



Asahi Songwon Colors Limited

# Taking new strides

With prudence and confidence

Annual Report **2021-22**



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Forward Looking Message

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 .

At Asahi Songwon Colors Limited (ASCL), we add colours to life. We are India’s leading manufacturers of pigments, more commonly known as ‘colourants’, that add colours to everything around us – such as **inks, paints, plastics, textiles and rubber.**

[Read more about us on page 02](#)



# Taking new strides – With prudence and confidence

There is a popular saying that goes ‘Tough times, don’t last. Tough people do.’ This applies to businesses as well.

The year gone by was filled with challenges, but it was also one of learning, evolution and growth. It was a year when we relied on our strong foundation, industry expertise and strong manufacturing capabilities to ensure we deliver – to our customers, employees, investors and shareholders.

As the pandemic and related hurdles threatened our operations, we were faced with the dual challenge of mitigating the risks while also expanding our business. This is where our prudent decision-making and the trust and confidence of our stakeholders that we have gained over the years bode well for us.

We quickly actioned plans to safeguard our business and continued offering superior quality products, on time, to our customers. In fact, we decided to expand operations into the new API business through an acquisition.

Despite the challenges, our commitment towards our mission – of becoming the most trusted global supplier of pigments and of APIs in the near future – remained unwavering. With new strides, we are now ready to write a new chapter in our journey and create continued sustainable value for all those associated with us.

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**



About the company

# Delivering trust and quality

Asahi Songwon Colors Limited (ASCL) is a leading player in the Indian pigment industry. For over three decades, we have been transforming the industry with our phthalocyanine Pigments, and we have recently ventured into azo pigments and derivative products.

This year, we also added active pharmaceutical ingredients (APIs) to our portfolio by acquiring a major stake in Atlas Life Sciences Private Limited.

Supported by our state-of-the-art manufacturing facilities at Padra and Dahej in Gujarat, we are ambitious about evolving into a leading manufacturer of pigments in the world. The site at Odhav will support our ambition of gaining a significant share of the API market. With our technical expertise, experienced leadership, strong decision-making and skilled workforce, we are confident of turning challenges into opportunities, thus creating long-term value for our stakeholders.



## Our businesses

### Phthalocyanine pigments

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 on page 08](#)

### Azo pigments

Azo pigments are colourless particles (typically earths or clays) that have been coloured using azo compounds (compounds that have a specific formula). Azo pigments are important in a variety of paints, including artists' paints. They have 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 on page 08](#)

### APIs

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

[Read more on page 09](#)

## Industries we serve



Ink



Coating and paints



Plastic



Textile



Rubber



Paper



Pharmaceuticals

## Esteemed clientele

**CLARIANT**

Clariant  
18 years of collaboration

**SunChemical**  
a member of the DIC group

Sun Chemical  
Supply agreement for the last 15 years

**BASF**  
We create chemistry

BASF  
10 continuous years of business



Color & Comfort  
Color & Comfort



**SIEGWERK**

Siegwerk  
9 continuous years of business

**SERVOCHEM**

Servochem

Our purpose

# Building on our legacy

## Our Statement of Purpose



**Knowledge**  
We are a knowledge company. We will invest in processes, practices and products to reinforce competitive advantage.



**Customisation**  
We will develop products customised to customer needs to build enduring relationships, create business sustainability and garner superior realisations.



**Employees**  
We will become an employer of choice by providing a platform to grow, build skills and contribute.



**Culture**  
Our DNA will be marked by the urgency to grow in a sustainable and responsible manner.



**Value Creation**  
We will continue to create value by scaling prudently, enhancing asset utilisation, managing cost and addressing a larger share of the customer wallet.



**Governance**  
We will ensure the highest standards of governance by constituting the Board of Directors, recruiting specialised professionals, institutionalising systemic checks and balances, undertaking extensive compliance and running our business ethically.



**Shareholder Value**  
We will make dedicated efforts towards maximising shareholder value over the long term.



**Responsibility**  
We will ensure business sustainability by making sustained investments in effluent-treatment equipment, infrastructure and mindset.

## ASCL in numbers

With 32 years of industry expertise, improved manufacturing capabilities and customer trust, we are ready to leverage our strengths and march tenaciously towards our ambition of being the most trusted manufacturer of pigments across the globe.

**3+ decades**  
Manufacturing expertise

**3**  
Manufacturing facilities

**550+**  
Employees

**80%**  
Repeat customers

**Zero**  
customer returns

**Zero**  
Bad debts in the last 3 decades

**20+ countries**  
Export presence

**50+ customers**  
Served till date

**A+ Long term**  
**A1+ short term**  
Care Rating



Our global footprint

# Taking our differentiation worldwide

According to a report by Cision PR Newswire, the global pigments market is expected to reach \$36.36 billion in 2030 and register a revenue CAGR of 5.2%. The growth is expected to be primarily driven by the demand for printing inks from the packaging industry. Against this background, we, at ASCL, are confident about leveraging our relationships with global organisations to deliver superior quality pigments to customers across the globe.


**Manufacturing facilities**

Padra

Dahej

Odhav

Ahmedabad (Head Office)

**Export presence**

US

Mexico

Brazil

South Africa

UAE

Italy

Spain

Germany

Belgium

UK

China

Korea

Japan

Taiwan

Hong Kong

Vietnam

Singapore

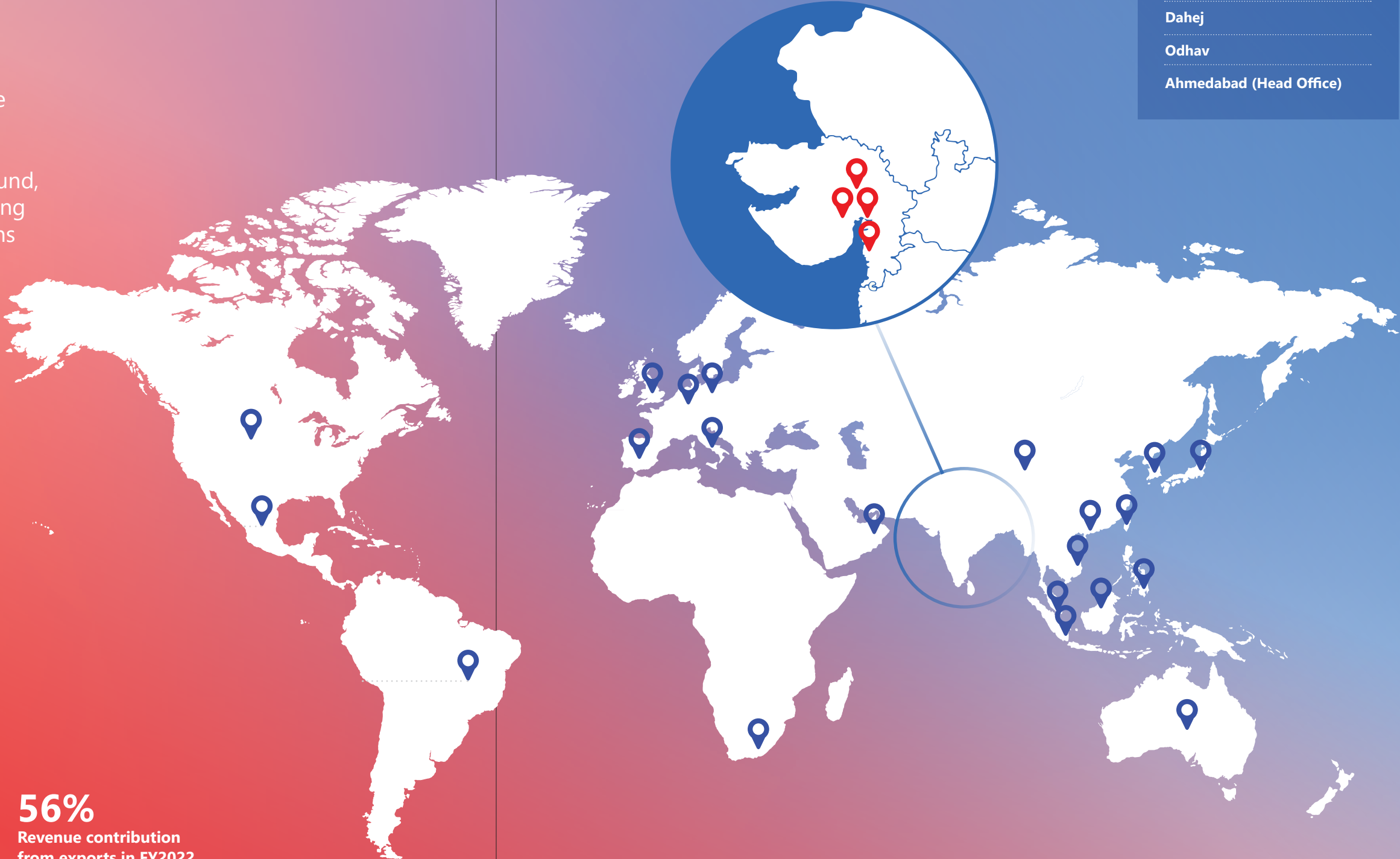
Malaysia

Indonesia

Philippines

Australia

**56%**  
Revenue contribution  
from exports in FY2022



Our businesses

# Our value drivers

We primarily operate in two businesses – phthalocyanine pigments and azo pigments. In 2022, we entered the API business through an acquisition.

### Phthalocyanine pigments

#### The global pigments market

According to MarketWatch, the global phthalocyanine pigments market was estimated at \$1,674.34 million in 2021 and is expected to reach \$2,326.30 million by 2030, recording a CAGR of 4.81% during the forecast period. printing inks and photo electricity. Phthalocyanine colourants comprise blue and green pigments.

#### How ASCL is positioned

Phthalocyanine pigments are our primary cash flow generator. We have been in this business for 19 years, supplying our pigments for printing inks, packaging inks, paints, and plastic and textile industries. The easy availability of raw materials – phthalic anhydrite and curpuros chloride – have allowed us to build a strong track record with premium quality products and on-time deliveries. This has enabled us to establish enduring relationships with our customers through long-term signed contracts and earn their continued trust.

**98%**  
Revenue contribution  
from blue pigments

**One of the  
largest**  
Manufacturers of CPC  
blue crude globally

### Azo pigments

#### The global pigments market

Due to the anti-China sentiment, customers began looking for manufacturers to meet their demand for azo pigments.

This led to the rise of India as a dominant manufacturer in the industry.

#### How ASCL is positioned

Leveraging the opportunity, 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 have also invested in the necessary infrastructure for further expansion to double our capacity of azo pigments with an incremental capex of ~₹40 crore. 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.

**50-55%**  
Expected capacity  
utilisation levels of existing  
capacity by FY2023

**~2,400 TPA**  
Existing capacity

**~9,600 TPA**  
Infrastructure in place to  
enhance capacity in four phases

### APIs

#### The global API market

The global API market is estimated to record a revenue of \$330 billion by the end of 2030, up from a revenue of around \$185 billion in the year 2020. A crucial factor that will contribute towards this growth is the rising prevalence of chronic diseases worldwide, which will drive pharma majors to manufacture APIs to treat them. Moreover, the increasing number of generic drug approvals, the growing demand for generic and biosimilar drugs and the rising healthcare expenditure are expected to further fuel the market.

#### How ASCL is positioned

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). We will acquire an additional 11% stake in Atlas Life Sciences Private Limited each year for the next two years 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 Q1 FY 2023. We plan to establish a new plant on the vacant land parcel in Chhatral to backward integrate the existing products and introduce newer high-value products.

#### Atlas' strengths that will contribute to our capabilities

**80**  
Members in the team

**Market leader**  
In Pregabalin

**15-member**  
R&D team

**10 products**  
Under R&D, including 6 new  
molecules and intermediates  
for existing products



Our manufacturing strengths

# Our manufacturing bandwidth

Advanced technological capabilities are essential to creating innovations that meet customers’ evolving needs on time, while also ensuring a stable product supply. For us, at ASCL, our state-of-the-art manufacturing facilities at Padra and Dahej have contributed to our world-class portfolio of pigments. Our newly acquired facility in Odhav will add to our manufacturing strengths in FY 2023. We have already initiated work on a greenfield project in our newly acquired land parcel in Chhatral.

Padra site

Dahej site

Odhav site



**Dahej site**

The Dahej plant, set up in 2020 on a plot of 60,000 sq. m, manufactures azo pigments.

**1,200 TPA**  
Yellow pigments  
manufactured

**1,200 TPA**  
Red pigments  
manufactured

**50**  
Skilled  
workforce

**Waste and effluent treatment**  
facilities available at the site

**Phase 2 brownfield capex**  
To begin after reaching 50% capacity  
utilisation levels

**Padra site**

The Padra site was set up in 2004 on a plot of 98,000 sq. m. They plant manufactures phthalocyanine pigments.

**14,400 TPA**  
Pigments  
manufactured

**Green cover**  
Around factory  
premises

**475**  
Skilled  
workforce

**Waste and effluent treatment**  
facilities available at the site

**Odhav site**

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

**WHO GMP**  
Certified

**ISO 9001:2015**  
Accreditation

**GMP and GLP**  
Certifications from Gujarat FDA



## Chairperson's communique

# Staying committed for the long-term

## Dear Shareholders,

When we look back at the year gone by, it has been one of strong growth and recovery. Economies and businesses across the world have rebounded and are steadily growing after a year full of lockdowns and disruptions owing to the COVID-19 pandemic.

For us, at ASCL, it was a year of overcoming challenges, exhibiting resilience, expanding our portfolio and marching towards growth. The year only further strengthened our belief in ourselves – of overcoming any major shifts in the external environment.

### A year of challenges and recovery

Just as the global economy was bouncing back from the aftermath of the pandemic, the Russia-Ukraine war triggered a costly humanitarian crisis, added to inflation and is threatening to pull back economies and businesses that are on the recovery path. Food and fuel prices have increased rapidly, threatening those in the low-income groups. According to the World Economic Outlook, interest rates are expected to rise as central banks tighten policy, exerting pressure on emerging market and developing economies.

The Indian economy is back on a growth trajectory after the negative impacts of COVID-19. The economy grew 8.7% in FY 2022, marking an improvement after contracting 6.6% in FY 2021. Nationwide vaccinations have helped reduce the severity of the third wave, with minimal disruptions to mobility and economic activity. Further, the Indian government is focused on accelerating the recovery of the economy by undertaking initiatives to improve logistics infrastructure, facilitate industrial production and improve farmers' income.

“We are an environmentally conscious business and strive to reduce our carbon footprint. Our plants are surrounded by green cover and we ensure wastewater is treated before being discharged. ‘Reduce, reuse, recycle’ is the philosophy we follow across our operations.”



The Russia-Ukraine war has impacted fuel prices in India since the country imports a major part of its fuel.

### Resilience in the pigments market

The global pigments market is expected to register a moderate single-digit growth of about 2.8% in terms of volume over the 2020 to 2027 period. The market has been witnessing significant consolidation over the last five years. There is a steady increase in competition, erosion in margins, rapid commoditisation and supply-demand imbalance, which will continue to drive consolidation in the years to come. Moreover, the growing shift toward sustainability and circular economy, the emergence of a plethora of transformative technologies, such as autonomous vehicle systems, and the ever-tightening regulatory scenario are expected to have wide-scale implications on the pigments market. The demand for pigments is expected to further increase due to dyes in digital printing inks being replaced by pigments, coupled with an increase in pigment loading due to growth in powder coatings, and construction materials.

The Indian dyes and pigment market is anticipated to grow at a considerable CAGR of 5.1% during 2021-2027. The Indian chemical sector is a key GDP driver for India; hence, the Indian Government is undertaking several initiatives to promote the country's chemicals sector. Moreover, with rising urbanisation, the demand for paints and coatings is expected to increase, in turn driving the demand for pigments. Interestingly, India's cosmetics industry is majorly contributing to the demand for pigments. Due to the rising standards of living and changing lifestyles, people in India are spending heavily on hair and skin care and cosmetics, accelerating the growth of the Indian dyes and pigments market. Further, the environmental crackdowns in China, which have resulted in the shutdown of several dye companies, augurs well for India. With its manufacturing ecosystem, technology and industry compliance,

India is well positioned in the pigments market and is ready to cater to the customer base that is likely to shift from China.

Against this backdrop, ASCL is well positioned to leverage its strengths and make the most of the opportunities coming our way in the coming years.

### Performance that withstood the storm

During the year, the rise in raw material prices, increasing coal and energy costs and the uncertainty in freight costs and the availability of containers posed hurdles to our business. Despite these challenges, the team at ASCL continued with perseverance and we managed to acquire additional customers and grow beyond the 5% growth that our industry generally witnesses year on year. Further, the anti-China sentiment, coupled with environmental crackdowns in China factories, have positioned India, and in turn us, to supply to customers and multinationals looking for an alternative. This will bode well for our Azo and Blue businesses. Further, we have captured a significant market share in the Blue business.

A major win for us this year is the acquisition of Atlas Lifesciences Private Limited (Atlas) and our entry into the API business. This has positioned us well to steer onto a strong earnings growth path. We gladly welcome the Atlas team onboard at ASCL and look forward to working together to generate sustainable value for all stakeholders and achieve our long-term goals.

### A passionate and skilled workforce

Everything we have achieved till date is due to the passion and hard work of our passionate people. They responded extremely well to the challenges that the year posed. Every member of the ASCL family believes in the philosophy of the three Ts – trust, transparency and teamwork. It unites them to achieve the vision of becoming a trusted market leader in pigments globally.

# 5%

**We managed to acquire additional customers and grow beyond the 5% growth that our industry generally witnesses year on year.**

As an organisation, we leave no stone unturned in creating a productive work environment for our people. We provide relevant career progression paths and performance-based rewards to recognise our people. Their commitment has allowed us to maintain long-standing customer relationships with our customers and gain their trust.

### A business built on ethics and environmental consciousness

Since inception, we have been operating in an ethical manner, being fair and transparent in our business with our partners. This, in addition to our superior quality, has allowed us to gain reputation and trust. We are an environmentally conscious business and strive to reduce our carbon footprint. Our plants are surrounded by green cover and we ensure wastewater is treated before being discharged. ‘Reduce, reuse, recycle’ is the philosophy we follow across our operations. With robust corporate governance and compliance to all environmental and social norms, we continue to balance profitability with sustainability as we grow from strength to strength.

As we enter the next year, we will continue to pursue profitability and sustainability. I am confident that ASCL's ever-evolving strengths and capabilities will ultimately make us the preferred world leader in pigments.

Best wishes,

**Paru M. Jaykrishna**  
Chairperson



From the CEO's desk

# Stepping into the future with confidence

"I am proud to inform you that ASCL managed these disruptions well and, in fact, acquired new customers and gained market share. Further, due to the anti-China sentiment and the environmental crackdown on the manufacturing units in China, **global chemical manufacturers are turning to India** to meet their pigment demand."

## Dear Shareholders,

The last couple of years has been a transition for economies and businesses across the world. Adaptability and agility became the need of the hour. At ASCL, we moulded ourselves according to the changing times and along the way, saw incredible growth inspired by several learnings. Despite all odds, we remain committed to our mission of making a sustainable and long-lasting difference for our stakeholders.

### Humble beginnings to high ambitions

In 1993, we began operations with a small plant manufacturing green pigments in Ahmedabad. With our foot firmly set on the ground and our eyes towards the horizon, we began strengthening our foundation brick by brick. Gradually, with perseverance, judicious decision making and the commitment of our people, we grew to manufacture phthalocyanine and azo pigments, with plants in Padra and Dahej. Today, global chemical companies trust us for our superior quality pigments. We have been collaborating with Clariant for the past 19 years and entered into a supply agreement and technical collaboration with DIC – the world's largest ink maker.

We have evolved into a multi-product, multi-location company – we have three plants catering to the Blue business in Baroda and the Azo plant manufacturing red, yellow and orange pigments in and API plant in Odhav. Our strong foundations helped us maintain our resilience through the challenges posed by the pandemic.

### A step towards diversification

To put the capital generated from the pigments business to good use, we forayed into the API segment. In April 2022, we took a step in this direction by acquiring a 78% stake in Atlas Life Sciences Private Limited (Atlas), a manufacturer of bulk pharmaceutical ingredients (APIs). We started work on our greenfield project in the Chhatral land parcel in July 2022 and hope to commission it in October 2023. The plant will manufacture APIs and the two main raw materials for Pregabalin, of which Atlas is the market leader. We plan to acquire the balance 22% by March 2025.

### Resilient performance

The year saw economies and businesses recovering from the effects of the pandemic. It was also the year of geopolitical tension between Russia and Ukraine, which resulted in supply chain disruptions and inflation in oil prices. India has been on a strong recovery path, thanks to the unwavering efforts of the government to accelerate inoculation.

Against this environment, your Company showed resilience. Our operations were impacted by three major factors – a rise in raw material pricing, an increase in coal and energy costs and uncertainty in the freight cost and availability of containers. I am proud to inform you that ASCL managed these disruptions well and, in fact, acquired new customers and gained market share. Further, due to the anti-China sentiment and the environmental crackdown on the manufacturing units in China, global chemical manufacturers are turning to India to meet their pigment demand. India is gradually becoming the preferred exporter of organic azo pigments to countries across the globe. This will augur well for us in the upcoming years.

In FY 2022, we recorded an EBITDA of ₹42.64 crore compared to ₹48.13 crore in the corresponding period of FY 2021. The EBITDA margin dropped primarily due to the significant cost increase, which was difficult to manage and forecast. Our revenue and PAT for the period stood at ₹405.65 crore and ₹24.19 crore, respectively, against ₹282.94 crore and ₹32.94 crore in FY 2021.

# 78%

**Acquired stake in Atlas Life Sciences Private Limited (Atlas) a manufacturer of bulk pharmaceutical ingredients (APIs).**

### Growth across businesses

Another event that I would like to inform you about is the success of our Alpha Blue business. Our investments over the last three years are finally showing results. During the year, our plant for the blue business operated at optimum capacities.

