.00%</b>	<b>12.13</b>	<b>100.00%</b>	<b>(1,834.75)</b>

### 57. ADDITIONAL REGULATORY INFORMATION RECONCILIATION OF QUARTERLY STOCK SUBMITTED TO BANKS WHERE BORROWINGS HAVE BEEN AVAILABLE BASED ON SECURITY OF CURRENT ASSETS

(₹ in lakhs)

Quarter	Name of Bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in quarterly statement	Amount of difference	Reason for Difference
June, 2022	State Bank of India	Inventory-Raw Material	1,349.53	1,345.59	3.94	
June, 2022	State Bank of India	Inventory-Stock in process	353.87	344.87	9.00	
June, 2022	State Bank of India	Inventory-Finished Goods	5,044.00	5,021.16	22.84	
June, 2022	State Bank of India	Inventory-Finished Goods in transit	798.57	787.87	10.70	
June, 2022	State Bank of India	Inventory-Stores & Packing Materials	344.04	344.04	-	
June, 2022	State Bank of India	Trade Receivables	11,017.76	11,017.91	(0.15)	
September, 2022	State Bank of India	Inventory-Raw Material	1,649.71	1,649.97	(0.26)	
September, 2022	State Bank of India	Inventory-Stock in process	221.34	216.84	4.50	
September, 2022	State Bank of India	Inventory-Finished Goods	6,077.88	6,081.05	(3.17)	
September, 2022	State Bank of India	Inventory-Finished Goods in transit	241.50	236.80	4.70	
September, 2022	State Bank of India	Inventory-Stores & Packing Materials	323.84	280.67	43.17	
September, 2022	State Bank of India	Trade Receivables	6,002.22	5,995.30	6.92	
December, 2022	State Bank of India	Inventory-Raw Material	1,178.97	1,266.97	(88.00)	Refer Note Below
December, 2022	State Bank of India	Inventory-Stock in process	242.83	193.66	49.17	
December, 2022	State Bank of India	Inventory-Finished Goods	4,984.59	4,720.55	264.04	
December, 2022	State Bank of India	Inventory-Finished Goods in transit	624.94	588.47	36.47	
December, 2022	State Bank of India	Inventory-Stores & Packing Materials	334.84	307.60	27.24	
December, 2022	State Bank of India	Trade Receivables	5,873.10	5,808.03	65.07	
March, 2023	State Bank of India	Inventory-Raw Material	1,443.80	1,508.67	(64.87)	
March, 2023	State Bank of India	Inventory-Stock in process	177.19	181.44	(4.25)	
March, 2023	State Bank of India	Inventory-Finished Goods	2,059.95	2,017.24	42.71	
March, 2023	State Bank of India	Inventory-Finished Goods in transit	553.54	536.34	17.20	
March, 2023	State Bank of India	Inventory-Stores & Packing Materials	247.76	220.11	27.65	
March, 2023	State Bank of India	Trade Receivables	6,907.68	6,967.94	(60.26)	

#### Note: Reason for Differences

- The differences in inventories and trade receivables are majorly on account of goods in transit where the goods have been physically dispatched from the Company location however, the same has not been considered as revenue from the purpose of revenue recognition principles and hence reversed from books of accounts for respective quarter ends. Similarly, goods in transit for goods which have not reached respective Company locations are not considered however, considered as purchases as per accounting principles. This has led to offsetting differences between Inventory, trade receivables and trade payable balances.
- The management, basis their understanding with banks, submits stock statement of physical stock as available at respective locations at the period end. Accordingly adjustment for goods in transit (inward and outward) is not considered for the purpose of filing returns with banks.

## 58. BUY-BACK OF SHARES

In accordance with the provisions contained in the SEBI (Buy-back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, the board of directors in its meeting held on May 19, 2022 had approved a proposal of buyback of 2,40,000 Equity Shares (representing 2% of the total paid-up equity share capital of the Company) at a price of ₹ 400/- per Equity Share, which opened on June 22, 2022 and closed on July 05, 2022 and settlement date for the Buyback offer was July 15, 2022. Accordingly, the Company has bought back and extinguished a total of 2,40,000 Equity Shares at an buyback price of ₹ 400/- per Equity Shares. The buyback resulted in a cash outflow of ₹ 960 lakhs (excluding transaction costs)

Particulars	March 31, 2023
Date of Board meeting approving the buy-back	19-May-2022
Date of Buy Back opening date	22-June-2022
Date of Buy Back closing date	5-July-2022
Date of Buy Back settlement date	15-July-2022
Numbers of shares bought back	2,40,000
Face value of shares bought back	₹ 10.00
Buy-back of price approved by the Board	₹ 400.00
Consideration paid towards buy-back (excluding transaction costs)	₹ 960.00 lakhs

Pursuant to the buy-back, the Company has adjusted premium per share and expenses on buy-back of aggregating ₹ 557.13 lakhs from securities premium and ₹ 378.87 lakhs from General Reserve. Further, an amount of 24.00 lakhs (equivalent to the face value of shares) has been transferred to capital redemption reserve and debited to general reserve.

