



Ref: ASCL/SEC/2023-24/29

August 10, 2023

1. To,
The General Manager
Department of Corporate Services
BSE Limited
1st 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
5th Floor, Exchange Plaza
Plot No. C/1, G Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051
NSE Trading Symbol: ASAHISONG

SUB: PRESS RELEASE

REF: REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a Press Release of the un-audited financial results for the quarter ended 30th June 2023.

This is for your information and records.

Thanking you,

Yours faithfully,
For, **ASAHI SONGWON COLORS LIMITED**

SAJI VARGHESE
JOSEPH

Digitally signed by SAJI VARGHESE JOSEPH
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912a89096fc2662d0bbca361, cn=SAJI VARGHESE JOSEPH
Date: 2023.08.10 20:15:22 +05'30'

SAJI JOSEPH
Company Secretary and Compliance Officer

Encl: As above

Asahi Songwon Colors Ltd.

CIN: L24222GJ1990PLC014789

Regd. Office: "Asahi House", 20, Times Corporate Park, Thaltej – Shilaj Road,
Thaltej, Ahmedabad – 380 059, Gujarat, India.

Tele : 91-79 6832 5000 • Fax : 91-79 6832 5099 • Web Site: www.asahisongwon.com



ASAHI SONGWON COLORS LIMITED REPORTS Q1FY24 RESULTS

Total Revenue - ₹102.79 Cr;

EBITDA at - ₹(0.89) Cr

Ahmedabad, August 10th, 2023: Asahi Songwon Colors Limited, India's leading manufacturer of pigments for ink, plastics, paint, textile and the paper industry has announced its financial results for the first quarter ended June 30th, 2023.

Standalone Financial Highlights for Quarter Ended June 30th, 2023:

- Total Revenue was ₹67.99 Cr during the quarter under review, Q-o-Q degrowth of 17.90% and Y-o-Y decline of 41.41%
- EBITDA ₹0.01 Cr during the quarter
- EBITDA Margin stood at (0.01)% for Q1FY24 as compared to (9.70)% in Q4FY23 and 8.44% in Q1FY23
- Net Profit stood at ₹(2.70) Cr, a Q-o-Q increase of 68.16% and 144.05% decline on Y-o-Y basis

Consolidated Financial Highlights for Quarter Ended June 30th, 2023:

- Total Revenue was ₹102.79 Cr, a Q-o-Q degrowth of 16.96% and Y-o-Y decline of 36.00%
- EBITDA ₹(0.89) Cr during the quarter, a Q-o-Q growth of 89.52% and Y-o-Y decline of 109.60%
- EBITDA Margin stood at (0.87)% for Q1FY24 as compared to (6.86)% in Q4FY23 and 5.77% in Q1FY23
- Net Profit stood at ₹(5.85) Cr, a Q-o-Q increase of 49.87% and 283.96% decline on Y-o-Y basis

Commenting on the Q1FY24 performance, Gokul Jaykrishna, Joint Managing Director and CEO, said,

"I am pleased to provide an update on our performance during Q1FY24. In line with our communication from the last quarter, we have successfully achieved a breakeven at the EBITDA level. This is a testimony to our team's relentless efforts, strategic focus and stringent cost controls in these challenging times. Sequentially, we are seeing things turn better, and our primary aim in the upcoming quarter is to achieve breakeven at the PAT level.

In our phthalocyanine pigments business, our capacity utilisation for the quarter stood at around 55%, primarily due to the subdued demand. Nevertheless, I'm optimistic to report that we are already witnessing signs of demand improvement, and our operations are currently running at nearly 70% capacity utilisation in Q2FY24.

Furthermore, the prices of raw materials are beginning to stabilise. We have effectively cleared our books of high-cost inventories. As the ongoing destocking across the industry draws to an end over the next few quarters, we are confident about witnessing a revival in profitability.

We have successfully sold our Saykha land parcel, realising healthy gains from the transaction. We have judiciously used the entire proceeds to pare down our debt. Contrary to our earlier projections of the peak debt reaching ₹215 crores due to the ongoing CAPEX in Chattral, we now anticipate it to level off at about ₹175 crores.

While the demand continues to be subdued, we are optimistic about our growth journey, although it may still be a few quarters away. One crucial aspect worth highlighting is the stark shift we've seen in the industry over the past year – inventory levels across the supply chain have dramatically swung from decadal highs to decadal lows. We believe that this period of destocking is nearing its end. With this transition, we anticipate a sequential improvement in the quarters ahead.

In conclusion, I wish to extend my heartfelt gratitude to our investors for your unwavering support and faith in our capabilities. Together, we remain committed to navigating these challenging times and emerging stronger."

Arjun G. Jaykrishna, Executive Director, commented,

"I am pleased to update you on the performance and developments during Q1FY24. Our Azo business has been gaining steady momentum, and our outlook remains positive for maintaining this growth in the coming quarters. Further to our previous communications regarding the yellow pigments production, it's noteworthy to mention that it has reached its optimum capacity. In response to this, we have initiated measures to increase the capacity. A phased strategy has been devised with an aim to almost double the capacity for yellow pigments by Q1FY25. Additionally, the red pigments segment, albeit at a more gradual pace, is also showing promising signs of improvement. We are optimistic about witnessing growth in this area as the financial year unfolds.

Regarding our Chattral site, we've faced some additional costs, raising the total projected expense to ~₹ 70 crores. Of this, around ₹ 55 crores has already been invested. We plan to start operations for our intermediates by October 2024. This capacity will support the functions at our Odhav site and aid in enhancing the margins for our existing API business.

When we assess our collective performance, we're confident that the toughest part is now behind us. We've been noticing a steady uptick in performance each quarter, and we anticipate this positive direction to continue as the year progresses."

About Asahi Songwon Colors Ltd. (ASCL):

Asahi Songwon Colors Ltd. is a leading player in the Indian Pigment industry and is one of the leading manufacturers of pigments. The company manufactures CPC Beta Blue and Blue Crude. The company has also ventured into manufacturing of AZO pigments as well as APIs through its subsidiaries. The company caters to a diverse base of global and Indian customers with more than 50% of business from exports to global MNC's. It is currently manufacturing products for over 80 international and domestic customers. The company operates via its three manufacturing facilities in Gujarat, India, located at (Padra), Vadodara, (Dahej), Bharuch and (Odhav), Ahmedabad (manufacturing APIs).

FOR FURTHER DETAILS PLEASE GET IN TOUCH WITH:

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