For Azo pigments, we hoped to have a 40-50% capacity utilisation by the end of FY 2022. Unfortunately, there has been a slowdown due to delays in our product approvals.

However, the last few months have been good for the business. We are already manufacturing 10 products and plan to add more to our portfolio. We have set up distribution channels and hope to ramp up production as we see approvals coming through.

### A future of opportunities

The year gone by has taught us a lot. Taking these learnings ahead, we are ready to leverage the opportunities that come our way. We will continue to grow our phthalocyanine and azo businesses, while also focusing on our newly acquired API business.

"We have evolved into a multi-product, multi-location company – we have three plants catering to the Blue business in Baroda and the Azo plant manufacturing red, yellow and orange pigments in and API plant in Odhav. Our strong foundations helped us maintain our resilience through the challenges posed by the pandemic."

While profitability is the core driver of our business, we are cognisant that it cannot exist without sustainability. We are, thus, leaving no stone unturned in ensuring that we reduce our carbon footprint. We are expanding the green cover around our plants and treating wastewater for reuse. We will continue to innovate to ensure sustainable operations.

As I conclude, I would like to express my heartfelt thanks to all our stakeholders who never lost faith in us. Your support gives us the confidence to continue marching ahead on the path we have chosen.

Let's create a wonderful journey of sustainable growth, together.

Warm regards,

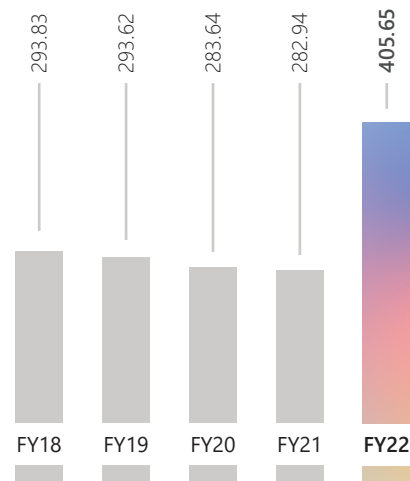
**Gokul M. Jaykrishna**  
Joint Managing Director and CEO



Key performance indicators

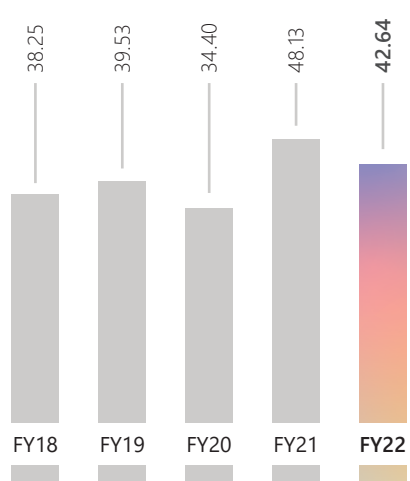
Recording a resilient performance

Revenue from Operation  
(₹ in crores)



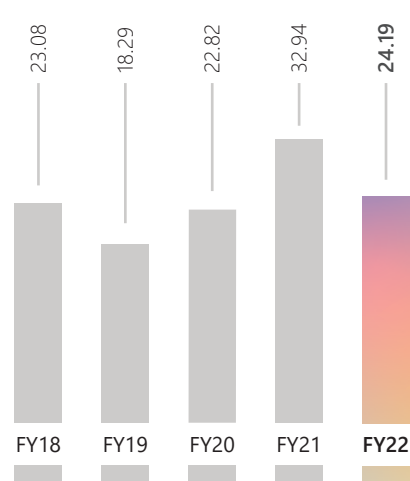
▲ Y-O-Y growth 43.37%

EBITDA  
(₹ in crores)



▼ Y-O-Y growth (11.41)

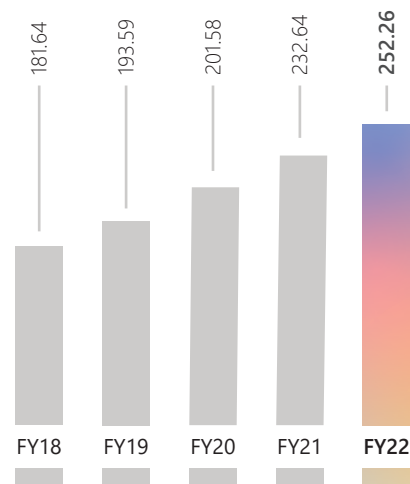
Profit after tax  
(₹ in crores)



▼ Y-O-Y growth (26.56%)

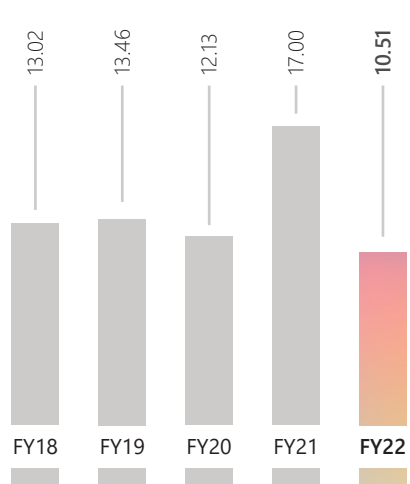
The year was marked by rising raw material costs, supply chain disruptions and a significant increase in freight costs. Despite these challenges, we continued to remain resilient on the back of industry expertise and prudence. As the impact of the pandemic recedes in the coming years, we will continue to focus on planning for the future and making our Company financially stronger.

Net worth  
(₹ in crores)



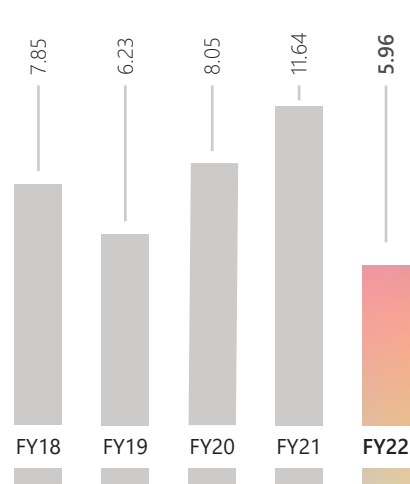
▲ Y-O-Y growth 8.43%

EBITDA Margin  
(%)



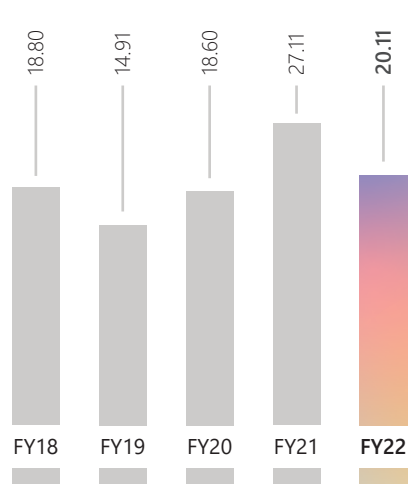
▼ Y-O-Y growth (649) bps

PAT Margin  
(%)



▼ Y-O-Y growth (568) bps

Earnings per share  
(In ₹)

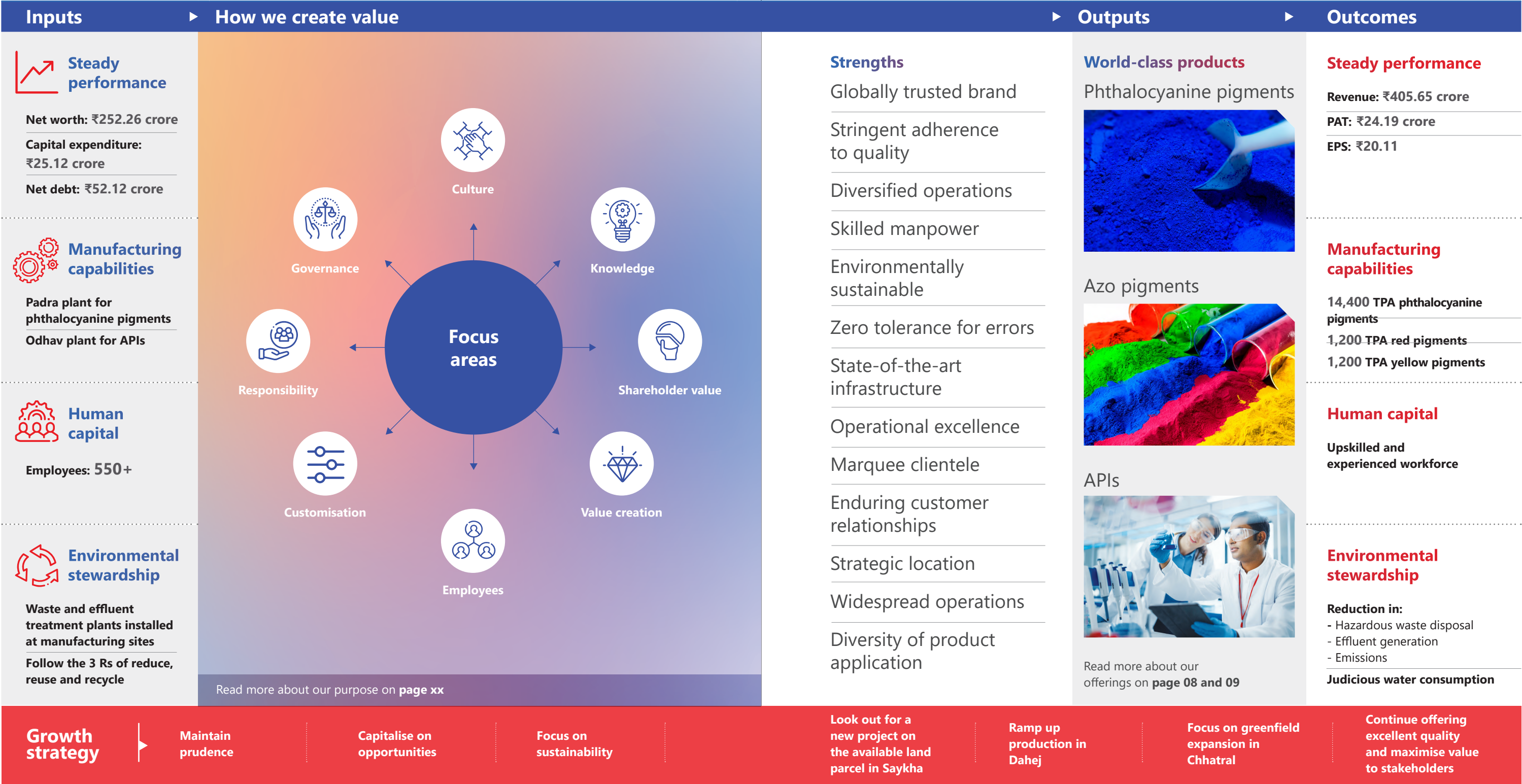


▼ Y-O-Y growth (25.81)%



Our value creation model

# Disciplined and holistic value creation approach



Our competitive advantage

# Leveraging strengths to create sustained value

In a rapidly changing business environment, our strengths allow us to manage risks, leverage opportunities and stay ahead of our peers.



### Cost-efficient production

Our scale of operations is widespread, accounting for ~5% of the world’s organic blue pigment production. We use our resources optimally to maximise the output, while being cost-efficient.



### Strong manufacturing capabilities

With our manufacturing strengths in phthalocyanine, azo and now, in the API segments, we are diversifying our operations. To maintain stringent quality control, we have set up a robust Quality Maintenance System (QMS), Standard Operating Procedures (SOPs), a dedicated team to focus on quality and a culture of continuous improvement. Our state-of-the-art plants are equipped with advanced quality testing equipment, muller machines and injection moulding machines.



### Innovation strengths

Our products are certified by ISO 9001:2015 and ISO 14001:2015, registered with the Department of Scientific and Industrial Research (Ministry of Science and Technology) and validated by leading ink, plastics and paint companies. Innovation is our business’ cornerstone. Our innovation strengths, along with the global best practices we follow for stability, predictability and high uptime, have allowed us to launch several pathbreaking products in the last few years.



### Skilled workforce

Our team of highly skilled and experienced people, including professionals and technologists, are at the centre of what we do and they drive our value-creation model. They help us meet our stakeholder expectations. Following the values of trust, transparency and teamwork, our team leaves no stone unturned in delivering superior customer experiences.



### Long-lasting customer relationships

Our high-quality products, competitive pricing and stringent quality testing have allowed us to win the trust of customers and establish long-standing relationships with them.



### Environmental stewardship

As a business that manufactures pigments, we are cognisant of the impact of our operations on the environment. We, therefore, make proactive investments in environment-friendly technologies to reduce waste emissions and optimise water consumption. We follow the 3Rs of reduce, reuse and recycle and continue to reduce our impact on the environment and fulfil our role as a responsible corporate citizen.



Our board of directors

# Esteemed and experienced Board



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

Mrs. Paru M. Jaykrishna holds a bachelor's degree in Law and Philosophy, and Sanskrit and a masters' degree in English Literature. She is responsible for strategic decision-making and devising growth policies for the Company. A renowned Women Entrepreneur of India, she has the distinction of being the First Elected Lady as a President of Gujarat Chambers of Commerce and Industry in 70 years. She has been a Director in Tourism Corporation of Gujarat Ltd., Gujarat State Handloom House Corporation and Small Industries Development Bank of India (SIDBI).



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

A major in Finance with a minor in Economics from Lehigh University, US, Mr. Gokul M. Jaykrishna overlooks the Company's operations, finance, production, marketing and strategic development. Prior to his stint with the Company, he worked for Krieger Associates, New Jersey, one of the most influential currency and option traders in the US. He is also on the Board of AksharChem (India) Ltd.



**Mr R. K. Sukhdevsinhji, Director**

A graduate of St. Stephens College, Delhi, Mr. R. K. Sukhdevsinhji is the son of late Maharaja Rajendrasinhji. In 1981, he was appointed to the Ministry of Petroleum and Natural Gas as Director (Operations) in the Oil Coordination Committee (OCC). He has also served as the Chairman and Managing Director of Bharat Petroleum Corporation Ltd. He has held Board-level positions in various central government and public sector companies.



**Mr Arvind Goenka, Director**

A graduate from St. Xavier College, Kolkata, Mr. Arvind Goenka is an industrialist hailing from the renowned Goenka family. He has rich experience of over 36 years in managing and overlooking the operations of diverse business interests such as jute, cotton textiles, rubber, chemical and sophisticated industrial engineering products. He is on the Boards of reputed companies such as Oriental Carbon and Chemicals Ltd. and Schrader Duncan Ltd.



**Mr Jayprakash M. Patel, Director**

Mr. Jayprakash M. Patel holds a B. E. degree in Chemical Engineering from the US. He is an industrialist with more than 47 years of experience in the dyes and chemicals industry, with in-depth and expert knowledge in this field. He is the founder of Loxim Industries Limited.



**Mr Pradeep Jha, Director**

Mr. Pradeep Jha is a renowned mathematician with 46 years of teaching experience. He is actively involved and guides several universities in exploring different research areas in mathematics. He has written over 20 research articles, which have been published by reputed international journals; authored several books on mathematics and operations research and designed soft skills programmes for corporates.



**Mr Munjal M. Jaykrishna, Director**

Mr. Munjal M. Jaykrishna is a major in Finance and Marketing from Lehigh University, US. He has an experience of working with the Bank of California (San Francisco) as financial analyst and Paragon Knits, Bethlehem (US) as a consultant.



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

Mr. Arjun G. Jaykrishna holds a Bachelor of Science degree in Chemical Engineering with a minor in Sustainable Energy from the prestigious Northwestern University, US. He has a high school degree in the International Baccalaureate Board from the renowned UWCSEA, Singapore. Prior to joining the Company, he worked with Deloitte and gained exposure to the Indian business environment and knowledge of the brownfield acquisition process. He also worked at DIC (Dainippon Ink and Chemicals) in Japan to better understand operations and management in the chemical industry. He is now actively in charge of pigment marketing and plant operations in the Company.



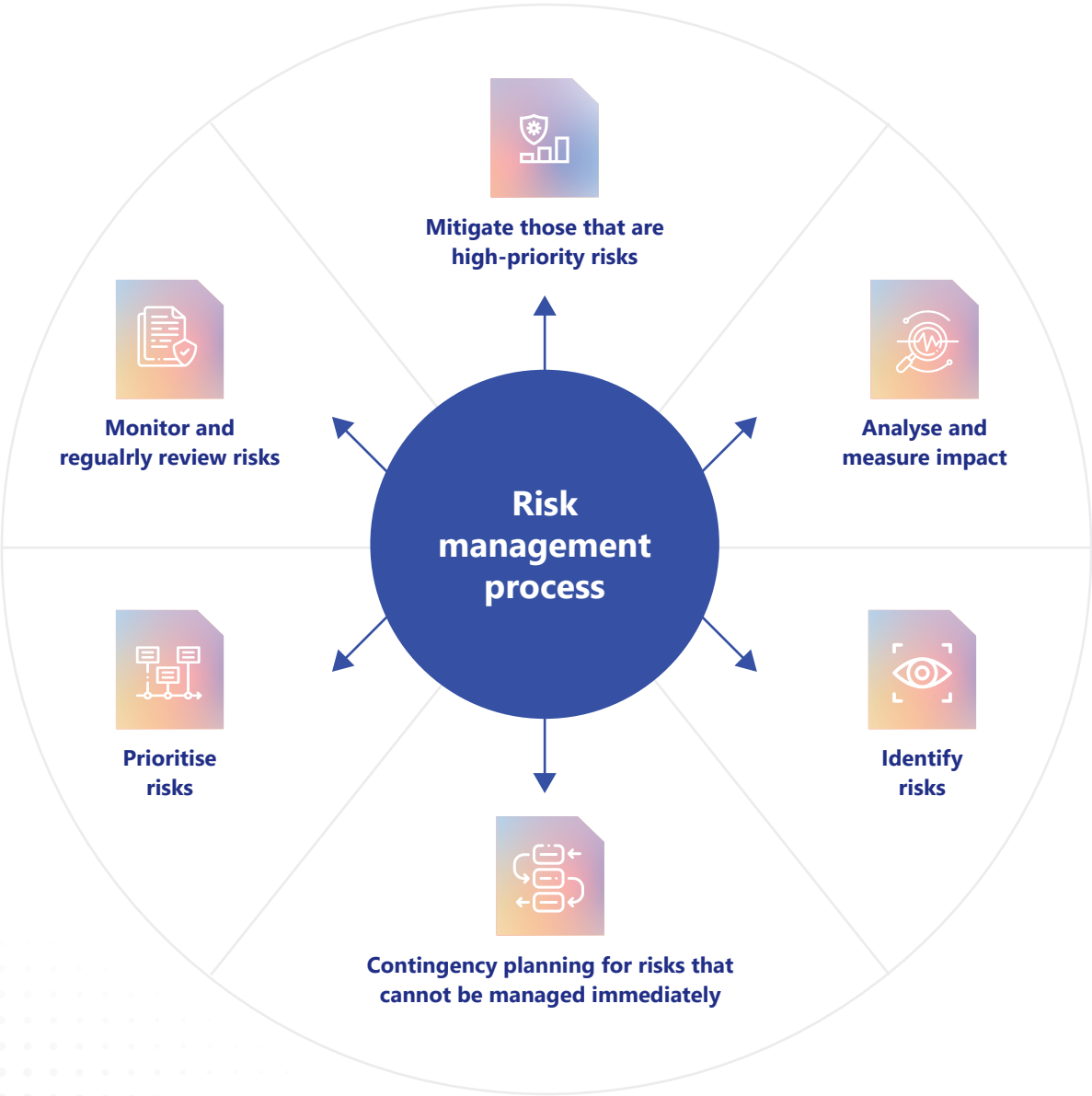
**Mrs Shivani Revat Lakhia, Director**

She is an Advocate having vast knowledge in various laws and in particular Conveyance, Land & Revenue. She is having more than 12 years experience in legal matters.

Risk mitigation

# Future proofing the business

We are continuously striving to embed sustainability in our supply chain and minimise risks. We have set up a robust risk management process, supported by strong corporate governance, which is critical to allowing us to create value in the uncertain macroeconomic environment. Our risk management framework is integrated within our strategy, business decisions and operations. It enables us to safeguard our business and create uninterrupted long-term value for all stakeholders.



## Types of risks and their mitigation measures

Risks	Mitigation measures
Competition	<ul style="list-style-type: none"><li>• Maintain the superior quality of products</li><li>• Undertake process innovation and invest in new manufacturing technology</li><li>• Adopt industry best practices</li><li>• Undertake regular marketing initiatives</li></ul>
Inability to sell high volumes	<ul style="list-style-type: none"><li>• Expand market share</li><li>• Ensure customer retention through superior quality and timely delivery</li><li>• Consistent focus on cost across the value chain</li></ul>
Talent management	<ul style="list-style-type: none"><li>• Continue employee-friendly policies and become a preferred employer</li><li>• Provide robust performance management and reward systems</li><li>• Offer opportunities for skill enhancement and career development</li></ul>
Raw material availability	<ul style="list-style-type: none"><li>• Make judicious decisions regarding forecasting and production planning to ensure seamless production of our pigments</li><li>• Maintain enduring relationships with our raw material suppliers and enter into long-term contracts with them to prevent impact of price fluctuation</li><li>• Continue to adopt various cost control measures to minimise the impact of adverse price fluctuations</li></ul>
Technology	<ul style="list-style-type: none"><li>• Make regular investments in better technologies to modernise our plants and manufacturing processes</li><li>• Keep updated through technical support from industry leaders such as DIC and Clariant Pigments, and benchmark our technology with global standards</li><li>• Leverage the technical knowhow from our JV with UK's leading colour manufacturer Tennants Textile Colours (TTC)</li><li>• Use the technological strengths of Atlas to our advantage and expand our product portfolio</li></ul>
Environment	<ul style="list-style-type: none"><li>• Comply with national and state environmental norms and maintain compliance</li><li>• Embed circular economy across the value chain</li><li>• Make sustained investments in effluent treatment plant, renewable energy and reduction in water and energy consumption</li><li>• Have established a green belt around our plant and maintain ambient air quality while also keep our decibel levels under control</li></ul>



# Management discussion and analysis

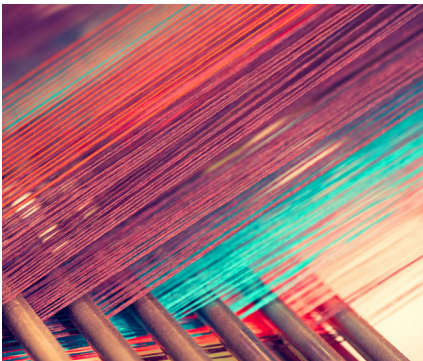
## Economic Overview

### Global Economy

This year, as the world was slowly recovering from the pandemic; the positive growth trajectory was disrupted due to the Russia-Ukraine War. The shift in natural flows of global trade weakened the world economy. Factors including inflation, supply chain disruptions, fuel prices, and the impact of new COVID variants could further decelerate the growth in Asia, Europe, and the Americas over the next few years.