## 59. EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the end of the reporting period, which require any adjustment or disclosure in the Consolidated Financial Statements.

**60.** The Group do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**61.** The Group do not have any transactions with companies struck off.

**62.** The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**63.** The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

**64.** The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**65.** The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
- b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**66.** The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
- b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**67.** During the previous year ended March 31, 2021 the Central Government has published The Code on Social Security, 2020 and Industrial Relations Code, 2020 ("the Codes") in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees related benefits including post employment. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes, if any, will be assessed and recognised post notification of the relevant provisions.



## 68. AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are approved for by Audit Committee and the Board of Directors at their respective meeting conducted on May 29, 2023.

The figures of the previous period have been regrouped/reclassified, wherever necessary, so as to be in conformity with the figures of the current period's classification/disclosure.

As per our report of even date attached

For, **Talati and Talati LLP**

Chartered Accountants

ICAI Firm Registration No. 110758W/W100377

**Kushal U. Talati**

Partner

Membership No. 188150

**Place:** Ahmedabad

**Date:** May 29, 2023

For and on behalf of the Board of Directors

**Asahi Songwon Colors Limited**

CIN: L24222GJ1990PLC014789

**Narendra Rathi**

Chief Financial Officer

**Paru M. Jaykrishna**

Chairperson & Mg. Director

(DIN: 00671721)

**Saji V. Joseph**

Company Secretary

Membership No. F 9596

**Gokul M. Jaykrishna**

Jt. Managing Director & CEO

(DIN: 00671652)

**Place:** Ahmedabad

**Date:** May 29, 2023

# Corporate Information

## BOARD OF DIRECTORS

Mrs. Paru M. Jaykrishna - Chairperson & Mg. Director  
Mr. Gokul M. Jaykrishna - Jt. Managing Director & CEO  
Mr. R. K. Sukhdevsinhji  
Mr. Arvind Goenka  
Mr. Jayprakash M. Patel  
Dr. Pradeep Jha  
Mr. Munjal M. Jaykrishna  
Mr. Arjun Gokul Jaykrishna - Executive Director  
Mrs. Shivani Revat Lakhia

## CHIEF FINANCIAL OFFICER

Mr. Narendra Rathi

## COMPANY SECRETARY

Mr. Saji V. Joseph

## AUDITORS

Talati & Talati LLP

## BANKERS

State Bank of India  
Federal Bank Limited  
HDFC Bank Limited

## REGISTERED OFFICE

“Asahi House”, 20, Times Corporate Park,  
Thaltej-Shilaj Road  
Thaltej, Ahmedabad – 380 059 Gujarat (India)  
CIN: L24222GJ1990PLC014789

## REGISTRAR AND SHARE TRANSFER AGENTS

### Link Intime India Private Limited

C-101, 247 Park, L.B. S Marg,  
Vikhroli (West)  
Mumbai – 400 083  
Tel: 022- 49186270

### Works: Pigment Blue Division

429-432 Village Dudhwada  
ECP Channel Road, Taluka – Padra,  
District – Vadodara  
Gujarat - 391 450 (India)

### AZO Pigment Division

D-2-CH-39, GIDC Estate, Dahej - II  
Ta: Vagra, Bharuch, Gujarat – 392 110, India

### API Division

Atlas Life Sciences Private Limited  
C-1/360-361, GIDC, Odhav, Ahmedabad – 382 415, Gujarat.

Atlas Life Sciences (India) Private Limited  
Survey No. 1203, Village: Chhatral,  
Chhatral - Kadi Road,  
Dist: Gandhinagar (Gujarat)



## **ASAHI SONGWON COLORS LTD**

“Asahi House”  
20, Times Corporate Park  
Thaltej - Shilaj Road, Thaltej,  
Ahmedabad - 380 059, India

CIN : L24222GJ1990PLC014789