As per the latest IMF (International Monetary Fund) reports, the global growth forecast for 2022 is at 3.6%. The IMF chief attributes the Russia-Ukraine crisis as a pressure test for the strength of the financial system worldwide. Beyond 2023, the World Economic Outlook forecasts the global growth to diminish to about 3.3 percent over the medium term. War-induced commodity price increases and widening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last January.

Global goods demand is expected to moderate owing to the war as extraordinary policy support is withdrawn and as demand rebalances back towards services. Cross-border services trade may remain subdued due to the war and the pandemic. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.



### Indian Economy

According to the Asian Development Outlook 2022, India's economy is estimated to grow 7.5% in FY2022 and 8% in FY2023, aided by increased public investment in infrastructure and a pickup in private investment.

The Indian government's policy including measures to improve logistics infrastructure, incentives to facilitate industrial production, and measures to improve farmers' income will support the country's accelerated recovery. Large public infrastructure investments planned over the next 2 years may also lead to increased private investment.

Coupled with the PM Gati Shakti initiative to boost India's logistics infrastructure, elevated financial and technical support to states to expand capital investment will improve infrastructure spending and stimulate economic growth. As labor market conditions improve, private consumption will be enhanced. The government's production-linked incentive scheme will drive the manufacturing sector in FY2022 and FY2023.

Amidst the rising oil prices, inflation is likely to rise to 5.8% in FY2022. While monetary policy will remain accommodative, the central bank may hike policy rates in the later part of the fiscal year owing to the tightening of the United States federal funds rate and elevated oil prices.

## Indian Chemical Industry Overview

The Chemical Industry in India ranks as the sixth largest producer of chemicals globally and the third biggest producer in Asia, in terms of output.

India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India is a key player in the production of dyestuffs and dye intermediates with a share of 16% in the market globally. Indian colorants industry holds 15% of the global market. The country's chemicals industry is de-licensed, except for few hazardous chemicals.

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to expand to US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is likely to increase by 9% year-on-year by 2025. As per India Brand Equity Foundation, the chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025.

**US\$300 bn**  
**Contribution expected as per India Brand Equity Foundation, to India's GDP by 2025, from the chemical industry**

Owing to stricter environmental norms, tighter financing, and consolidation, the Chinese chemical industry is rapidly changing. These shifts may benefit select large players in the long term, they may also result in uncertainty for international players that source chemicals from China. In the short term, this could create opportunities for India's chemical companies to capitalise on. Trade conflicts among China, the United States, and Western Europe have led to shifts in global supply chains, impacting bilateral trade between the nations with possible repercussions for other economies. Chemical companies in India possess several advantages considering the issues stemming from the trade conflict.

## Industry Overview

### Organic Pigment Industry Overview

Due to the COVID-19 pandemic, According to a report by Cision PR Newswire, the global pigments market is expected to reach \$36.36 billion in 2030 and register a revenue CAGR of 5.2%. The global pigments market is broadly classified as organic, inorganic, and specialty pigments.

Organic pigments contain carbon atoms which have low level of toxicity and are environmentally safe. Organic pigments offer high color strength with durability. They are available in wider range of bright colors, such as blue, green, yellow, red, and orange. They are usually less opaque and are chemically inert. The various types of organic pigments, such as azo, phthalocyanine, quinacridone, and others.

Inorganic pigments are coloring materials procured from metal oxides through the process of high-temperature calcinations. They have high light fastness, high hiding power, non-migratory, non-wrapping, and non-bleeding properties. Inorganic pigments can withstand extreme weather conditions and high temperatures in contrast to organic pigments; thus, they are widely used in paints & coatings, plastics, construction materials, printing ink, and others.

Specialty pigments produce a range of vibrant colors with brilliant luster and have superior hiding power and light fastness, which makes them ideal for high-performance paints & coatings, plastics, and cosmetics. These pigments are usually used to enhance the appearance, value, and performance of the product.



## Active Pharmaceutical Industry Overview

According to Precedence Research, the size of the global market for active pharmaceutical ingredients will rise from USD 179.58 billion in 2020 to USD 355.94 billion in 2030, expanding at a CAGR of 7.1% from 2021 to 2030.

**US\$356 bn**  
**Expected rise of API market in 2030, according to Precedence Research.**

The Indian active ingredients industry has evolved from being viewed as a manufacturer of simple molecules to a destination of choice for high-value and complex APIs. Significant investments have been made in the industry over the past two years. Investment interests have begun to yield positive results in terms of the overall expansion of the industry's offerings and geographic reach. It is a positive indicator of the prominent role India will play in the global pharmaceutical supply in the coming decades.

The increased usage of pharmaceuticals and biologics in the treatment of diseases has resulted in phenomenal growth for the worldwide API industry over the past few decades. The global adoption of International Conference on Harmonization (ICH) principles and the growing acceptance of quality standards in API manufacturing, such as Good Manufacturing Practices (GMP), current GMP (CGMP), have made it possible to raise safety standards.

## Business Overview

Asahi Songwon Colors Limited is engaged in the business of manufacturing and export of colour pigments. The Company manufactures phthalocyanine pigments, comprising Copper Phthalocyanine crude (CPC) blue crude and a range of beta blue pigments. Its phthalocyanine pigments are used in the manufacture of printing inks, paints, plastics, textiles and paper industries. In 2019, the company began manufacturing the yellow and red (AZO) pigments.

Recently, the company forayed into pharmaceuticals through the acquisition of Atlas Life Sciences Private Limited, a leading manufacturer of Anti-convulsant, Anti-psychotic and Anti-diabetic APIs. Through the acquisition, the company has gained a manufacturing facility in Odhav and another unit is being set up in Chhtral.

The Company currently manufactures products for over 50 international and domestic customers and operates via its two manufacturing facilities in Gujarat, India, located at Padra, Vadodara and at Dahej, Bharuch with an aggregate installed capacity of 16,800 MT supported by a strong team of 550+ as of March 31, 2022. The company caters to a diverse base of global and Indian customers with more than 60% of business from exports to global MNC's in 20+ countries.

In the sections below, we capture some of the key highlights of the industries that we operate in including drivers of growth and the changing business trends in the light of the pandemic disruption that is sweeping all sectors and forcing new normal.

**40+**  
**The Company currently manufactures products for over 40 international and domestic customers**

## Phthalocyanine Pigments

According to MarketWatch, the global phthalocyanine pigments market was estimated at \$1,674.34 million in 2021 and is expected to reach \$2,326.30 million by 2030, recording a CAGR of 4.81% during the forecast period.

At Asahi, we use our knowledge and expertise in manufacturing Phthalocyanine pigments to cater to the diverse needs of the printing ink, packaging ink, paint, plastic, and textile sectors.

## AZO Pigments

Azo pigments are naturally occurring organic chemicals that are extensively used to treat textiles, leather goods, and certain foods. They are one of the type of organic pigments that have lower covering power than inorganic, thus exhibit higher colour gloss and strength. The Azo Pigments Market was valued at USD 1.54 billion in 2021 and is expected to grow at a CAGR of 4% between 2022 and 2031.

Asahi Songwon has entered into a joint venture with UK's leading colour manufacturer; Tennants Textiles Colours Limited (TTC) to manufacture red, yellow and orange pigments. The Company completed its planned CAPEX ahead of schedule and is now prepared to capitalise on the trends in the Azo pigment end user industry. Due to its scale and proven global delivery footprint, Asahi Songwon is an enticing partner for large manufacturers and companies. Company is able to offer customers with high-quality products at reasonable prices due to its industry & technology know how, as well as a growing range of new and unique products in the azo segment.

## Pregablin

Pregablin (PG), a medicine used as an anticonvulsant and anxiolytic medication. It is used in the treatment of epilepsy, neuropathic pain, generalized anxiety disorder, and seizures.

The global consumption of PG is 1430 T growing at 10% CAGR. The formulators in India account for a 28% share of consumption (395 T out of 1430 T).

India is the world's largest supplier of PG and is steadily growing its position. The consumption in India includes the demand for API by formulators in India for domestic formulations or export formulations. Due to the absence of a patent in India and the introduction of generic alternatives, PG was offered in 2007 - two years after the original product was made available in western markets.

The takeover of Atlas Life Sciences a market leader in Pregablin has unlocked new opportunities for Asahi.

**Largest supplier**  
**India is the world's largest supplier of PG and is steadily growing its position.**

## End Sector Growth Drivers

The rising use of colourants in modern textile solutions may be related to the expansion of the textile industry. In product marketing, colour is an important component. The market is expected to rise as a result of the textile industry's rapid expansion, which may also be fueled by increased production of textile products and rising pigment consumption.



The increase in residential and commercial building is linked to the growth of the paints and coatings sector. The growth in paints and coatings segment is likely to be influenced by factors including rising government and private sector investment in infrastructure development, higher per-capita earnings, increased consumer spending, and an improved quality of life.

The packaging printing inks sector is one of the fastest growing end-use industries. Screen printing, and digital printing applications all contribute to the segment's growth. An increased demand for a variety of printing inks is attributed for the rise in production and sales of organic pigments. The segment's growth is further driven by the advent of digital printing inks in the sports & leisure, packaging, and textile sectors.

## Outlook and Strategy

The Company will keep using its installed capacity as efficiently as possible, which is essential for enhancing operating performance. Product quality, cost savings, operational effectiveness, and smart capital allocation in value-creating possibilities will also be prioritised. Customers from Japan, Korea, and Thailand are expressing interest in Indian companies and are trying to diversify their supply chains away from China. India's azo pigment industry has great growth potential as international businesses look to reduce the risk in their supply chains by moving some business from China. India offers easy access to local raw materials and backward integrated operations and can capitalise on the disruptions in China.



Risks and Concerns

Regional outbreaks may have a harmful effect on chemical supply networks. Uncertainty in global economic and financial markets may lead to a decline in demand. Despite higher immunization rates, new variants of the Covid 19 virus continue to affect everyone. Employees are the most vulnerable. As the governments restrict movement, a degree of uncertainty continues to prevail.

Variable raw material prices, reliance on imports of key intermediates, and the elevated prices of crude oil globally can put pressure on product margins.

The volatility in Rupee and Yuan in comparison with the Dollar significantly influences the overall pricing of products since Indian manufacturers compete against the Chinese in organic pigment industry. The pigments industry is more concentrated than the dyes market. While local and foreign markets will continue to provide development possibilities, there are certain ESG issues that the sector should be aware of. Businesses may be impacted by compliance costs and complicated regulatory processes.

Internal Financial Control Systems and Their Adequacy

Internal financial Control Systems of the Company are commensurate with the size and the nature of the operations. They have been designed to provide reasonable assurance with recording and providing reliable financial and operational information, complying with the applicable Accounting Standards and relevant statutes, safeguarding assets from unauthorized use and executing transaction with proper authorization.

The Company has appointed Independent Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls and suggest improvements.

Internal Control Systems are reviewed by Audit Committee headed by a Non-Executive Independent Director on a regular basis for its effectiveness and the necessary changes suggested are interpreted into the system. Internal Audit Report are reviewed by the Audit Committee of the Board.

Human Resources Development

Overall industrial relations of your Company continue to remain harmonious with a focus on productivity, quality and safety. During the year under review, there were, no significant labour issues outstanding or remaining unresolved during the year.

Our people have been our backbone and growth driver. Each day, they come to work determined to develop and deliver solutions to our customers all over the globe.

When the pandemic struck, we knew that our first duty was towards our skilled workforce. We did and continue to do everything in our capacity to ensure their well-being.

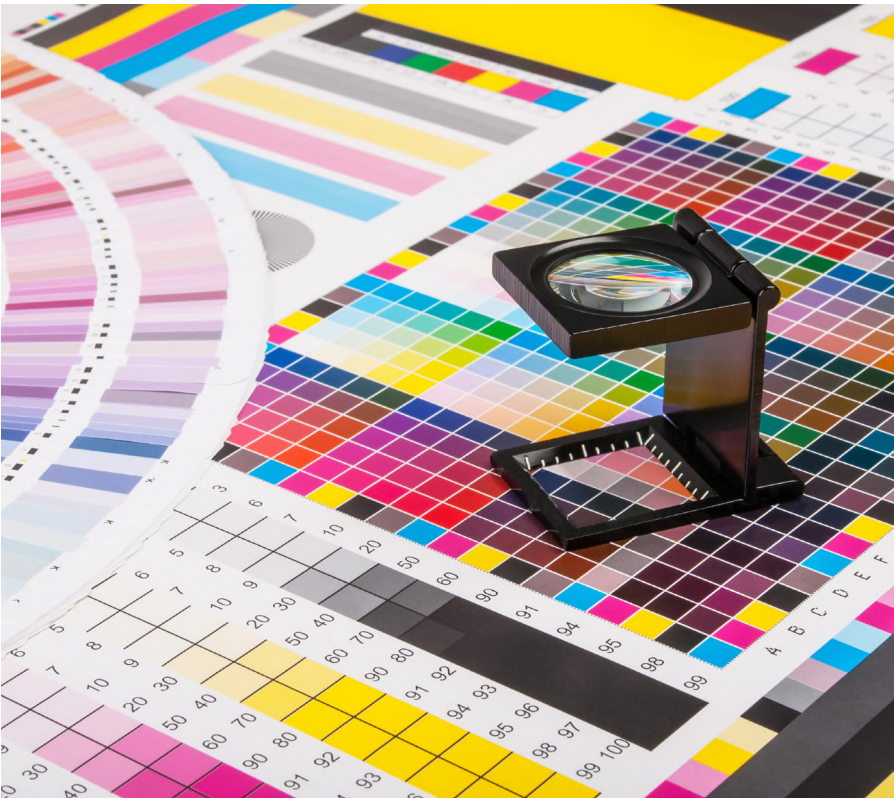
The Board records their appreciation of the commitment and support of the employees and looks forward to its continuation.



Financial Performance

(₹ in lakhs)		
Particulars	FY22	FY21
Revenue from operations	41,537.82	28,308.02
Other Income	88.62	31.02
Total Income	41,626.44	28,339.04
Total Operating Expenses	37,870.07	23,356.86
Interest Cost	472.42	194.13
Depreciation	1,195.70	869.38
Profit before Tax excl. exceptional items	2,088.25	3,918.67
Profit after tax	1,465.07	3,194.62

(₹ in lakhs)		
Particulars	FY22	FY21
Debtors Turnover Ratio (Times)	4.86	4.20
Inventory Turnover Ratio (Times)	5.30	7.19
Interest Coverage Ratio (Times)	5.42	21.19
Current Ratio (Times)	1.62	1.79
Debt Equity Ratio (Times)	0.31	0.18
Operating Profit (PBIT) Margin (%)	6.00	15.00
Ney Profit Margin (%)	4.00	11.00
Return on Net Worth (RoNW) %	5.00	12.00



Cautionary Statement

Some of the statements in this “Management Discussion and Analysis”, describing the Company’s objectives, projections, estimates, expectations and predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company’s operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

# Notice

**Notice is hereby** given that the 32<sup>nd</sup> Annual General Meeting of the Members of **ASAHI SONGWON COLORS LIMITED** will be held on **Friday, 30<sup>th</sup> day of September, 2022 at 11.30 AM 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", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road, Thaltej, Ahmedabad – 380059.

## Ordinary Business:

1. To receive, consider, approve and adopt:

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022 together with the Reports of the Board of Directors' and the Auditors' thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Report of the Auditors' thereon.

2. To declare a final dividend on Equity Shares of the Company for the Financial Year 2021-22.

3. To appoint a Director in place of Mr. Arjun G. Jaykrishna (DIN: 0854867), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Auditors of the Company and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Talati & Talati LLP, Chartered Accountants, Ahmedabad (ICAI Firm Registration No. 110758W/W100377), Ahmedabad be and are hereby appointed as Statutory Auditors of the Company, in place of retiring Statutory Auditors, M/s. Mahendra N. Shah & Co., Chartered Accountants (ICAI Firm Registration No. 105775W), Ahmedabad, to hold office from the conclusion of this 32<sup>nd</sup> Annual General Meeting of the Company till the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027, at such remuneration plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit, which will be recommended by the Audit Committee and fixed by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may necessary, proper, or expedient to give effect to this resolution."

## Special Business:

### 5. 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 ₹ 100 Crores (Rupees One Hundred 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."

### 6. OMNIBUS APPROVAL OF MATERIAL RELATED PARTY TRANSACTION

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), read with Section 177 of the Companies Act, 2013 ('the Act') and the rules made there (including any other applicable provision(s) or statutory modification(s) or re-enactment thereof for the time being in force) and as per the recommendation/approval of the Audit Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded to the Company for entering into and/or continuing with Material Related Party Transactions/contracts/ arrangements/agreements with Atlas Life Sciences Private Limited, a Related Party within the meaning of



Section 2(76) of the Act, for a period of three years commencing from financial year 2022-23 to financial year 2024-25, individually and/ or in the aggregate upto an amount not exceeding ₹ 100 crores in a financial year, provided however, that the said contracts/arrangements/ transactions shall be carried out on an arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to delegate all or any of the powers conferred on it to any Committee of Board of Directors and/or Managing/Whole-time Director(s) of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

For and on behalf of the Board of Directors

**Place :** Ahmedabad

**Date :** August 04, 2022

**Paru M. Jaykrishna**

Chairperson & Mg. Director

DIN: 00671721

**Registered Office:**

"Asahi House"

13, Aaryans Corporate Park

Nr. Shilaj Railway Crossing,

Thaltej – Shilaj Road

Thaltej, Ahmedabad – 380 059 (India)

CIN:L24222GJ1990PLC014789

# Notes:

**1.** The 32<sup>nd</sup> Annual General Meeting (AGM) is being held through video conferencing/other audiovisual means (VC) In accordance with the provisions of the Act, read with the Rules made there under and General Circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021 and 2/2022 dated May 05, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through Video Conference ("VC") or Other Audio Visual Means ("OAVM") up to December 31, 2022, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. 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", 13, Aaryans Corporate Park, Near Shilaj Railway Crossing, 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.

**2.** 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.

**3.** 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.

## 4. Explanatory Statement

The Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) in respect of the Ordinary and Special Businesses, specified in item Nos. 05 and 06 of the accompanying Notice is annexed hereto.

## 5. 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.

**6.** 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.

**7.** 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 Securities Depositories Ltd. (NSDL) to provide e-voting facility and for participation in the AGM through VC / OAVM facility.

## 8. Directors proposed to be re-appointed

In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Arjun G. Jaykrishna (DIN:0854867), 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 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 his 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.

**9.** Electronic copy of the Annual Report for Financial Year 2021-2022 and Notice of AGM are uploaded on the Company's website [www.asahisongwon.com.in](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).

**10.** 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.



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

## 12. Appointment of Statutory Auditors

Pursuant to provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Mahendra N. Shah & Co., Chartered Accountants (ICAI Firm Registration No. 105775W), Ahmedabad were appointed as the Statutory Auditors of the Company for a term of five years till the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company.

On the recommendation of Audit Committee of the Company, the Board of Directors at its meeting held on August 04, 2022 has recommended for the approval of shareholders for appointment of M/s. Talati & Talati LLP, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for a term of five (5) consecutive years commencing from the conclusion of the 32<sup>nd</sup> Annual General Meeting ("AGM") till the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2027 in place of M/s. Mahendra N. Shah & Co., Chartered Accountants (ICAI Firm Registration No. 105775W), Ahmedabad who shall retire at the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company up completion of their existing term of five (5) consecutive years.

M/s. Talati & Talati LLP, Chartered Accountants, is a C&AG empanelled category - I firm. It is also a peer reviewed firm by the Institute of Chartered Accountants of India. The firm was established in 1976 and is having standing of 46 years. Total number of team members of the firm, including 20 partners, is 450+ across India. The firm has offices at Ahmedabad, Vadodara, Anand, Surat, Mumbai, Delhi, Noida and Kochi. The diversified service portfolio of the firm includes Audit & Assurance, Taxation, Advisory, Due Diligence, Forensic Audit, etc.

M/s. Talati & Talati LLP, Chartered Accountants, has expressed their willingness to be appointed as Statutory Auditors of the Company. They have also confirmed that their appointment, if made, would be within prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified to be appointed as Auditors in terms of the provisions of the Section 139(1), Section 141(2) and Section 141(3) of the Companies Act, 2013 and the provision of the Companies (Audit and Auditors) Rules, 2014.

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.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the members.

## 13. 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 **Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive)**.

## 14. Payment of Dividend

The final dividend on equity shares for the financial year 2021-22, 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 **Friday, September 23, 2022**.
- (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 **Friday, September 23, 2022**.

**15.** The voting rights of the members shall be in proportion to their shares of the paid-up equity capital in the Company as on cut off date i.e. **Friday, September 23, 2022**.

## 16. Tax at Source (TDS) on Dividend

Pursuant to the requirements of Income Tax Act, 1961, the Company will be required to deduct Tax at Source (TDS) at the time of making the final dividend. In order to enable the Company to determine the appropriate TDS rate as applicable, the Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

- i) For Resident Members :** TDS will be deducted under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend declared and paid by the Company during the financial year 2022-23, provided PAN is registered by the Members. If PAN is not registered, TDS will be deducted at 20% rate as per Section 206AA of the Income Tax Act, 1961.

However, no tax will be deducted on the dividend payable to resident individuals if the total dividend to be received by them during the financial year 2022-23 does not exceed ₹ 5,000. Please note that this includes the future dividends, if any, which may be declared by the Board in the financial year 2022-23.

Separately, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm)/Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS will be deducted.

- ii) For non-resident Members:** taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax will be at 20% rate (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident Members have the option to be governed by the provisions of the Double Tax Avoidance Agreement

(DTAA) between India and the country of tax residence of the Members, if they are more beneficial to them. For this purpose, that is, to avail the Tax Treaty benefits, the non-resident Members will have to provide the following:

- a) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Members are a resident.
- b) Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
- c) Self-attested copy of the PAN card allotted by the Indian income tax authorities.
- d) Self-declaration, certifying the following points:
  - The Members are and will continue to remain tax residents of the countries of their residence during the financial year 2022-23.
  - The Members are eligible to claim the beneficial DTAA rate for the purposes of tax withholding on the dividend declared by the Company.
  - The Members have no reason to believe that their claim for the benefits of the DTAA are impaired in any manner.
  - The Members are the ultimate beneficial owners of their shareholding in the Company and dividend receivable from the Company.

- The Members do not have taxable presence or permanent establishments in India during the financial year 2022-23.

**17.** Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of the beneficial DTAA rate will depend upon the completeness and satisfactory review of the documents submitted by the non-resident Members, by the Company.

**18.** Kindly note that the aforementioned documents were required to be submitted at [cs@asahisongwon.com](mailto:cs@asahisongwon.com) on or before September 30, 2022, 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 30, 2022. 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
2014-2015 Final	30/09/2015	04/11/2022
2015-2016 Interim	23/03/2016	28/04/2023
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

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 2014-15 is due for transfer to the said Fund in September, 2022. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2014-15 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 32<sup>nd</sup> Annual General Meeting are requested to write to the Company atleast 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 Rule18(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. Submission of PAN**

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Company's Registrar & Share Transfer Agent.

#### **28. 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.

**29.** In case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the company will be entitled to vote at the Annual General Meeting.

#### **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 **Tuesday, September 27, 2022 at 9.00 a.m. (IST) and will end on Thursday, September 29, 2022 at 5.00 p.m (IST)**. During this period, members holding shares either in physical form or in dematerialised form, as on **Friday, September 23, 2022** 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 27, 2022 to September 29, 2022** 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.

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.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

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

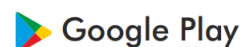
Pursuant to **SEBI Circular no. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated December 09, 2020**, under Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on ‘e-voting facility provided by Listed Companies’, e-voting process has been enabled 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>A. NSDL IDeAS facility</p> <p>If you are already registered, follow the below steps;</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 e-voting service provider i.e. NSDL and you will be re-directed to <b>e-voting website of NSDL</b> 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>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>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <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. <b>NSDL</b> where the e-voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. upon 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. 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 & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

#### 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 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, 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 :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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.

## c) 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.

- Now, you will have to click on "Login" button.
- 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.

**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 [csshyamtomar@gmail.com](mailto:csshyamtomar@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.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**31. 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:**

1. 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).
2. 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.**
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.

**32. 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.

**33. Instructions for members for attending the 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.

**34.** The Board of Directors of the Company has appointed M/s. Shyamsingh Tomar & Associates, Company Secretaries, Ahmedabad (ICSI Membership No. A36530) to scrutinise the e-voting at Annual General Meeting and Remote e-voting process in a fair and transparent manner.

**35.** 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.

**36.** 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.

**37.** 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.

**38.** Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Link Intime India Private Limited. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

**39.** Since the AGM will be held through VC/OAVM, the route map is not annexed in the notice.



# 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. 5 and 6 of the accompanying Notice.

## Item No. 5

Pursuant to Section 185 of the Companies Act, 2013, a Company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to approval of the shareholders of the Company by way of passing a Special Resolution.

The Company has subsidiaries engaged in the business of manufacturing of pigments and API. Since, these subsidiaries are in its initial state of operations, it would require funds for its business operations. It is proposed to grant loan or give guarantee or provide security in respect of any loan granted to the subsidiaries for its principal business activities.

The Board of Directors, therefore, recommends for passing this special resolution under Section 185 and other applicable provisions of the Companies Act, 2013 for an amount not exceed ₹ 100 Crores (Rupees One Hundred Crores Only) as set out in item No. 5 for approval of the members of the Company.

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:

Name of the Party	Nature of Interest/ Relationship	Purpose for which the Loan or Guarantee or Security is proposed to be utilised by the Recipient
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.

## Item No. 6

With effect from April 1, 2022, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), mandates prior approval of the Shareholders through ordinary resolution for all “material” Related Party Transactions. For this purpose, a transaction with a Related Party shall be considered “material”, if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed ₹ 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

SEBI, vide its circular dated March 30, 2022, has clarified that a Related Party Transaction approved by the Audit Committee prior to April 1, 2022, which continues beyond this date and if it becomes material as per the materiality threshold provided above, requires approval of the shareholders.

The Company on April 18, 2022 has acquired 78% stake in Altas Life Sciences Private Limited a manufacturer of Active pharmaceutical ingredients (APIs) for an all-cash consideration of ₹ 48 Crores, which exceeds thresholds as prescribed by the Listing Regulations as per the last audited financial statements of the Company. The Company will be acquiring remaining stake of that Company in next 2 years in two or more tranches.

These transactions have been and are proposed to be undertaken during period from 01.04.2022 to 31.03.2025 on arm's length in the ordinary course of business of the Company and are not covered under Section 188 of the Companies Act, 2013.

As the value of transaction(s) may exceed the materiality threshold limit as provided in SEBI Listing Regulations, your approval is sought for Related Party Transactions of ₹ 100 Crore for a period of three years commencing from financial year 2022-23 to financial year 2024-25, individually and/ or in the aggregate.

The transaction shall also be reviewed/monitored on an annual basis by the Audit Committee of the Company and shall remain within the proposed limits as placed before the shareholders. Any subsequent 'Material Modification' in the proposed transaction, as defined by the Audit Committee as a part of Company's 'Policy on Related Party Transactions', shall be placed before the shareholders for approval, in terms of Regulation 23(4) of the Listing Regulations.

As per Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, related parties of the Company shall abstain from voting on the said Ordinary Resolution set out at Item No. 6.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 for the approval of Members.

For and on behalf of the Board of Directors

**Place :** Ahmedabad

**Date :** August 04, 2022

**Paru M. Jaykrishna**

Chairperson & Mg. Director

DIN: 00671721

**Registered Office:**

"Asahi House"

13, Aaryans Corporate Park

Nr. Shilaj Railway Crossing,

Thaltej – Shilaj Road

Thaltej, Ahmedabad – 380 059 (India)

CIN:L24222GJ1990PLC014789



## 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
<b>Name of the Director</b>	Mr. Arjun G. Jaykrishna
<b>DIN and Nationality</b>	08548676 – Indian
<b>Date of Birth &amp; Age</b>	17.04.1996 (26 Years)
<b>Date of First Appointment to the Board</b>	14.10.2019
<b>Qualification</b>	Bachelor of Science, degree in Chemical Engineering with a minor in Sustainable Energy from the prestigious North Western University, USA
<b>Number of shares held in the Company</b>	28,922
<b>Number of Board Meetings of the Board attended during the financial year 2021-2022</b>	5
<b>List of outside Directorship held in Listed Companies</b>	Nil
<b>Membership in the Committee of Board of other listed Companies*</b>	Nil
<b>Membership and Chairmanship in the Committees of the Board of the Company</b>	Nil
<b>Terms and conditions of reappointment / appointment alongwith details of remuneration sought to be paid</b>	He is a Whole Time Director designated as Executive 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. He is entitled for remuneration.
<b>Relationship with any Director (s) or Manager or Key Managerial Personnel of the Company</b>	Son of Mr. Gokul M. Jaykrishna and Grand Son of Mrs. Paru M. Jaykrishna. Mr. Munjal M. Jaykrishna is his Uncle.

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



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

Your Directors' take pleasure in presenting their 32<sup>nd</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, 2022.

**Financial Highlights**

The Company's standalone and consolidated financial performance for the year ended March 31, 2022 is summarised below:  
(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2021-2022	2020-2021	2021-2022	2020-2021
Revenue from Operations	40,564.82	28,294.48	41,537.82	28,308.02
Other Income	166.22	252.90	88.62	31.02
Total Income	40,731.04	28,547.38	41,626.44	28,339.04
Profit before Depreciation, Finance Cost, Exceptional Item and Tax Expenses	4,430.59	5,066.09	3,756.37	4,982.18
Less : Depreciation	880.53	843.78	1,195.70	869.38
Less : Finance Cost	325.10	191.95	472.42	194.13
Profit before Tax before Exceptional Item	3,224.96	4,030.36	2,088.25	3,918.27
Add : Exceptional Items	-	445.24	-	445.24
<b>Profit before Tax (PBT)</b>	<b>3,224.96</b>	<b>4,475.60</b>	<b>2,088.25</b>	<b>4,363.91</b>
Less : Tax Expenses	806.06	1,181.87	623.18	1,169.29
<b>Profit after Tax (PAT)</b>	<b>2,418.90</b>	<b>3,293.73</b>	<b>1,465.07</b>	<b>3,194.62</b>
Attributable to :				
Owners of the Company	-	-	1,935.96	3,221.44
Non-Controlling Interest	-	-	(470.89)	(26.82)
Other Comprehensive Income/(Loss)	(35.49)	786.12	(33.83)	786.12
<b>Total Comprehensive Income</b>	<b>2,383.41</b>	<b>4,079.85</b>	<b>1,432.84</b>	<b>3,980.74</b>



Attributable to :				
Owners of the Company	-	-	1,902.83	4,007.56
Non-Controlling Interest	-	-	(469.29)	(26.82)
<b>Opening Balance in Retained Earnings</b>	<b>18,716.74</b>	<b>14,636.90</b>	<b>18,203.68</b>	<b>14,641.07</b>
Amount available for appropriation	21,100.15	18,716.74	20,105.81	3,562.62
Less : Dividend (including Dividend Distribution Tax) on equity shares	420.95	-	420.95	-
Closing Balance in Retained Earnings	20,679.20	18,716.74	19,684.86	18,203.69

## Brief Description of the Company's Working During the year/ State of Company's Affairs

### a. General

Financial year 2021-22 was another tumultuous year where the world was recovering post pandemics, the war in Ukraine has upended the fragile recovery from COVID-19 pandemic, triggering a devastating humanitarian crisis in Europe, increasing commodity and food prices and exacerbating inflationary pressures worldwide. The rise in energy prices, supply chain shortages and escalation of geo-political tensions has further impacted global economy growth.

The Indian economy has not remained unscathed by this global development. The Indian economy has recovering from repeated waves of COVID-19 virus. India's response to the pandemic has been agile and decisive with the government providing safety nets for vulnerable sections, which responding iteratively with policy support. However, the year experienced the unprecedented impact of extraordinary inflationary pressure on the Indian economy.

The market of the Phthalo pigments was also sluggish during the year, which challenged the margins. During the year under review, your Company had a robust growth in top line. However, profitability was negatively impacted by an unprecedented increase in the prices of coal, urea, copper and phthalic anhydride. Input price inflation has been relentless throughout the year, with each quarter witnessing higher raw material prices than the previous quarter. The Company was able to overcome the supply chain challenges faced in the previous financial year due to the pandemic. Elevated commodity prices impacted the margins across industry. Though the inflationary environment is expected to pause challenge on the business, your Directors are confident that economic activities will recover gradually and desired growth will be achieved in the coming financial year.

### b. Performance Review

**On Standalone Basis :** During the year under review, the revenue from operation stood at ₹ 40,565 lakhs compared to ₹ 28,294 lakhs in the previous year an increase of 43% compared to previous year. EBITDA for the Financial Year 2021-2022 stood at ₹ 4,264 lakhs with an EBITDA Margin of 10.51%. The Profit after tax (PAT) for the financial year 2021-2022 was ₹2,419 lakhs as compared to previous year ₹ 3,294 lakhs.

**On Consolidated Basis :** During the year under review, the revenue from operation stood at ₹ 41,538 lakhs compared to ₹ 28,308 lakhs in the previous year. EBITDA for the financial year

2021-2022 stood at ₹ 3,668 lakhs with an EBITDA Margin of 8.83%. The Profit after tax (PAT) for the financial year 2021-2022 was ₹1,465 lakhs as compared to previous year ₹ 3,195 lakhs. The consolidated numbers includes the financial performance of Asahi Tennants Color Private Limited, a Subsidiary Company.

### c. Exports

During the year under review, the total exports on standalone basis contributed to ₹ 22,401 lakhs compared to ₹ 16,628 lakhs during the previous year. Your Company continues to view focus export markets for its products competitiveness and seeking profitable opportunities for growth.

## Dividend

The Board of Directors at their meeting held on May 19, 2022 has recommended dividend at a rate of ₹ 0.50 per share (5%) of face value of ₹ 10/- each on the fully paid up equity share capital as final dividend for the Financial Year 2021-2022. The payment is subject to the approval of members at the ensuing 32<sup>nd</sup> Annual General Meeting ("AGM") 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.

In view of the changes made under the Income Tax Act, 1961 by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of the dividend 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)

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 (the Act) unclaimed/ unpaid dividend of ₹ 0.86 Lakhs which was lying in the Unpaid Dividend Account for the Financial Year 2013-14 was transferred during the year under review to IEPF.

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 2014-15 is due for transfer to IEPF on September 30, 2022.

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

In terms of Section 124(6) of the Act read with Rule 6 of the IEPFA (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be transferred 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. The Shares transferred to the Demat Account of IEPFA can be claimed back by the shareholder by following the procedure prescribed under the aforesaid rules. During the year under review, the Company has transferred 973 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 2013-14. Further, the Company is in the process to transfer all shares in respect of which dividends declared for the year 2014-2015 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</b>	Mr. Saji Varghese Joseph
<b>Secretary designated as Nodal Officer</b>	
<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", 13, Aaryans Corporate Park Nr. Shilaj Railway Crossing Thaltej – Shilaj Road Thaltej Ahmedabad - 380059

**Transfer to Reserve**

The Company has decided not to transfer any amount to the General Reserves for the Financial Year ended March 31, 2022.

**Share Captial**

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

During the year under review, Company's issued, subscribed and paid-up equity share stood at ₹ 1,202.73 lakhs divided into

1,20,27,262 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 2021-2022.

**Listing**

As at March 31, 2022, 12,027,262 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 2022-2023.

**Subsidiaries, Joint Ventures and Associate Companies**

During the year under review, the Company has one material subsidiary:

**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.

As on March 31, 2022, Asahi Tennants Colors Private Limited is a material unlisted subsidiary Company as per the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Audit Committee and the Board review the financial statements, significant transactions and working of the subsidiary company and the minutes of the unlisted subsidiary companies are placed before the Board.



Further, pursuant to Regulation 24 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires the Board of unlisted material subsidiary should have at least one independent director of listed holding Company and accordingly, Dr. Pradeep Jha was appointed as the Independent Director on the Board of the subsidiary.

As provided under section 129(3) of the Companies Act, 2013 and Rules made there under a statement containing the salient features of the financial statements of its subsidiaries in the format prescribed under the rules is attached to the financial statements. 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) .

Financial Position and Performance of Subsidiaries, Joint Ventures and Associates

The financial summary of the subsidiary companies are as follows:

(₹ in lakhs)		
Particulars	2021-2022	2020-2021
Revenue from Operations	973.42	13.54
Profit Before Tax	(1,143.90)	(67.32)
Profit After Tax	(961.01)	(54.58)

On the date of this report the Company has two more subsidiaries:

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. As on date Atlas Life Sciences Private Limited is a material subsidiary of the Company.

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.

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 have 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, 2022.

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 [Single A Plus; Outlook; Stable]" rating assigned to the long-term facilities of your Company. This rating is applicable to facilities having tenure of more than one year. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations.

CARE has also reaffirmed the CARE A1+ [Single A One Plus] rating assigned to the short-term facilities of your Company. This rating is applicable to facilities having tenure up to one year. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations.

This reaffirms the reputation and trust the Company has earned for its sound financial management and its ability to meet its financial obligations.

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, 2022.

## 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, 2022 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, 2022.

## 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.

## Business Responsibility Report

In compliance with Regulation 34(2)(f) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared a Business Responsibility Report which forms part of this Annual Report as per **Annexure – "J"**.

## Board Of Directors and its Committees

### Composition of the Board of Directors

As on March 31, 2022, 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 32<sup>nd</sup> Annual General Meeting.

### Appointment/Reappointment of Directors

The shareholders at the 31<sup>st</sup> Annual General Meeting, based on the recommendations of the Nomination and Remuneration Committee and the Board Directors of the Company approved the reappointed Mrs. Paru M. Jaykrishna as Chairperson and Managing Director of the Company and Mr. Gokul M. Jaykrishna as Joint Managing Director & CEO of the Company for a period of 5 years commencing with effect from August 1, 2021 respectively.

### 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. Arjun Gokul. Jaykrishna, Director of the Company is due to retire by rotation at the ensuing 32<sup>nd</sup> Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his reappointment.

### Appointment of Women Independent Director

The Board of Directors based on the recommendations of the Nomination and Remuneration Committee, in terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Shivani Revat Lakhia (DIN:09527745) was appointed as an Additional Director of the Company with effect from March 24, 2022. Further, based on the recommendations of the Nomination and Remuneration Committee and approval of the Members through postal ballot on June 21, 2022, in accordance with the provisions of Section 149 read with Schedule IV to the Act Mrs. Shivani Revat Lakhia (DIN:09527745) was appointed as an Independent Director (Women) of the Company, not liable to retire by rotation, for a period of five consecutive years commencing from March 24, 2022.

Mrs. Shivani Revat Lakhia is B,com, LLB. She is an Advocate having vast knowledge in various laws and in particular Conveyance, Land & Revenue. She is having more than 12 years experience in legal matters.

### 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 32<sup>nd</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, 2022, the Key Managerial Personnel (KMP) in the Company are as follows:

Mrs. Paru M. Jaykrishna, Chairperson and Managing Director  
Mr. Gokul M. Jaykrishna, Joint Managing Director & CEO  
Mr. Arjun G. Jaykrishna, Executive Director  
Mr. Pratik Shah, Chief Financial Officer  
Mr. Saji Varghese Joseph, Company Secretary

During the year under review, Mr. Pratik Shah was appointed as CFO and Key Managerial Personnel in the terms of provisions of Section 203 of the Companies Act, 2013 with effect from August 4, 2021 upon the resignation of Mr. Utsav K. Pandwar as CFO and Key Managerial Personnel with effect from close of business hours on April 20, 2021.

### 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.

### **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 is 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.

### **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 February 03, 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. 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, 2022, 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' 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. You can access the same from the Company's website [www.asahisongwon.com](http://www.asahisongwon.com).

# 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 February

3, 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. 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 deliberations.

## 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 section 134(5) 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, 2022, 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.

## Auditors Related Matters

### a. Statutory Auditors

The Statutory Auditors M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad were appointed as the Statutory Auditors of the Company for a term of five years till the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company.

On the recommendation of Audit Committee of the Company, the Board of Directors at its meeting held on August 04, 2022 has recommended for the approval of shareholders for appointment of M/s. Talati & Talati LLP, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for a term of five (5) consecutive years commencing from the conclusion of the 32<sup>nd</sup> Annual General Meeting ("AGM") till the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2027 in place of M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad who shall retire at the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company up completion of their existing term of five (5) consecutive years.

M/s. Talati & Talati LLP, Chartered Accountants, is a C&AG empanelled category - I firm. It is also a peer reviewed firm by the Institute of Chartered Accountants of India. The firm was established in 1976 and is having standing of 46 years. Total number of team members of the firm, including 20 partners, is 450+ across India. The firm has offices at Ahmedabad, Vadodara, Anand, Surat, Mumbai, Delhi, Noida and Kochi. The diversified service portfolio of the firm includes Audit & Assurance, Taxation, Advisory, Due Diligence, Forensic Audit, etc.

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. 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 2021-2022 (Period from April 1, 2021 to March 31, 2022).

The Report of Secretarial Auditor in the prescribed form MR-3 for the financial year 2021-22 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 and BSE Limited for Non-compliance to Regulation 17 (1) (a) and 21 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015. In terms of Regulation 17 (1)(a) of SEBI Listing Regulation, the Board of the top 1000 listed entities (on the basis of market cap) shall have atleast one Independent Women Director with effect from April 01, 2021 and the Company has appointed independent women director on March 24, 2022. The Board of the Company is now duly constituted and complied Regulation 17 (1) (a) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015, further, the Company has already constituted risk management committee vide board meeting held on October 26, 2021. The Company has duly paid penalty levied by BSE Limited and 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 2021-2022 from M/s. Shyamsingh Tomar & Associates, Company Secretaries, Ahmedabad and same has filed with the Stock Exchanges (BSE& NSE).

### c. Internal Auditors

M/s. Fenil P. Shah & Associates, a Practicing Chartered Accountants, Ahmedabad are the Internal Auditors of the Company for the financial year 2021-22. 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.

### d. Cost Auditors

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

## e. Audit Report

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, 2022 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.

## 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 nor 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. The policy formulated in line with the provisions of the Act and the Listing Regulations is available on the website of the Company [www.asahisongwon.com](http://www.asahisongwon.com).

### 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 [www.asahisongwon.com](http://www.asahisongwon.com).

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

## 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, 2021, is made available on the Company's website [www.asahisongwon.com](http://www.asahisongwon.com).

Also, the draft of Form MGT-7, as on March 31, 2022, 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 First Award for Self Manufactures Direct Export of Dye Intermediates for the year 2020-2021, third for Self Manufactured Domestic Sale of Dye Intermediates for the year 2020-2021 and a Special Trophy for Self Manufactured Domestic Sale of Dye Intermediate of ₹ 60 Crores and above for the year 2019-2020 from The Gujarat Dyestuff Manufacturers Association (GDMA).

## 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. A separate report is 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, 2022. 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).

## 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.

## Risk Management

The Company has well defined process to identify, assess, monitor and mitigate various business risks. The Company recognizes that these risks need to be managed to protect interest of the stakeholders, to achieve business objective and enable sustainable growth. Many risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. Further details are set out in the Management Discussion and Analysis Report forming part of this Report.

## 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.

## 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.

## 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, Prhibition & 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.

## 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 (SS1 and SS2) respectively relating to Meetings of the Board and its Committees which have mandatory application during the year under review.

## 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 [www.asahisongwon.com](http://www.asahisongwon.com).

## 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-compliance. The copy of the same is available on the website of the Company [www.asahisongwon.com](http://www.asahisongwon.com).

## 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.

## 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.

## 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

**Place :** Ahmedabad

**Date :** August 04, 2022

**Registered Office:**

"Asahi House"

13, Aaryans Corporate Park

Nr. Shilaj Railway Crossing,

Thaltej – Shilaj Road

Thaltej, Ahmedabad – 380 059 (India)

CIN:L24222GJ1990PLC014789

**Paru M. Jaykrishna**

Chairperson & Mg. Director

DIN: 00671721

# 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
Name of the Subsidiary & Associate Co.	Asahi Tennants Color Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2022
Reporting currency for the subsidiary	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, 2022	Not Applicable
Share Capital	7,267.82
Reserve & Surplus	1,326.14
<b>Total Assets</b>	<b>13,439.50</b>
<b>Total Liabilities (excluding Share Capital and Reserves &amp; Surplus)</b>	<b>4,845.54</b>
Investments	-
Turnover	973.42
Profit before taxation	(1,143.89)
Provision for taxation	(182.88)
Profit after taxation	(961.01)
Proposed Dividend	-
% of shareholding	51%

### Part "B" – Joint Venture : None

For and on behalf of the Board of Directors

**Place :** Ahmedabad  
**Date :** August 04, 2022

**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, 2022. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

- Name(s) of the related party and nature of relationship: **Not Applicable**
- Nature of contracts/arrangements/transactions: **Not Applicable**
- Duration of the contracts/arrangements/ transactions: **Not Applicable**
- Salient terms of the contracts or arrangements or transactions including the value, if any: **Not Applicable**
- Justification for entering into such contracts or arrangements or transactions: **Not Applicable**
- Date(s) of approval by the Board: **Not Applicable**
- Amount paid as advances, if any: **Not Applicable**
- 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:

- Name(s) of the related party and nature of relationship: **Asahi Tennants Color Private Limited Subsidiary of Asahi Songwon Colors Limited**
- Nature of contracts/arrangements/transactions: **Sale & Purchase**
- Duration of the contracts/arrangements/ transactions: **Repetitive during the year**
- Salient terms of the contracts or arrangements or transactions including the value, if any: **₹ 90.69 Lakhs**
- Date(s) of approval by the Board, if any:
- Amount paid as advances, if any: **None**

#### Note:

- All related party transactions are benchmarked for arm’s length, approved by Audit Committee and reviewed by Statutory Auditors.
- 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 04, 2022

**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 O2 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.

**(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) 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)		
Particulars	2021-2022	2020-2021
Capital	-	-
Recurring	95.40	93.29
<b>Total</b>	<b>95.40</b>	<b>93.29</b>
Total Research and Development Expenditure as percentage of total turnover	0.24	0.33

**(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, product process yields 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.

## 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 55% of the total turnover comes from Exports. During the year under review, the Company exported pigments (Blue) valuing (FOB) ₹ 21,624 lakhs (Previous Year ₹ 16,462 lakhs) to various countries around the World. The Company is global phthalocyannie 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)	
Particulars	2021-2022	2020-2021
Foreign Exchange Earned (FOB)	21,623.56	16,462.26
Foreign Exchange Used	3,730.05	1,736.99



# 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. Remuneration 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:

- o 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.
- o 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.
- o 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.
- o 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	17.49 : 1	(26.48)
2.	Mr. Gokul M. Jaykrishna Joint Managing Director & CEO	26.81 : 1	7.81
3.	Mr. Arjun G. Jaykrishna Executive Director	13.10 : 1	31.71
Independent Directors have been paid only sitting fees during the financial year 2021-2022 and hence Ratio of Median Remuneration has not been shown for Independent Directors.			
4.	Mr. Utsav Pandwar Chief Financial Officer (Till 20.04.2021)	0.26 :1	(94.41)
5.	Mr. Pratik Shah Chief Financial Officer (From 04.08.2021)	3.59:1	-
6.	Mr. Saji V. Joseph Company Secretary	3.73:1	7.25

**ii. The percentage increase in the median remuneration of employees in the financial year:** During the year under review, there was a increase of 3.52% in the median remuneration of employees.

**iii. The number of permanent employees on the rolls of Company:** There were 136 permanent employees on the rolls of the Company as on March 31, 2022.

**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 3.08%, whereas there was average decrease in the managerial remuneration of 3.00% for the financial year 2021-22.

**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 04, 2022

**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 Lakh 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.

Name	Mr. Gokul M. Jaykrishna
Designation	Joint Managing Director & CEO
Remuneration Received (₹ in Lakhs)	108.67
Nature of Employment	Contractual
Qualification	Master in Finance and Marketing
Experience (Years)	28
Date of Commencement of Employment	08.03.1996
Age (Years)	54
Last Employment	Krieger Associates, New Jersey, USA
Percentage of Equity Shares held in the Company as on March 31, 2022*	9,809
Relationship with Directors of the Company	Son of Mrs. Paru M. Jaykrishna, Chairperson and Managing Director and brother of Mr. Munjal M. Jaykrishna, Director of the Company and father of Mr. Arjun G. Jaykrishna, Executive Director of the Company.

Gokul M. Jaykrishna Family Trust is holding 26,99,238 Equity Shares of the Company and where Mr. Gokul M. Jaykrishna is trustee of the Trust.

- ii. Employed part of the Financial year with average salary above ₹ 8.50 Lakh 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 04, 2022

**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, 2022 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:

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 : ₹ 3,068.15 Lakhs

7.

(a) Two percent of average net profit of the Company as per section 135 (5)	₹ 61.36 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)	₹ 61.36 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
61.59	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:** ₹ 61.59 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):** ₹ 61.59 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)	61.36
(ii)	Total amount spent for the Financial Year	61.59
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.23
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

**9. (a) Details of Unspent CSR amount for the preceding three financial years:** As per Annexure - III**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** 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).****(a) Date of creation or acquisition of the capital asset(s):** Not Applicable**(b) Amount of CSR spent for creation or acquisition of capital asset:** 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**(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** 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 of the CSR Committee  
(DIN: 00671721)

**Place :** Ahmedabad**Date :** August 04, 2022

# 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
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.	Contribution towards various Pandemic – medical equipments and recovery kits	Promotion of Health Care	Yes	Gujarat	Dudhwada Village, Padra Vadodara	0.21	Yes - Direct	Self	
2.	Contribution towards various Pandemic – medical equipments and recovery kits	Eradicating hunger Preventive Health Care	Yes	Gujarat	Dudhwada Village, Padra Vadodara	0.20	Yes - Direct	Self	
3.	Contribution towards the GREENATHON event arranged for awareness of Environment and cleanliness	Environmental Sustainability	Yes	Gujarat	Dudhwada Village, Padra Vadodara	1.69	Yes - Direct	Self	Not Applicable
4.	Contribution towards road repairing work for development of Dudhwada Village carried out by the Company.	Rural Development Activities	Yes	Gujarat	Dudhwada Village, Padra Vadodara	1.25	Yes - Direct	Self	
5.	Training to stimulate rural sports, nationally recognized sports, Paralympic sports and Olympic sports	Promotion of rural nationally recognized sports	Yes	Gujarat	Ahmedabad	0.20	Yes - Direct	Self	
6.	Promotion of Health Care	Promotion of Health care including Preventive Health Care	Yes	Gujarat	Ahmedabad	42.00	No - Implementing Agency	High on Life Foundation	CSR00005367
7.	Promotion of education to poor and under privileged children	Promotion of Education	Yes	Gujarat	Ahmedabd	0.54	No - Implementing Agency	Smile Foundation	CSR00001634
8.	Promotion of Gender equality, empowering Women	Promotion of Education and Health Care	Yes	Gujarat	Ahmedabad	15.50	No - Implementing Agency	Jyoti Sangh	CSR00004880



# Annexure – III

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)	
1	2018-19	-	66.59	Nil	-	Nil
2	2019-20	-	56.34	Nil	-	Nil
3	2020-21	0.56	61.36	Prime Minister' National Relief Fund	0.56	20.09.2021
Total		-	184.29			0.55

# Annexure – “H” to the Directors’ Report

## Form No. Mr-3

### Secretarial Audit Report

For The Financial Year Ended 31<sup>ST</sup> March, 2022

[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 13, Aaryans Corporate Park,  
Nr. Shilaj Railway Crossing, 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, 2022 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. However, pursuant to proviso to Regulation 17(1)(a) of the SEBI Listing Regulations the Board of all of the top 1000 listed entities (market cap wise) shall have at least one independent woman director with effect from April 1, 2021, and the Company has appointed Independent women director on March 24, 2022. Further, the changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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. the members at the 31<sup>st</sup> Annual General Meeting held on September 29, 2021, passed Special Resolution:
  - a. Reappointment of Mrs. Paru M Jaykrishna as Chairperson and Managing Director for further 5 years.
  - b. Authorizing the Board of Directors to issue Non convertible debentures and/or other debt securities in one or more series/trenches aggregating upto ₹500 Crores.

For, **SHYAMSINGH TOMAR & ASSOCIATES**

Company Secretaries

**Date:** August 04, 2022

**Place:** Ahmedabad

**Shyamsingh R. Tomar**

[Proprietor]

M. No.: 36530

COP No.: 15973

**UDIN:** A036530D000739078

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 13, Aaryans Corporate Park,  
Nr. Shilaj Railway Crossing, 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

**Date:** August 04, 2022  
**Place:** Ahmedabad

**Shyamsingh R. Tomar**  
[Proprietor]  
M. No.: 36530  
COP No.: 15973  
**UDIN:** A036530D000739078

# 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, 2022, 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:

## Manatory Requirements

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

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, 2022, 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, 2022, 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. There are three directors in whole time employment being the Managing Directors/Executive Director of the Company. 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 [www.asahisongwon.com](http://www.asahisongwon.com)

### 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>.

### 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, 2022, 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.

Nomination and Remuneration Committee for appointment of Independent Directors on the Board inter alia, consider qualification, area of expertise and number of directorship and membership held in various committees of the other Companies by such person in accordance with Company's policy for selection of Directors and determining Directors' independence.

The composition of the Board is in conformity with the requirements of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the Companies Act, 2013.

As on March 31, 2022, 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, 2022	% holding as on March 31, 2021
1.	Mrs. Paru M. Jaykrishna*	Promoter	Executive Chairperson and Managing Director	-	-
2.	Mr. Gokul M. Jaykrishna *		Executive Joint Managing Director & CEO	9,809	0.0816
3.	Mr. Arjun G. Jaykrishna		Executive Director	28,922	0.2405
4.	Mr. Munjal M. Jaykrishna		Non-Executive Director	-	-
5.	Mr. R. K. Sukhdevsinhji	Non- Promoter	Independent Director	-	-
6.	Mr. Arvind Goenka		Independent Director	-	-
7.	Mr. Jayprakash M. Patel		Independent Director	-	-
8.	Dr. Pradeep Jha		Independent Director	-	-
9.	Mrs. Shivani Revat Lakhia		Women Independent Director	-	-

\* Mrugesh Jaykrishna Family Trust – I is holding 52,76,651 (43.87%) 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 26,99,238 (22.44 %) 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.
- Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- 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
		08.04.2021	04.06.2021	04.08.2021	26.10.2021	03.02.2022	24.03.2022		
Mrs. Paru M. Jaykrishna	CMD	✓	✓	✓	✓	✓	✓	6	Yes
Mr. R. K. Sukhdevsinhji	ID	✓	✓	✓	✓	✓	✓	6	No
Mr. Arvind Goenka	ID	LOA	✓	✓	✓	✓	LOA	4	Yes
Mr. Jayprakash M. Patel	ID	✓	✓	✓	✓	✓	✓	6	Yes
Dr. Pradeep Jha	ID	✓	✓	✓	✓	✓	✓	6	Yes
Mr. Gokul M. Jaykrishna	MD & CEO	✓	✓	✓	✓	✓	✓	6	Yes
Mr. Munjal M. Jaykrishna	NED	✓	✓	✓	✓	✓	✓	6	Yes
Mr. Arjun G. Jaykrishna	ED	✓	LOA	✓	✓	✓	✓	5	Yes
Mrs. Shivani Revat Lakhia*	NED	-	-	-	-	-	✓	1	-

Mrs. Shivani Revat Lakhia was appointed as Independent Director with effect from March 24, 2022.

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 September 28, 2021 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, 2022

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	CEO	2	-	-	-
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
Mr. Munjal M. Jaykrishna	Non Executive – Non Independent Director	2	-	-	-
Mr. Arjun G. Jaykrishna	Executive Director	1	-	-	-
Mrs. Shivani Revat Lakhia	Non Executive – Non Independent Director	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 2021-2022, 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. The facility to attend the meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) was provided to the Directors, considering the second wave of COVID - 19 pandemic. 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

Your Company has put in place a well structured familiarisation programme for all its directors including independent directors of the Company. They 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. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/ technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively.

2.12 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.

Name of Board Members and Designation	Mrs. Paru M. Jaykrishna	Mr. Gokul M. Jaykrishna	Mr. Munjal M. Jaykrishna	Mr. Arvind Goenka	Mr. Jay Prakash M. Patel	Mr. R. K. Sukhdevsinhji	Dr. Pradeep Jha	Mr. Arjun G. Jay krishna	Mrs. Shivani Revat Lakhia
	CMD	Jt. MD & CEO	NED	ID	ID	ID	ID	ED	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	√	√	-	-	-	√	√	√	√
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;

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

Mr. Arjun Gokul 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.

### 2.14 Change/Appointment/Reappointment in Directors

During the year under review, Mrs. Shivani Revat Lakhia was appointed as Additional Director by the Board of Director at their meeting held on March 24, 2022, The members through Postal Ballot on June 21, 2022 appointed Mrs. Shivani Revat Lakhia as Independent Director (Women) for five consecutive years.

### 2.15 Directors Profile

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

### 2.16 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 2021-2022.

### 2.17 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 2021-2022. Annual Declaration by the Chairperson and Managing Director to this effect is annexed at the end of this report.

### 2.18 Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on February 03, 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, 2022 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 crore 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 the utilisation of loans and/ or advances from / investment by the Company in any subsidiary exceeding ₹ 100 Crore 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, 2022, 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:

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

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				
		08.04.2021	04.06.2021	04.08.2021	26.10.2021	03.02.2022
1.	Dr. Pradeep Jha	✓	✓	✓	✓	✓
2.	Mr. R. K. Sukhdevsinhji	✓	✓	✓	✓	✓
3.	Mr. Jayprakash M. Patel	✓	✓	✓	✓	✓

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, 2022, 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				
		04.06.2021	04.08.2021	26.10.2021	03.02.2022	24.03.2022
1.	Dr. Pradeep Jha	✓	✓	✓	✓	✓
2.	Mr. R. K. Sukhdevsinhji	✓	✓	✓	✓	✓
3.	Mr. Jayprakash M. Patel	✓	✓	✓	✓	✓

**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 2021-2022 (inclusive of Perquisites and Commission) (₹ in Lakhs)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	72.08
Mr. Gokul M. Jaykrishna	Joint Managing Director & CEO	108.67
Mr. Arjun G. Jaykrishna	Executive Director	54.00
<b>Total</b>		<b>234.75</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.

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:

1. 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;
2. To recommend the amount of expenditure to be incurred on CSR activities;
3. To monitor the implementation of framework of CSR policy; and
4. 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.

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, 2022, 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			
		04.06.2021	04.08.2021	26.10.2021	03.02.2022
1.	Mrs. Paru M. Jaykrishna	✓	✓	✓	✓
2.	Dr. Pradeep Jha	✓	✓	✓	✓
3.	Mr. Jayprakash M. Patel	✓	✓	✓	✓

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:

- To monitor complaints received by your Company from its Shareholders, and their 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;
- 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;
- To approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialisation, rematerialisation etc. of shares, debentures and other securities;
- 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;
- 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;
- To monitor and expedite the status and process of dematerialisation and rematerialisation of shares, debentures and other securities of your Company;
- 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;
- 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;
- 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.;
- Review measures taken for effective exercise of voting rights by shareholders;
- 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
- 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, 2022, 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 31<sup>st</sup> Annual General Meeting held on September 28, 2021.

### 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			
		04.06.2021	04.08.2021	26.10.2021	03.02.2022
1.	Dr. Pradeep Jha	✓	✓	✓	✓
2.	Mrs. Paru M. Jaykrishna	✓	✓	✓	✓
3.	Mr. Jayprakash M. Patel	✓	✓	✓	✓

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	: 14
Number of complaints resolved during the year	: 14
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 2021-2022. 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, 2022, 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 2021-2022 is as follows:

No.	Name of the Member	Attendance in Corporate Social Responsibility Committee Meetings held on	
		26.10.2021	03.02.2022
1.	Dr. Pradeep Jha	✓	✓
2.	Mr. R. K. Sukhdevsinhji	✓	✓
3.	Mr. Jayprakash M. Patel	✓	✓

## 4. General Body Meetings

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

Financial Year	Date	Time	Venue
2018-2019	September 27, 2019	11.30 a.m.	At AMA Seminar Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad – 380015
2019-2020	September 30, 2020	11.30 am	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
2020-2021	September 28, 2021	11.30 am	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

### 4.2 Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the financial year 2021-2022.

### 4.3 Special Resolution passed in the last three years at the Annual General Meetings

At the 29<sup>th</sup> Annual General Meeting held on September 27, 2019 the following Special Resolutions were passed:

- Reappointment of Mr. Rajkumar Sukhdevsinhji (DIN: 00372612) as an Independent Director of the Company.
- Reappointment of Mr. Arvind Goenka (DIN: 00135653) as an Independent Director of the Company.
- Reappointment of Dr. Pradeepbhai Jasubhai Jha (DIN: 01539732) as an Independent Director of the Company.
- Appointment of Mr. Jayprakash Maneklal Patel (DIN: 00256790) as an Independent Director of the Company.
- Payment of Managerial Remuneration under Section 197 of the Companies Act, 2013.
- Payment of Remuneration to Executive Directors who are promoters or member of Promoter Group.
- Private Placement of Non-Convertible Debentures and/or other debt securities.

At the 30<sup>th</sup> Annual General Meeting held on September 30, 2020 the following Special Resolutions were passed:

- Approval of Loan, Guarantee or Security under Section 185 of the Companies Act, 2013.
- Private Placement of Non-Convertible Debenture and/or other debt securities.

At the 31<sup>st</sup> Annual General Meeting held on September 30, 2020 the following Special Resolutions were passed:

- Re-appointment of Mrs. Paru M. Jaykrishna (DIN: 00671721), as Chairperson and Managing Director of the Company
- Private Placement of Non-Convertible Debenture and/or other debt securities.

### 4.4 Resolution passed with requisite majority in last year through Postal Ballot

No resolution was passed through Postal Ballot in the Financial Year 2021-22.

### 4.5 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. 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 (ATR) 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.

**6. General Shareholder's Information**

<b>i. 32<sup>nd</sup> Annual General Meeting Day, Date, Time &amp; Venue</b>	Friday, September 30, 2022 at 11.30 am through Video conferencing ("VC") or Other Audio Visual Means ("OAVM")	
<b>ii. Tentative Financial Year Calendar (2022-2023)</b>	Financial Year of the Company	April 1, 2022 to March 31, 2023
	First Quarter Results	On or before August 04, 2022
	Second Quarter Results	On or before November 14, 2022
	Third Quarter Results	On or before February 14, 2023
	Audited Results for the year 2022-2023	On or before May 30, 2023
	Annual General Meeting	August/ September, 2023
<b>iii. Dividend</b>	The Board of Directors in their meeting held on May 19, 2022 has recommended a final dividend of ₹ 0.50 (5%) per equity share for the Financial Year 2021-22. The dividend on equity shares for the financial year ended March 31, 2022, 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 23, 2022.	
	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 23, 2022.	
<b>iv. Date of Book Closure Closure of Register of Members and Share Transfer Books</b>	September 24, 2022 to September 30, 2022 (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 32 <sup>nd</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 27, 2022 to 5.00 p.m. IST September 29, 2022, both days inclusive.
<b>vi. Scrutiniser for electronic voting</b>	M/s. Shyamsingh Tomor & Associates Company Secretaries (Membership No. ACS36530) 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>	<p>The Equity Shares of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).</p> <p><b>Name and Address of Stock Exchange</b></p> <p><b>BSE Limited</b> P. J. Towers, Dalal Street, Fort Mumbai - 400 001</p> <p><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</p> <p><b>Payment of Fees to Exchanges</b> The Annual Listing Fees for the Financial Year 2022-2023 have been paid to the above stock exchange within the stipulated time.</p>
<b>ix. Stock Code/Symbol</b>	<p>BSE Scrip Code 532853</p> <p>NSE Scrip Code ASAHISONG</p>
<b>x. Type of Security</b>	Equity Shares
<b>Number of paid up shares</b>	1,20,27,262 equity shares of ₹10/- each fully paid
<b>Market lot of shares</b>	1 Equity Share
<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>	<p>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:</p> <p><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.</p> <p><b>Central Depository Services (India) Limited</b> Marathon Futurex, 25<sup>th</sup> Floor N. M. Joshi Marg, Lower Parel (East) Mumbai – 400 013.</p> <p><b>Payment of Depository Fees</b> The Annual Custodial fees for the financial year 2021-22 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).</p>

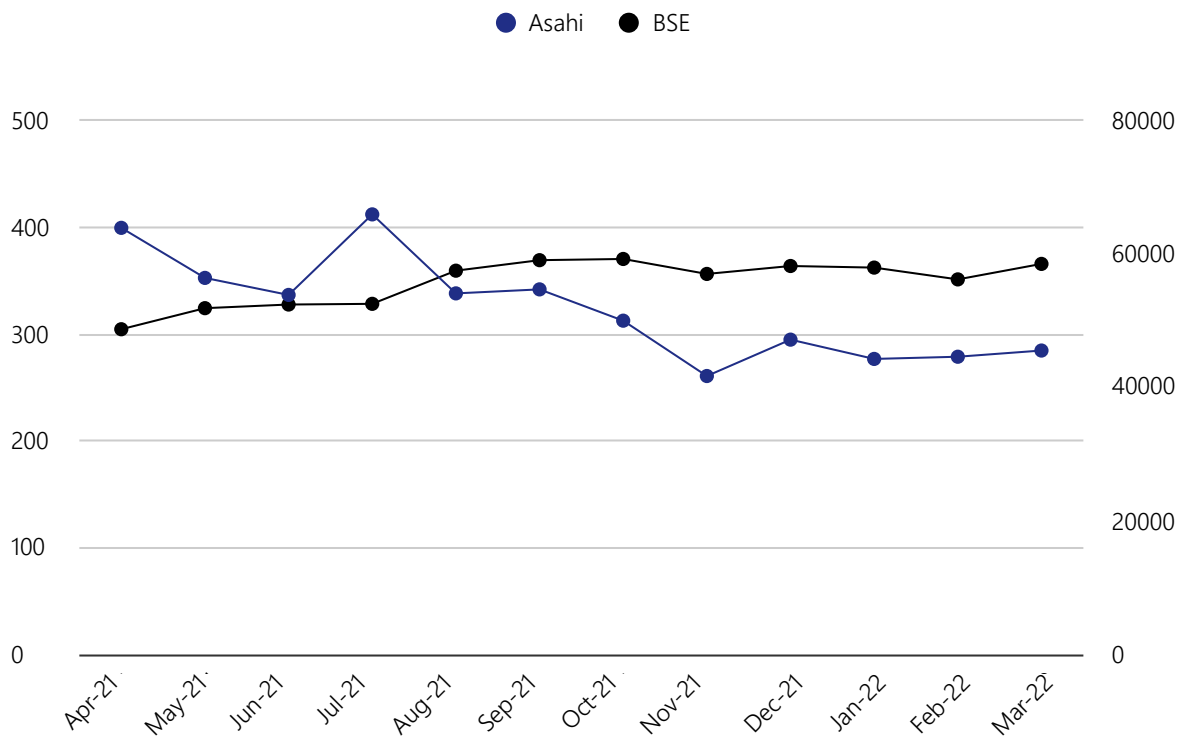
xiii. a) Market Price Data –high, low during each month in last financial year

The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2021-2022 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, 2021	361.15	304.00	52,799	358.30	305.10	4,48,433
May, 2021	398.00	335.00	1,22,237	398.80	335.25	6,71,733
June, 2021	390.35	327.85	1,09,629	391.50	333.25	7,84,443
July, 2021	423.70	335.05	1,19,322	425.00	334.90	10,76,649
August, 2021	442.65	316.70	3,14,261	447.00	323.30	15,27,184
September, 2021	385.00	328.30	87,165	385.90	326.80	6,81,275
October, 2021	382.10	300.00	1,01,881	384.00	292.80	5,87,946
November, 2021	342.55	255.05	36,812	334.00	254.65	3,59,105
December, 2021	332.00	255.50	59,537	332.70	259.55	6,19,549
January, 2022	319.00	276.50	66,098	320.00	275.00	5,02,203
February, 2022	309.55	226.00	73,243	311.00	230.35	8,10,471
March, 2022	309.35	257.25	91,454	309.00	255.00	7,48,401

xiv. Performance of the Company’ Equity Share vis-a-visa BSE Sensex during 2021-2022

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, 2021 to March 31, 2022. 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**

**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.

**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) Payment of dividend through National Automated Clearing House (NACH)**

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. SEBI Listing Regulations also mandate Companies to credit the dividend to the Members electronically through DC (Direct Credit/ NACH (National Automated Clearing House) / NEFT (National Electronic Funds Transfer). Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the Banks' "National Automated Clearing House" mode. Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in

physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not made available, the Company will issue the demand drafts mentioning the existing bank details available with the Company. Equity Shareholders holding shares in electronic mode may update their bank details with their Depository Participant (DP) and shareholder holding shares in physical form can update the details with Registrar and Share Transfer Agent.

**d) 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.

**e) 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.

**f) 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 (₹)
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
2015-2016	20	2,45,44,524

**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 2012-2013 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
2014-2015 Final	30/09/2015	04/11/2022
2015-2016 Interim	23/03/2016	28/04/2023
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

**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**

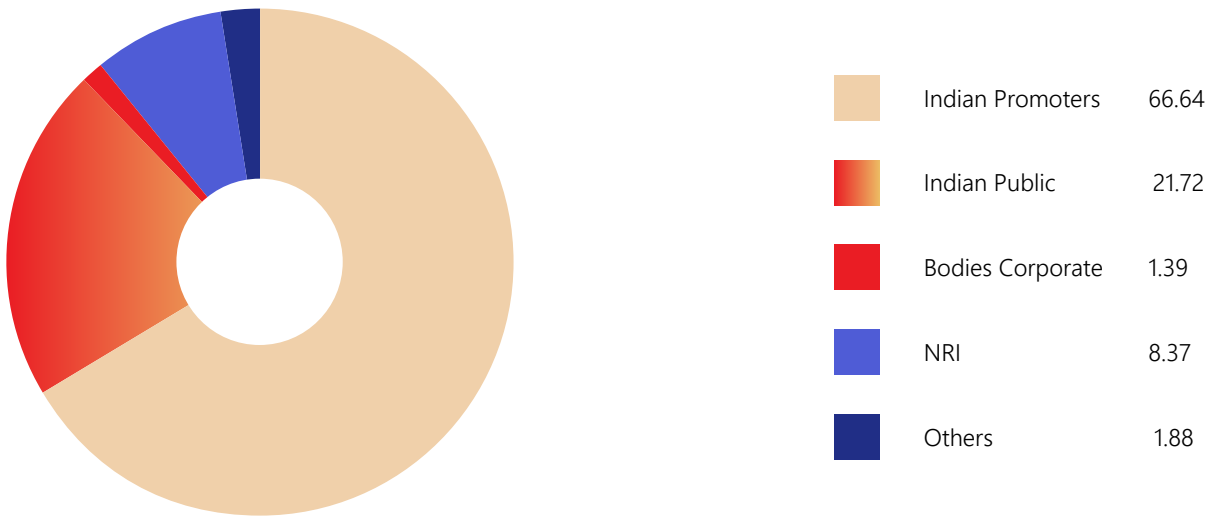
The distribution of shareholding as on March 31, 2022 is as under:

**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	12,759	93.61	9,43,001	7.84
501-1000	445	3.26	3,48,496	2.90
1001-2000	215	1.58	3,19,567	2.66
2001-3000	62	0.45	1,59,576	1.33
3001-4000	30	0.22	1,08,063	0.90
4001-5000	16	0.12	76,151	0.63
5001-10000	65	0.48	4,69,813	3.90
10001 and above	38	0.28	96,02,595	79.84
<b>Total</b>	<b>13,630</b>	<b>100.00</b>	<b>1,20,27,262</b>	<b>100.00</b>

b. Shareholding Pattern as on March 31, 2022 (Category wise)

Sr. No.	Category of Shareholder	March 31, 2022		March 31, 2021	
		Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
A.	Promoters				
1.	Indian Promoters				
a.	Individuals	38,731	0.32	38,731	0.32
b.	Bodies Corporate	-	-	-	-
c.	Private Family Trust	79,75,889	66.32	79,75,889	66.32
2.	Foreign Promoters	-	-	-	-
	Total Promoters Holding	80,14,620	66.64	80,14,620	66.64
B.	Non Promoters				
1.	Institutional Investors				
a.	Mutual Funds	-	-	-	-
b.	Banks, Financial Institutions, Insurance Companies	-	-	7	-
c.	Foreign Portfolio Investors	39,315	0.33	29,315	0.24
	Sub Total	39,315	0.33	29,322	0.24
2.	Non Institutional Investors				
a.	Bodies Corporate	1,66,912	1.39	2,47,376	2.06
b.	Indian Public	26,11,845	21.72	25,53,466	21.23
c.	NRIs/OCBs/Foreign Company	10,07,654	8.37	10,20,282	8.48
d.	HUF	1,71,637	1.43	1,40,314	1.17
e.	IEPF	2,671	0.02	1,698	0.01
f.	Clearing Members	12,608	0.10	20,184	0.17
	Sub Total	39,73,327	33.03	39,83,320	33.12
	Grand Total	120,27,262	100.00	1,20,27,262	100.00



List of Top Ten Shareholders other than Promoters as on March 31, 2022

Sr. No.	Name of the Shareholder	No of Shares held	% of Total Holding
1.	DIC Corporation	8,65,200	7.19
2.	D. Srimathi	1,52,312	1.27
3.	Kalyani P. Jain	34,626	0.29
4.	Pravin Natvarlal Bhagwati	32,280	0.27
5.	Priti Kothari	30,100	0.25
6.	Gymkhana Partners LLP	29,315	0.24
7.	Reena Pravinbhai Bhagwati	28,884	0.24
8.	Amol Ramchandra Pawar	25,480	0.21
9.	A. V. Dharmakrishnan	23,863	0.20
10.	MSPL Limited	23,651	0.20

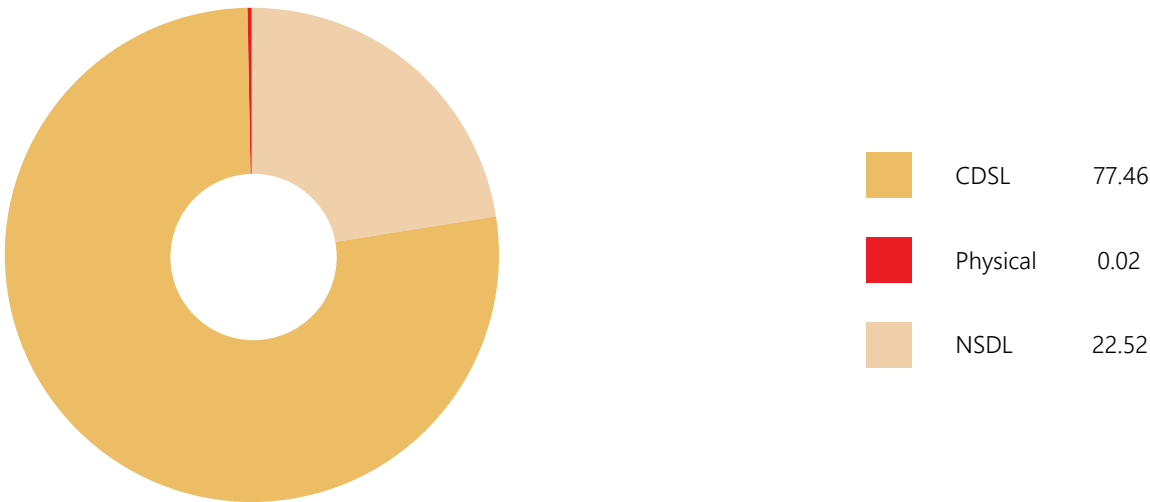
xx. Dematerialization of Shares and Liquidity

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, 2022. 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, 2022

Particulars	As on March 31, 2022		As on March 31, 2021	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
NSDL	27,09,412	22.52	29,48,351	24.51
CDSL	93,15,751	77.46	90,76,812	75.47
Shares in Physical Form	2,099	0.02	2,099	0.02
Total	1,20,27,262	100.00	1,20,27,262	100.00

Dematerailastion of Shares



**xxi. 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, 2022, there are no Global Depository Receipts or American Depository Receipts or Warrants outstanding.

**b) Paid up Share Capital**

The Paid-up Share Capital as on March 31, 2022, stands at ₹ 12,02,72,620 Comprising of 1,20,27,262 Equity Shares of ₹ 10/- each. There was no change in the issued and paid-up share capital during the year.

**xxii. Details on use of public funds obtained in the last three years:**

No public funds have been obtained in the last three years.

**xxiii. 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, 2022.

During the year, CARE has reviewed the credit rating to CARE A+; Stable (Double A Plus; Outlook; Stable rating assigned to the long-term facilities of your Company). This rating is applicable to facilities having a tenure of more than one year. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations.

CARE has also reaffirmed the CARE A1+ [Single A One Plus] rating assigned to the short-term facilities of your Company. This rating is applicable to facilities having a tenure up to one year. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations.

**xxiv. 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 2021-2022. The Audit Report is annexed to the Board's Report.

**xxv. Location of the Manufacturing facilities**

**Pigment Blue Plant**

437-440, Village : Dhudwad,  
ECP Channel Road, Padra  
Vadodara, Gujarat – 391 450.

**xxvi. Address for investor correspondence with the Company**

The Company Secretary

**Asahi Songwon Colors Limited**

"Asahi House", 13, Aaryans Corporate Park  
Nr. Shilaj Railway Crossing  
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)

**xxvii. Designated exclusive email-id for Investor servicing:**

[cs@asahisongwon.com](mailto:cs@asahisongwon.com)

**7. 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 2021-2022, 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 2021-2022, 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 thereunder 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 and BSE Limited for Non-compliance to Regulation 17 (1) (a) and 21 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015. In terms of Regulation 17 (1)(a) of SEBI Listing Regulation, the Board of the top 1000 listed entities (on the basis of market cap) shall have atleast one Independent Women Director with effect from April 01, 2021 and the Company has appointed independent women director on March 24, 2022. The Board of the Company is now duly constituted and complied Regulation 17 (1) (a) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015, further, the Company has already constituted risk management committee vide board meeting held on October 26, 2021. The Company has duly paid penalty levied by BSE Limited and 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, 2022.

- 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 ₹ 3.27 Lakh for the financial year 2021-2022.

**n. 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

**o. 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.

**t. 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.

**u. Subsidiary Companies**

Details of holding/ Details of Holding/Subsidiary/Associates Companies (as on March 31, 2022):

Name of Company	CIN	Holding / Subsidiary /Associate	% of Shares held	Applicable Section
Asahi Tennants Color Private Limited	U24290GJ2019PTC110526	Subsidiary	51%	2(87)

As on March 31, 2022, Asahi Tennants Color Private Limited is a unlisted material subsidiary of the Company.

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.

**p. 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.

**q. Non-Compliance of any Requirements of Corporate Governance**

As on March 31, 2022, 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.

**r. 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, 2022. Certificate obtained from the Practising Company Secretary, forms part of this Report.

**s. 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.

Pursuant to Regulation 24 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires the Board of unlisted material subsidiary to have at least one independent director of listed holding Company and accordingly, Dr. Pradeep Jha was appointed as the Independent Director appointed by the Company on the Board of the subsidiary.

The Company has complied with other requirements under Regulation 24 of the Listing Regulations with regard to the subsidiary companies.

## Non mandatory requirement

### 8. 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 entitle 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 2021-2022 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.

### 9. 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, 2022.

### 10. Reconciliation of Share Capital Audit Report

Reconciliation of Share Capital Audit Report in terms of SEBI Circular No. CIR/MRD/DP/30/2010 dated September 6, 2010 and SEBI Directive no. D&CC/FITTC/CIR-16/2002 dated December 31, 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.

### 11. 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.

### 12. 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.

### 13. 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.

**14. 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.

**15. 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, 2022.

**16.** 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

**Date:** August 04, 2022

**Place:** Ahmedabad

**Paru M. Jaykrishna**  
Chairperson and Mg. Director  
DIN: 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, 2022 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, 2022 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, 2022;
  - b. that there have been no significant changes in accounting policies during the year ended March 31, 2022 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**

**Date:** May 19, 2022  
**Place:** Ahmedabad

**Gokul M. Jaykrishna**  
Jt. Managing Director & CEO  
DIN No. 00671652

**Pratik Shah**  
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, 2022.

For and behalf of Board  
**Asahi Songwon Colors Limited**

**Date:** August 04, 2022  
**Place:** Ahmedabad

**Paru M. Jaykrishna**  
Chairperson and Mg. Director  
DIN: 00671721

# Corporate Governance Compliance Certificate

To,

The Members,

**ASAHI SONGWON COLORS LIMITED**

Asahi House 13, Aaryans Corporate Park,  
Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road,  
Thaltej, Ahmedabad-380059,  
Gujarat.

I have examined the compliance of conditions of Corporate Governance by Asahi Songwon Colors Limited ("the Company"), for the year ended on March 31, 2022, 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, 2022. However, pursuant to proviso to Regulation 17(1)(a) of the SEBI Listing Regulations the Board of all of the top 1000 listed entities (market cap wise) shall have at least one independent woman director with effect from April 1, 2021, and the Company has appointed Independent women director on March 24, 2022. Further, the Company had constituted risk management committee vide board meeting held on October 26, 2021.

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

**Date:** August 04, 2022

**Place:** Ahmedabad

**Shyamsingh R. Tomar**

[Proprietor]

M. No.: 36530

COP No.: 15973

**UDIN:** A036530D000739078

# 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**  
Asahi House 13, Aaryans Corporate Park,  
Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road,  
Thaltej, Ahmedabad-380059,  
Gujarat.

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", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, 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, 2022 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, 2022.

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

**Date:** August 04, 2022  
**Place:** Ahmedabad

**Shyamsingh R. Tomar**  
[Proprietor]  
M. No.: 36530  
COP No.: 15973  
**UDIN:** A036530D000739078

# Annexure – "J" to the Directors’ REPORT

## Business Responsibility Report

### Introduction:

The Securities and Exchange Board of India (SEBI) as per its (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) has mandated inclusion of a “Business Responsibility Report” (BRR) as part of Company’s Annual Report for top 1000 listed entities based on market capitalization at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The reporting framework is based on the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)’ released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains nine Principles and Core Elements for each of those nine Principles.

The report outlines the organization’s performance from the environmental, social and governance perspective and has been prepared as prescribed and in accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provides the information as required by Securities and Exchange Board of India.

### Section A: General Information About the Company

1.	Corporate Identification Number	L24222GJ1990PLC014789
2.	Name of the Company	Asahi Songwon Colors Limited
3.	Registered Office Address	"Asahi House", 13, Aaryans Corporate Park Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road, Thaltej, Ahmedabad – 380059, Gujarat
4.	Website	<a href="http://www.asahisongwon.com">www.asahisongwon.com</a>
5.	Email ID	<a href="mailto:cs@asahisongwon.com">cs@asahisongwon.com</a>
6.	Financial Year Reported	April 01, 2001-March 31, 2022
7.	Sector that Company is engaged in	Chemical NIC Code 20114 – Manufacture of Dyes and Pigments from any sources in basic form or as concentrate.
8.	Key products that the Company manufacturers/ provides	Manufacturer of Pigments 1. CPC Blue Crude 2. Beta Pigments 3. Alpha Pigments
9.	Total Number of locations where business activity is undertaken by the Company	The Company has one plant location at : 429-432, Village : Dudhwada ECP Channel Road, Tal : Padra Dist : Vadodara, Gujarat
10.	Market served by the Company	The Company serve both domestic and international market.

### Section B: Financial Details of the Company

1.	Paid up Capital	12027262
2.	Total Turnover (Standalone)	₹ 40,731.04 Lakhs
3.	Total Profit After Tax	₹ 2,418.90 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 61.36 Lakhs
5.	List of activities, in which expenditure in 4 above has been incurred	Detail list of activities in which expenditure of CSR undertaken, please refer the Annual Report on CSR activities forming part of this Annual Report.



## Section C: Other Details

Subsidiary Information & Details of subsidiary participation or any other entities participation in Company's BR Initiatives	Yes, as on March 31, 2022 the Company has one subsidiary, <b>Asahi Tenants Color Private Limited</b> The Company is engaged in the business of manufacturing AZO pigments. Its plant is located at D-2-CH-39, GIDC Estate, Dahej-II, Tal : Vagra, Bharuch, Gujarat The subsidiary company has just started its commercial production. Subsidiary company is not directly participating in the Company's BR initiatives.
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## Section D: Business Responsibility Information

### 1. Details of Director/ Directors responsible for BR and BR head:

a. Details of the Director/ Directors Responsible for implementation of the BR policy/policies	DIN : 00671652 Name : Mr. Gokul M. Jaykrishna Designation: Joint Managing Director & CEO Tele No. 91-79-68325000 Email ID : <a href="mailto:cs@asahisongwon.com">cs@asahisongwon.com</a>
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### 2. Principle-wise (as per NVGs) BR Policy / Policies:

The National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

- Principle 1** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- Principle 2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- Principle 3** Businesses should promote the well-being of all employees.
- Principle 4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- Principle 5** Businesses should respect and promote human rights.
- Principle 6** Businesses should respect, protect and make efforts to restore the environment principle.
- Principle 7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- Principle 8** Businesses should support inclusive growth and equitable development.
- Principle 9** Businesses should engage with and provide value to their customers and consumers in a responsible manner.

### a. Details of Compliances (Reply in Y/N):

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Has the policy been formulated in consultation with the relevant stakeholders?	The relevant policies have evolved over a period of time by taking inputs from relevant internal stakeholders. However, the Company engages with key external stakeholders on a regular basis and their concerns are noted and discussed internally which helps in shaping our policies.								
3. Does the policy conform to any national/ international standards? If yes, specify.	Yes. Policies have been developed considering relevant national/international standards and meet national regulatory requirements such as Factories Act, 1948, ISO Standards, Companies Act, 2013, the Listing Regulations and various other Statutes.								
4. Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Yes. The policies are approved by the Board/ Competent Authority to which requisite authority has been delegated by the Board.								
5. Does the Company have a specified committee of the Board/ Directors /official to oversee the implementation of the policy?	Yes. The director is responsible for BR and BR head is responsible for implementation of the policy.								

6. Indicate the link for the policy to be viewed online?	Policies are uploaded in the website of the Company at <a href="http://www.asahisongwon.com">www.asahisongwon.com</a>								
7. Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies are communicated to relevant internal stakeholders and are published on the Company's website.								
8. Does the Company have in-house structure to implement the policy /policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9. Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10. Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes. The policies are evaluated periodically by various divisions of the Company.								

b. If answer to the question at serial number 1 against any principle is 'No', please explain why:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The Company has not understood the principles	Not Applicable as the Company has formulated policies based on all the nine Principles.								
2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3. The Company does not have any financial or manpower resources available for the task									
4. It is planned to be done within the next 6 months.									
5. It is planned to be done within the next 1 year.									
6. Any other reason (please specify)									

3. Governance related to BR:

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 Year	The BR related performance is reviewed by the Board / Committee of the Company annually. The Joint Managing Director & CEO of the Company assesses the BR performance in discussion with HOD's on a quarterly basis.								
b. Does the company publish a BRR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR forms part of Annual Report of the Company and the same is made available on the website of the Company at <a href="http://www.asahisongwon.com">www.asahisongwon.com</a>								

Section E: Principle-Wise Performance

Principle 1: Businesses Should Conduct and Govern Themselves With Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs/ Others?	The Company has adopted a Code of conduct applicable to the Board of Directors, Senior Management Personnel and employees of the Company as well. The Code requires the Directors, Senior Management Personnel and other employees of the Company to act honestly, ethically and with integrity.								
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by management? If so, provide details thereof, in about 50 words or so.	<p>The Whistle blower policy serves as a mechanism for its Directors and Employees to report any genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct.</p> <p>During the year under review, the Company has not received any complaint under Whistle blower mechanism.</p> <p>In addition to this there are no complaints received by the Company during the year relating to ethics, bribery or corruption from any stakeholders.</p>								

Principle 2: Businesses Should Provide Goods and Services That Are Safe And Contribute to Sustainability Throughout Their Life Cycle

1. List three products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	The Company is in the business of manufacturing of Pigments. The manufacturing process of the products are environmental friendly and comply with applicable laws and guidelines issued by CPCB/SPCB.
2. Does the Company have procedures in place for sustainable sourcing (including transportation)	The Company's procurement of materials and goods are done by the Centralised Procurement Team. The procedures laid down in this regard endeavours to protect the environment and various stakeholders. Bulk materials are transported through various modes viz. rail/sea and road. The mode of transport is chosen based on cost economics. However, the transportation and logistics optimization is an ongoing activity to reduce the related environmental impacts.
3. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?	The Company procures goods and services from various local & small producers who meet the quality, delivery and cost expectation of the Company.
4. Des the Company have a mechanism to recycle products and waste and the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof in about 50 words or so.	The Company has in-house facilities for recycle of its waste and is continuously trying to reduce to optimize the process. The manufacturing facilities of the Company are under Zero Liquid discharge. Further, it works with selected companies which are duly authorized by SPCB for using such waste as their inputs.

Principle 3: Businesses Should Promote the Wellbeing of all Employees

1. Total No. of employees	136 (as on March 31, 2022)		
2. Total number of employees hired on temporary/ contractual/casual basis	441		
3. Number of permanent women employees	5		
4. Number of permanent employees with disabilities	Nil		
5. Employee associations recognised by the management	Nil		
6. Percentage of permanent employees that are members of recognised employee associations	Nil		
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	<b>Sl.</b>	<b>Category</b>	<b>No. of complaints filed during the financial year</b> <b>No. of complaints pending as on end of the financial year</b>
	1.	Child labour/ forced labour/ involuntary labour	No. of complaints pending as on end of the financial year
	2.	Sexual Harassment	
	3.	Discriminatory Employment	
8. Percentage of employees that were given safety and skill upgradation training in the previous year.	All employees, both permanent and temporary are regularly given training.		

#### Principle 4: Businesses Should Respect The Interests of and Be Responsive Towards All Stakeholders, Especially Those Who are Disadvantaged, Vulnerable and Marginalised

1. Has the Company mapped its internal and external stakeholders? Yes/No	Yes. The Company has mapped its key internal and external stakeholders.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company identifies underprivileged communities around its business locations who are disadvantaged, vulnerable and marginalised stakeholders and continuously engages with all such stakeholders in identifying their needs and priorities to serve their needs.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	The Company is carrying out various welfare activities for the disadvantaged, vulnerable and marginalized stakeholders through its CSR programmes.

#### Principle 5: Businesses Should Respect and Promote Human Rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors / NGOs/ Others?	The Company remains committed to respect and protect human rights of the all people around and associated with it. The Company's Code of Conduct & Ethics and the HR policies and processes adequately address these aspects. The Company does not hire child /forced or involuntary labour. All the employees are treated in a just, fair and equal manner. The Company expects its suppliers, contractors etc to adhere to the principles of human rights.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No stakeholder complaints were received pertaining to human rights violation during the last financial year.

#### Principle 6: Business Should Respect, Protect and Make Efforts to Restore the Environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers/Contractors /NGOs/other	The Company has well-defined policies/principles in places relating to Health, Safety and Environment. These policies foster utmost employee safety and wellbeing which not only takes care of the wellness of employees but also the environment.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	The Company's policy requires conduct of operations in such a manner, as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. In line with the Company's commitment towards conservation of energy, its manufacturing units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption, using solar energy, rain water harvesting etc. There is no URL at present.
3. Does the company identify and assess potential environmental risks? Y/N	Yes, the Company identifies and assesses potential environment risks for its product range.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?	The Company is exploring and evaluating opportunity related to Clean Development Mechanism. The Company strictly follows guidelines issued by the CPCB and SPCB for its product range.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company utilises its resources in an optimal and responsible manner. Continuous efforts are carried on to improve energy efficiency in every sphere of Company's operations. Appropriate measures to check and prevent pollution are undertaken. The Board's Report contains detail of the steps taken to conserve energy during the year.
6. Are the Emissions/Waste generated by the company within the permissible limits given by GPCB for the financial year being reported?	The emissions/waste generated by the Company is within the permissible limits given by CPCB/SPCB.
7. Number of show cause/ legal notices received from GPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year.	As on March 31, 2022, no notice is pending.



**Principle 7: Businesses, When Engaged In Influencing Public and Regulatory Policy, Should do So in a Responsible Manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Federation of Indian Export Organisations (FIEO) Chemexil
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.	Yes, through membership in the above industry bodies, the Company take-up key issues faced by the industry for improvement of public goods and industry interest.

**Principle 8: Businesses Should Support Inclusive Growth and Equitable Development**

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company strongly believes in the true spirit of giving back to the society a certain percentage of the profits. To achieve the above objective, The Company has a well-defined CSR policy which is in line with the provisions of the Companies Act, 2013. The CSR activities are monitored by Board constituted CSR committee. The report on the CSR projects carried by the Company is annexed to the Director's Report which forms part of this Annual Report.
2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO / government structures/ any other organization?	Activities are carried out by the Company directly and/or through implementing agencies.
3. Have you done any impact assessment of your initiative?	The CSR programs and their impacts/outcomes are monitored and reviewed by the CSR committee of the Board and the management periodically to understand the impact of these programs.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken	The Company has spent ₹ 61.59 lakhs on the CSR Activities during the financial year 2021-2022. Please refer the Annual Report on CSR activities forming part of this Annual Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	The project are identified and developed as per the CSR Policy of the Company and presented to CSR committee for their review and approval. The Company undertakes these projects directly and /or through implementing agencies. Please refer to the Annual Report on CSR activities for the financial year ended March 31, 2022 forming part of this Annual Report.

**Principle 9: Businesses Should Engage With and Provide Value to Their Customers and Consumers in a Responsible Manner**

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.	No customer complaints/cases are pending on close of financial year 2021-2022.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. / Remarks (additional information)	Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed to ensure safe and efficacious use of products.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior filed against the Company during the last five years or pending as on March 31, 2022.
4. Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. The marketing team of the Company meets the customers time to time to understand their expectation. The Company believes in long term business relationship. Feedbacks received from customers are implemented to further enhance quality of service.

# 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 Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income) Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

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 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 state of affairs of the Company as at March 31, 2022, its profit, total comprehensive income, changes in equity and its cash flows for the year then ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

## 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.

Key Audit Matter	Auditor's Response
<b>Property, Plant &amp; Equipment (Refer Note No- 3 to 5 of the Standalone Financial Statements )</b>  The value of property, plant & equipment and capital work-in-progress amounted to ₹ 15,387.85 Lakhs (i.e. 39.50% of total assets) at the Balance Sheet Date March 31, 2022.  There are a number of areas where management judgement impacts the carrying value of property, plant and equipment and capital work-in-progress and their respective depreciation profiles. These include : <ul style="list-style-type: none"><li>- the decision to capitalize or expense costs;</li><li>- review of estimated useful lives of assets</li><li>- the timeliness of transfers to property, plant &amp; equipment from capital work-in-progress.</li></ul>	<p>We tested controls in place over the property, plant&amp; equipment cycle, evaluated the appropriateness of capitalization policies, performed tests of details on costs capitalized and assessed the timeliness of capitalization from capital work-in-progress. We also reviewed the appropriateness of estimated useful lives applied in the calculation of depreciation.</p> <p>Our Results: As a result of performance of above procedures we have not identified any circumstances that would led to material adjustments to the carrying value of these assets, or change in their useful lives.</p>

## Information other than Financial Statements & Auditors Report Thereon

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion & Analysis (but does not include the Standalone Financial Statements and our auditor's report thereon).

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the 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 Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements 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, management 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone 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 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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 period 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.

## Report On Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable .

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.
- (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 Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone 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 as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 Company and the operating effectiveness of such controls, refer to or separate report in **"Annexure B"** to this Report.
- (g) With respect to the other matters to be included in the Auditors Report in accordance with requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its Directors during the year is in accordance with the provisions of Section 197.
- (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 Company has disclosed the impact of pending litigations on the financial position of its Standalone financial statements—Refer Note 40 to the Standalone Financial Statements;
  - ii. The Company 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 Company.
  - iv. a) 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 person or entity, 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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) 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, 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 such audit procedures that have been considered reasonable and appropriate in the circumstances, 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. 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.

**Date:** May 19, 2022  
**Place:** Ahmedabad

**For, Mahendra N. Shah & Co.,**  
Chartered Accountants  
ICAI Firm Registration Number: 105775W  
**Chirag M. Shah**  
Partner  
Membership Number :045706  
UDIN : 22045706AKOBNG4822

“Annexure A”

To the Independent Auditors’ Report of even date on the Standalone Financial Statements of **ASAHI SONGWON COLORS LIMITED**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the financial statements of the Company for the year ended March 31, 2022:

1. a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and Capital work in progress.

(ii) As the Company does not hold any intangible assets, reporting under clause 3(i) of the Order is not applicable.
- b) No item of Property, Plant and Equipment, (Capital work-in-progress and right-of-use assets) 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) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work in progress), are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations received by us from lenders.
- 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 (including Right-of-use 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.
2. a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- b) 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements and book debt statements filed by the Company for all quarters are in not in agreement with the reviewed books of accounts, however such differences between books of account and those submitted to bank are reconciled as stated below.

(₹ in lakhs)

Quarter	Name of Bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in quarterly return/ statement	Amount of difference
June, 2021	State Bank of India	Inventory-Raw Material	1,479.34	1,487.75	(8.41)
June, 2021	State Bank of India	Inventory-Stock in process	265.00	262.26	2.74
June, 2021	State Bank of India	Inventory-Semi Finished Goods	375.21	355.19	20.02
June, 2021	State Bank of India	Inventory- Finished Goods	1,016.57	1,007.30	9.27
June, 2021	State Bank of India	Inventory- Finished Goods in transit	691.96	711.49	(19.53)
June, 2021	State Bank of India	Inventory- Stores & Packing Materials	369.48	324.90	44.58
June, 2021	State Bank of India	Trade Receivables	8,534.87	8,498.90	35.97
September,2021	State Bank of India	Inventory-Raw Material	1,896.88	1,906.24	(9.36)
September, 2021	State Bank of India	Inventory-Stock in process	225.26	229.90	(4.64)
September, 2021	State Bank of India	Inventory-Semi Finished Goods	119.06	123.69	(4.63)

September, 2021	State Bank of India	Inventory- Finished Goods	2,122.75	2,106.90	15.85
September, 2021	State Bank of India	Inventory- Finished Goods in transit	915.66	908.26	7.40
September, 2021	State Bank of India	Inventory- Stores & Packing Materials	408.94	398.92	10.02
December, 2021	State Bank of India	Inventory-Raw Material	1,870.22	1,867.64	2.58
December, 2021	State Bank of India	Inventory-Stock in process	353.49	313.39	40.1
December, 2021	State Bank of India	Inventory-Semi Finished Goods	953.57	753.45	200.12
December, 2021	State Bank of India	Inventory- Finished Goods	3,737.12	3,295.37	441.75
December, 2021	State Bank of India	Inventory- Finished Goods in transit	976.02	874.08	101.94
December, 2021	State Bank of India	Inventory- Stores & Packing Materials	402.00	404.10	(2.10)
December, 2021	State Bank of India	Trade Receivables	7,950.82	7,950.88	(0.06)

3. 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 or 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 as at balance sheet date (₹ In Lakhs)
- Subsidiaries	Nil	Nil
- Joint Ventures	Nil	Nil
- Associates	Nil	Nil
- Others	12.75	7.05

The Company has not given guarantee or provided security to any other entity during the year.

- b) The grant of all the above-mentioned loans and advances in the nature of loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. (Refer reporting under clause (iii)(f) below)
- d) There are no amounts due for more than ninety days in respect of loans granted by the company.
- 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 overdues of existing loans given to the same parties.
- f) The Company has granted loans which are without specifying any terms or period of repayment details of which are given below:

Particulars	All Parties- Including Related Party (₹ In Lakhs)	Promoters (₹ In Lakhs)	Related Parties (₹ In Lakhs)
Aggregate amount of loans in the nature of loans which are without specifying any terms or period of repayment	12.75	Nil	Nil
Percentage of loans to the total loans	100%	Nil	Nil

4. According to the information and explanations given to us and on the basis of our examination of the records, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

5. According to information and explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
6. The Central Government has prescribed maintenance of Cost Records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- b) According to the information and explanations given to us, there are no material dues of Sales Tax, Service Tax, Goods & Service Tax and Customs Duty which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax have not been deposited by the Company on account of disputes

Name of Statute	Nature of Dues	Forum where dispute is pending	Amount (₹ In Lakhs)	Period to which the amount relates
Income Tax Act	Income Tax	Income Tax Appellate Tribunal	15.60	Asst Year 2010-11
Income Tax Act	Income Tax	Income Tax Appellate Tribunal	30.73	Asst Year 2020-21

8. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
9. a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) Term loans were applied for the purpose for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
10. a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
11. a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
12. 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.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.



14. (a) The Company has an internal audit system commensurate with the size and nature of its business.  
  
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
16. (a) In our opinion and according to information and explanations given to us, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.  
  
(b) In our opinion, 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) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.  
  
(d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 xvi (d) of the order are not applicable to the company
17. The Company has not incurred cash losses in the current and immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
19. 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.
20. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 46 to the financial statements.  
  
(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 46 to the financial statements.

**Date:** May 19, 2022  
**Place:** Ahmedabad

**For, Mahendra N. Shah & Co.,**  
Chartered Accountants  
ICAI Firm Registration Number: 105775W  
**Chirag M. Shah**  
Partner  
Membership Number :045706  
UDIN : 22045706AKOBNG4822

# "Annexure B"

To the independent auditors' report of even date on the Standalone Financial Statements of **ASAHI SONGWON COLORS LIMITED**.

## REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (1) OF SUB-SECTION 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, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to the Standalone Financial Statements 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 controls with reference to the Standalone Financial Statements 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 with reference to the Standalone Financial Statements 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 with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included

obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, 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 Judgement, 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 over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone 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 Standalone 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 or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial control with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as on March 31, 2022, based on the internal control with reference to the Standalone Financial Statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

**Date:** May 19, 2022

**Place:** Ahmedabad

**For, Mahendra N. Shah & Co.,**

Chartered Accountants

ICAI Firm Registration Number: 105775W

**Chirag M. Shah**

Partner

Membership Number :045706

UDIN : 22045706AKOBNG4822

# Standalone Balance Sheet

As at March 31, 2022

(₹ in lakhs)

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>1) Non-current Assets</b>			
(a) Property, Plant and Equipment	3	13,274.07	11,721.18
(b) Right of Use Assets	4	2,075.98	2,077.72
(c) Capital work-in-progress	5	37.80	44.50
(d) Financial Assets			
(i) Investments	6	5,026.62	5,072.07
(ii) Others Non Current Financial Assets	7	6.47	41.25
(e) Other Non Current assets	8	91.23	142.91
<b>Total Non-current Assets</b>		<b>20,512.17</b>	<b>19,099.63</b>
<b>2) Current Assets</b>			
(a) Inventories	9	8,048.11	4,597.27
(b) Financial Assets			
(i) Trade receivables	10	8,701.28	7,821.30
(ii) Cash and Cash equivalents	11	26.59	26.75
(iii) Bank balances other than (ii) above	12	345.25	179.11
(iv) Loans	13	7.05	13.36
(v) Others Financials Assets	14	10.65	8.81
(c) Current Tax Assets ( Net )	15	220.88	-
(d) Other Current Assets	16	1,086.41	2,049.75
<b>Total Current Assets</b>		<b>18,446.22</b>	<b>14,696.35</b>
<b>TOTAL ASSETS</b>		<b>38,958.39</b>	<b>33,795.98</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
(a) Equity Share capital	17	1,202.73	1,202.73
(b) Other Equity	18	24,023.33	22,060.87
<b>Total Equity</b>		<b>25,226.06</b>	<b>23,263.60</b>
<b>2) Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	1,374.42	750.00
(b) Provisions	20	186.01	157.52
(c) Deferred tax liabilities (Net)	21	1,565.27	1,516.62
(d) Other Non-Current liabilities	22	0.44	0.20
<b>Total Non Current Liabilities</b>		<b>3,126.14</b>	<b>2,424.34</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	3,864.56	3,659.05
(ii) Trade payables	24		
Total outstanding dues of Micro and Small Enterprises		791.55	260.85
Total outstanding dues of Creditors other than Micro and Small Enterprises		5,483.08	3,821.98
(iii) Other Financial Liabilities	25	266.10	145.44
(b) Other Current Liabilities	26	157.80	106.77
(c) Provisions	27	43.10	75.10
(d) Current Tax Liabilities ( Net )	28	-	38.85
<b>Total Current Liabilities</b>		<b>10,606.19</b>	<b>8,108.04</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,958.39</b>	<b>33,795.98</b>

Summary of Significant Accounting Policies

2

The accompanying notes form an integral part of Standalone Financial Statements

In terms of our report attached.

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
CIN: L24222GJ1990PLC014789

**For, Mahendra N. Shah & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 105775W

**Pratik Shah**  
Chief Financial Officer

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN 00671721)

**Chirag M. Shah**  
Partner  
Membership No. 045706

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

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

**Place :** Ahmedabad  
**Date :** May 19, 2022

**Place :** Ahmedabad  
**Date :** May 19, 2022

# Standalone Statement of Profit & Loss

For The Year Ended March 31, 2022

(₹ in lakhs)

Sr. No.	Particulars	Note No	Year ended March 31, 2022	Year ended March 31, 2021
<b>I.</b>	<b>Income:</b>			
	Revenue from operations	29	40,564.82	28,294.48
	Other income	30	166.22	252.90
	<b>Total Income ( I )</b>		<b>40,731.04</b>	<b>28,547.38</b>
<b>II.</b>	<b>Expenses:</b>			
	Cost of Materials consumed	31	28,863.25	16,948.07
	Purchase of Stock in Trade		47.91	61.04
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(3,270.36)	(1,106.31)
	Employee benefits expense	33	1,095.34	1,013.70
	Finance cost	34	325.10	191.95
	Depreciation and amortization expense	35	880.53	843.78
	Other Expenses	36	9,564.31	6,564.79
	<b>Total expenses ( II )</b>		<b>37,506.08</b>	<b>24,517.02</b>
<b>III.</b>	<b>Profit before Exceptional items and tax expenses ( I - II )</b>		<b>3,224.96</b>	<b>4,030.36</b>
<b>IV.</b>	Exceptional items		-	445.24
<b>V.</b>	<b>Profit before tax expenses ( III + IV )</b>		<b>3,224.96</b>	<b>4,475.60</b>
<b>VI.</b>	<b>Tax expense:</b>			
	Current tax		685.00	1,123.63
	Deferred tax		121.06	58.24
<b>VII.</b>	<b>Profit for the year ( V - VI )</b>		<b>2,418.90</b>	<b>3,293.73</b>
	<b>Other Comprehensive Income</b>	37		
	(i) Items that will not be reclassified to profit or loss		(40.50)	1,020.46
	Income tax relating to items that will not be reclassified to profit or loss		55.44	(342.20)
	(ii) Items that will be reclassified to profit or loss		(67.40)	144.14
	Income tax relating to items that will be reclassified to profit or loss		16.97	(36.28)
<b>VIII.</b>	<b>Other Comprehensive Income for the year (net of tax)</b>		<b>(35.49)</b>	<b>786.12</b>
<b>IX.</b>	<b>Total Comprehensive Income for the year</b>		<b>2,383.41</b>	<b>4,079.85</b>
<b>X.</b>	<b>Earnings per equity share: (face value of ₹ 10/- each)</b>	38		
	Basic		20.11	27.11
	Diluted		20.11	27.11

Summary of Significant Accounting Policies

2

The accompanying notes form an integral part of Standalone financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

**Asahi Songwon Colors Limited**

CIN: L24222GJ1990PLC014789

**For, Mahendra N. Shah & Co.**

Chartered Accountants

ICAI Firm Registration No. 105775W

**Chirag M. Shah**

Partner

Membership No. 045706

**Place :** Ahmedabad**Date :** May 19, 2022**Pratik Shah**  
Chief Financial Officer**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN 00671721)**Gokul M. Jaykrishna**  
Jt. Managing Director & CEO  
(DIN 00671652)**Place :** Ahmedabad**Date :** May 19, 2022



# Standalone Statement of Changes in Equity

For The Year Ended March 31,2022

## A. Equity Share Capital

(₹ in lakhs)		
Particulars	Note	Amount
As at April 01, 2020		1,227.23
Changes in Equity Share Capital due to prior period errors		-
Restated Balance as at April 01, 2020		1,227.23
Changes in equity share capital during the year		(24.50)
As at March 31, 2021		1,202.73
As at April 01, 2021		1,202.73
Changes in Equity Share Capital due to prior period errors		-
Restated Balance as at April 01, 2021		1,202.73
Changes in equity share capital during the year		-
As at March 31, 2022		1,202.73

## B. Other Equity

(₹ 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 )	
Balance as at April 01, 2020	1,507.17	2,787.00	15,423.54	-	(737.42)	(61.41)	12.19	18,931.06
Profit for the year	-	-	3,293.73	-	-	-	-	3,293.73
Other Comprehensive Income (Net of Taxes )	-	-	-	-	679.19	107.86	(0.93)	786.12
Transfer from General Reserve	-	-	-	24.50	-	-	-	24.50
Total comprehensive income for the year	-	-	3,293.73	24.50	679.19	107.86	(0.93)	4,104.35
Transfer to Capital Redemption Reserve	-	(24.50)	-	-	-	-	-	(24.50)
Buyback of Equity Shares	(950.04)	-	-	-	-	-	-	(950.04)
Balance as at March 31, 2021	557.13	2,762.50	18,717.27	24.50	(58.23)	46.45	11.26	22,060.87
Balance as at April 01, 2021	557.13	2,762.50	18,717.27	-	(58.23)	46.45	11.26	22,060.87
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>
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	(420.95)	-	-	-	-	(420.95)
<b>Balance as at March 31, 2022</b>	<b>557.13</b>	<b>2,762.50</b>	<b>20,715.22</b>	<b>24.50</b>	<b>(49.75)</b>	<b>(3.98)</b>	<b>17.72</b>	<b>24,023.33</b>

In terms of our report attached.

**For, Mahendra N. Shah & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 105775W

**Chirag M. Shah**  
Partner  
Membership No. 045706

**Place :** Ahmedabad  
**Date :** May 19, 2022

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
CIN: L24222GJ1990PLC014789

**Pratik Shah**  
Chief Financial Officer

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN 00671721)

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

**Place :** Ahmedabad  
**Date :** May 19, 2022

# Standalone Cash Flow Statement

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
<b>A. Cash Flow from Operating Activities</b>				
<b>Profit Before Tax</b>	<b>3,224.96</b>		<b>4,030.36</b>	
<b>Adjustments for :</b>				
Depreciation and Amortisation Expense	880.53		843.78	
Finance Cost	325.10		191.95	
Profit/(Loss) on sale of Property, Plant and Equipment ( Net )	(0.61)		410.44	
Interest Income	(14.63)		(7.52)	
Profit / (Loss) from sale of Non Current Investment ( Net )	0.63		155.90	
Dividend Income	(0.30)	1,190.72	(3.87)	1,590.68
<b>Operating Profit Before Working Capital Changes</b>	<b>4,415.68</b>		<b>5,621.04</b>	
<b>Working Capital Changes</b>				
<b>Adjustments for</b>				
(Increase)/Decrease Trade receivables	(964.91)		(2,179.52)	
(Increase)/Decrease Inventories	(3,450.84)		(1,676.75)	
Increase/ (Decrease) Trade payables	2,360.23		326.16	
Changes in Loans, Current and Financial Assets	1,050.32	(1,005.20)	(671.96)	(4,202.07)
<b>Net Cash Flow Generated from Operating Activities</b>	<b>3,410.48</b>		<b>1,418.97</b>	
Direct taxes paid (Net)	(944.73)		(933.33)	
	<b>(944.73)</b>		<b>(933.33)</b>	
<b>Net Cash Flow from Operating Activities</b>	<b>2,465.75</b>		<b>485.64</b>	
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Property, Plant & Equipment ( Including capital advances )	(2,505.81)		(1,734.57)	
Proceeds from sale of Property, Plant & Equipment	76.27		2,652.86	
Consideration for Acquisition of Control in Subsidiary	-		(3,437.97)	
Purchase of Non Current Investments	-		(2,376.81)	
Sale of Non Current Investments	21.82		3,317.02	
Margin money deposit (placed) / matured	(156.14)		(21.12)	
Dividend Income	0.30		3.87	
Interest and Other Income	14.63		7.52	
<b>Net Cash Flow from (used in) Investing Activities</b>	<b>(2,548.93)</b>		<b>(1,589.20)</b>	
<b>C. Cash Flow from Financing Activities</b>				
Repayment of long term borrowings	(501.83)		(521.00)	
Availment of long term borrowings	1,258.49		-	
Availment/(Repayment) Short term borrowings	73.27		2,779.26	
Payment of Dividend (including Dividend Distribution Tax)	(420.95)		-	
Payment of Buyback of shares with tax	-		(974.54)	
Unclaimed dividend paid	(0.86)		(0.52)	
Finance Cost	(325.10)		(191.95)	
<b>Net Cash Flow from (used in) Financing Activities</b>	<b>83.02</b>		<b>1,091.25</b>	
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(0.16)</b>		<b>(12.31)</b>	
<b>Cash and cash equivalent at the beginning of the year</b>	<b>26.75</b>		<b>39.06</b>	
<b>Cash and cash equivalent at the end of the year</b>	<b>26.59</b>		<b>26.75</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.

In terms of our report attached.

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
CIN: L24222GJ1990PLC014789

**For, Mahendra N. Shah & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 105775W

**Pratik Shah**  
Chief Financial Officer

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN 00671721)

**Chirag M. Shah**  
Partner  
Membership No. 045706

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

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

**Place :** Ahmedabad  
**Date :** May 19, 2022

**Place :** Ahmedabad  
**Date :** May 19, 2022

# 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", 13, Aaryans Corporate Park, Thaltej – Shilaj Road, Nr. Shilaj Railway Crossing, 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 financial statements as at March 31, 2022 present the financial position of the Company.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 19, 2022.

## 2. Significant Accounting Policies.

### 2.1 Basis of Preparation of Financial Statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

#### (i) Compliance with Ind-AS

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.

#### (ii) Basis of Preparation and presentation

The 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 financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### (iv) 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.

#### (iv) Rounding of amounts

The financial statements are presented in ₹ and all values are rounded to the nearest Lakh (₹ 1,00,000) 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 crystalising 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 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 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 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.

## 2.4 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.

## 2.5 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

## 2.6 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 includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## 2.7 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.

## 2.8 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.

## 2.9 Government Grants (IND AS 20)

Government grants are recognized 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 recognized as income on a systematic basis over the expected useful life of the related asset.

## 2.10 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 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.

## 2.11 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 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 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 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 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 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 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 recognized as employee benefit expense when they are due.

## 2.12 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 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.

## 2.13 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.

## 2.14 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.

## 2.15 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.

## 2.16 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

## 2.17 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.

## 2.18 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.

## 2.19 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.

## 2.20 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.

## 2.21 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 recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

## 2.22 Financial Instruments (IND AS 109)

### i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized 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 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 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 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 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 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 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.

### 2.23 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.

### 2.24 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.

### 2.25 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.

### 2.26 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

### 3 Property, Plant and Equipments

(₹ in lakhs)

Particulars	Land	Building	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Total
<b>Gross Carrying Amount</b>							
<b>Gross Amount as on April 1, 2020</b>	<b>409.23</b>	<b>1,351.78</b>	<b>15,223.93</b>	<b>93.30</b>	<b>352.10</b>	<b>76.66</b>	<b>17,507.00</b>
Additions	-	2.54	1,806.27	-	31.07	10.31	1,850.19
Disposal & Adjustment	2.43	-	380.82	-	14.88	-	398.13
<b>Balance as at March 31, 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>
<b>Accumulated Depreciation</b>							
<b>Balance as at April 1, 2020</b>	<b>-</b>	<b>524.12</b>	<b>5,857.24</b>	<b>54.39</b>	<b>146.27</b>	<b>54.99</b>	<b>6,637.01</b>
Disposal & Adjustment	-	-	231.50	-	11.40	-	242.90
Depreciaton for the period	-	45.50	739.68	7.17	42.11	9.31	843.77
<b>Balance as at March 31, 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>
Depreciaton 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>
<b>Net carrying amount</b>							
Balance as at March 31, 2021	406.80	784.70	10,283.96	31.74	191.31	22.67	11,721.18
Balance as at March 31, 2022	609.56	665.21	11,782.60	25.82	167.53	23.35	13,274.07

**Note:-** All the title deeds for the immovable properties are in the name of company.  
The Company has not done revaluation of PPE / Intangible assets.

### 4 Right of Use Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Right of Use Assets	2,075.98	2,077.72
<b>Total</b>	<b>2,075.98</b>	<b>2,077.72</b>

### 5 Capital Work in Progress

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tangible Assets	37.80	44.50
<b>Total</b>	<b>37.80</b>	<b>44.50</b>

### Ageing Schedule

As at March 31, 2022

(₹ in lakhs)

Particulars	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>

As at March 31, 2021

(₹ in lakhs)

Particulars	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total
Tangible Assets	3.61	-	40.89	-	44.50
<b>Total</b>	<b>3.61</b>	<b>-</b>	<b>40.89</b>	<b>-</b>	<b>44.50</b>

## 6 Non Current Investments

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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 Asahi tennants Color Private Limited	3,43,71,132	4895.07	3,43,71,132	4895.07
	<b>3,43,71,132</b>	<b>4,895.07</b>	<b>3,43,71,132</b>	<b>4,895.07</b>
<b>6.2 Other investments</b>				
<b>a) Investments in equity instruments ( fully paid-up )</b>				
<b>Other companies measured at FVOCI</b>				
<b>Quoted</b>				
Equity Shares of ₹ 10/- The Anup Engineering Limited	-	-	3,830	21.83
Equity Shares of ₹ 1/- each of HDFC Life Insurance Company Limited	15,000	80.77	15,000	104.39
	<b>15,000</b>	<b>80.77</b>	<b>18,830</b>	<b>126.22</b>
<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 ₹ 10/- each of Plutoeco Enviro Association	2,500	0.25	2,500	0.25
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>2,86,925</b>	<b>20.78</b>	<b>2,86,925</b>	<b>20.78</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>3,47,03,057</b>	<b>5,026.62</b>	<b>3,47,06,887</b>	<b>5,072.07</b>

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate amount of quoted investments	80.77	126.22
Aggregate market value of quoted investments	80.77	126.22
Aggregate amount of unquoted investments	4,945.85	4,945.85

## 7 Other Non Current Financial Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Security Deposits	6.47	41.25
<b>Total</b>	<b>6.47</b>	<b>41.25</b>

8 Other Non Current Assets

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
a. Advances to Capital Goods Suppliers	91.23	142.91
<b>Total</b>	<b>91.23</b>	<b>142.91</b>

9 Inventories (At lower of cost or net realisable value )

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
a. Raw materials	1,787.98	1,843.50
b. Work in progress	550.06	189.11
c. Finished goods	4,727.36	1,834.66
d. Finished Goods in Transit	396.39	379.68
e. Stores and spares	458.80	332.02
f. Fuel & Oil	127.51	18.30
<b>Total</b>	<b>8,048.11</b>	<b>4,597.27</b>

10 Trade Receivables

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered good	8,701.28	7,821.30
Credit Impaired	42.34	40.13
Less : Allowance for Credit Losses	(42.34)	(40.13)
<b>Total</b>	<b>8,701.28</b>	<b>7,821.30</b>

Trade Receivables Ageing Schedule

As at March 31, 2022

(₹ in lakhs)							
Particulars	Outstanding for following period from due date of payment						Total
	Not Due	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	-	-	-	-	-	-	-
ii. 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>

As at March 31, 2021

(₹ in lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. Undisputed Trade Receivables - Considered Good	6,598.51	971.54	95.04	11.08	13.99	91.02	7,781.18
ii. Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
ii. Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	40.12	40.12
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>6,598.51</b>	<b>971.54</b>	<b>95.04</b>	<b>11.08</b>	<b>13.99</b>	<b>131.14</b>	<b>7,821.30</b>

The Company is making provisions on trade receivables based on Expected Credit Loss ( ECL ) model. The reconciliation of ECL is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	<b>40.12</b>	<b>-</b>
Change/ ( Release) to Statement of Profit and Loss	2.22	40.12
Utilised During the year	-	-
<b>Balance at the End of the Year</b>	<b>42.34</b>	<b>40.12</b>

## 11 Cash & Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks in Current accounts	17.97	21.39
Cash on hand	8.63	5.36
<b>Total</b>	<b>26.59</b>	<b>26.75</b>

## 12 Bank Balances other than Cash & Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Term Deposits with Bank as Margin Money against Letters of Credit, Bank Guarantees and Collateral Security	340.66	174.12
Earmarked balance for Unpaid Dividend	4.59	4.99
<b>Total</b>	<b>345.25</b>	<b>179.11</b>



## 13 Current Loans

### Unsecured, Considered good

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to Employees	7.05	13.36
<b>Total</b>	<b>7.05</b>	<b>13.36</b>

## 14 Others Current Financials Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued on deposits	10.65	8.81
<b>Total</b>	<b>10.65</b>	<b>8.81</b>

## 15 Current Tax Assets (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance payment of tax (Net )	220.88	-
<b>Total</b>	<b>220.88</b>	<b>-</b>

## 16 Others Current Assets (Unsecured, considered good)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with government authorities	749.55	1,737.90
Prepaid expenses	79.76	52.64
Advances Other than Capital Advances	257.10	259.21
<b>Total</b>	<b>1,086.41</b>	<b>2,049.75</b>

## 17 Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	1,20,27,262	1,202.73	1,20,27,262	1,202.73
<b>Total</b>	<b>1,20,27,262</b>	<b>1,202.73</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

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹	No. of Shares	₹
<b>Equity Shares</b>				
At the beginning of the period	1,20,27,262	1,202.73	1,22,72,262	1,227.23
Less : Buy-back of equity shares	-	-	(2,45,000)	(24.50)
<b>Outstanding at the end of the period</b>	<b>1,20,27,262</b>	<b>1,202.73</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.**

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding
Mrugesh Jaykrishna Family Trust - 1	52,76,651	43.87	52,76,651	43.87
Gokul M. Jaykrishna Family Trust	26,99,238	22.44	26,99,238	22.44
DIC Corporation	8,65,200	7.19	8,65,200	7.19
	<b>88,41,089</b>	<b>73.50</b>	<b>88,41,089</b>	<b>73.50</b>

**e) Details of shares in the Company held by Promoters.**

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021		% Change
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding	
Mrugesh Jaykrishna Family Trust - 1	52,76,651	43.87	52,76,651	43.87	-
Gokul M. Jaykrishna Family Trust	26,99,238	22.44	26,99,238	22.44	-
Gokul M. Jaykrishna	28,922	0.24	28,922	0.24	-
Arjun G. Jaykrishna	9,809	0.08	9,809	0.08	-

**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 2020-21 company has bought back 2,45,000 equity shares of ₹10 each @ 330 per share**

4. Securities which are convertible into Equity Shares : **NIL**

5. Aggregate Value of Calls unpaid by directors and officers : **NIL**

**18 Other Equity**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Securities Premium</b>		
Balance as per last year	557.13	1,507.17
Less: Buy-back of Shares	-	950.04
Balance at the end of the Year	557.13	557.13
<b>General Reserve</b>		
Balance as per last year	2,762.50	2,787.00
Add: Appropriations From Current year's Profit	-	-
Less: Transfer to Capital Redemption Reserve	-	(24.50)
Balance at the end of the Year	2,762.50	2,762.50

<b>Capital Redemption Reserve</b>		
Balance as per last year	24.50	-
Add: Transfer from General Reserve	-	24.50
Balance at the end of the Year	24.50	24.50
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance at the beginning of the year	18,716.74	14,636.89
Add: Profit after tax for the Year	2,418.90	3,293.73
Re-measurement of Defined Benefit Plan	(17.51)	(1.24)
Mark to Market Forex gain (Loss)	(67.40)	144.14
Loss on Investments - Fair Value through OCI	(22.99)	1,021.70
Income Tax relating to Other Comprehensive Income	72.41	(378.48)
Amount available for Appropriation	21,100.15	18,716.74
<b>Less: Appropriations</b>		
Dividend	420.95	-
Dividend Distribution Tax	-	-
Total Appropriation	420.95	-
Balance at the end of the Year	20,679.20	18,716.74
<b>Total</b>	<b>24,023.33</b>	<b>22,060.87</b>

#### 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.

## 19 Non Current Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>a. Term Loans from Banks</b>		
From Federal Bank Ltd.	250.00	750.00
From HDFC Bank Ltd	1,124.42	-
Net of Repayable in one year considered as Current Borrowings (Refer Note: 23)		
<b>Total</b>	<b>1,374.42</b>	<b>750.00</b>

I.a Indian Rupee Term loan from Banks are secured by:

i Primary Security:

State Bank of India Term Loan: First charge in favour of State Bank of India By way of Equitable Mortgage and Hypothecation on entire Fixed Assets ( Land, Building, Plant & Machinery) both present and future of the company situated at Survey No. 437 to 440 , ECP Cchannel Road, Padra, Vadodara.

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.

ii Collateral Security:

State Bank of India Term Loan : Second charge in favour of State Bank of India, on all chargeable current assets of the Company, both present and future.

I.b Interest on Term Loan ranges from floating rate of Interest 5% to 6.50% p.a linked to various benchmarks like T-Bill, MCLR and etc.

I.c Term of Repayment.

- i Term Loan from Federal Bank Ltd. ₹ 7,50,00,000/- (Previous year ₹ 12,50,00,000/-), Repayable in 6 equal Installments of ₹ 1,25,00,000/- will end on July-2023
- ii Term Loan from HDFC Bank Ltd. ₹ 12,58,48,655/- (Previous year ₹ Nil/-), Repayable in 54 equal monthly Installments of ₹ 26,81,390/- will end on April-2027
- iii There was no default in repayment of loan or interest.

20 Non Current Provisions

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions for employees benefits		
Provision for Gratuity	186.01	157.52
Total	186.01	157.52

21 Deferred Tax Liabilities (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Deferred Tax Liabilities		
Opening Balance	1,575.17	1,142.18
Accumulated depreciation	119.55	54.51
Other comprehensive income from investments	(72.41)	378.48
	1,622.31	1,575.17
b. Deferred Tax Assets		
Opening Balance	58.55	62.27
Defined benefit plan for employees	(1.51)	(3.72)
	57.04	58.55
Liabilities (Net)	1,565.27	1,516.62

## 22 Other Non Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits from customers	0.44	0.20
<b>Other Non Current Liabilities</b>	<b>0.44</b>	<b>0.20</b>

## 23 Current Borrowing

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured Loans *</b>		
<b>Loans repayable on demand from bank</b>		
<b>From State Bank of India</b>		
Working Capital Loans	30.49	1,157.22
<b>Unsecured Loans *</b>		
<b>Loans repayable on demand from bank</b>		
<b>From Federal Bank Ltd</b>		
Working Capital Loans	1,200.00	1,000.00
<b>From HDFC Bank Ltd</b>		
Working Capital Loans	2,000.00	1,000.00
<b>Current Maturities of Long Term Borrowings</b>		
Current Maturities of Long Term Borrowings	634.07	501.83
<b>Total</b>	<b>3,864.56</b>	<b>3,659.05</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 4.5% to 5.25% p.a linked to various benchmarks like T-Bill, MCLR and etc.

## 24 Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade payable</b>		
Dues to Micro and Small Enterprises	791.55	260.85
Dues to Creditors other than Micro and Small Enterprises	5,483.08	3,821.98
<b>Total</b>	<b>6,274.63</b>	<b>4,082.83</b>



**24.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Principal amount remaining unpaid to any supplier as at the end of accounting year	791.55	260.85
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, 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>791.55</b>	<b>260.85</b>

**Trade Payables Ageing Schedule****As at March 31, 2022**

(₹ in lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	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>

**As at March 31, 2021**

(₹ in lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Payables							
a) MSME	260.85	-	-	-	-	-	260.85
b) Others	3,368.15	428.44	13.03	0.57	2.46	9.33	3,821.98
(ii) Disputed Trade Payables							
a) MSME	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
<b>Total (i + ii)</b>	<b>3,629.00</b>	<b>428.44</b>	<b>13.03</b>	<b>0.57</b>	<b>2.46</b>	<b>9.33</b>	<b>4,082.83</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.

25 Other Current Financial Liabilities

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
a. Unpaid Dividends #	4.59	4.99
b. Payable for fixed assets	252.73	139.38
c. Interest accrued but not paid	8.79	1.07
<b>Total</b>	<b>266.10</b>	<b>145.44</b>

# The Company has transferred ₹0.86 lakhs (Previous Year ₹ 0.85 lakhs) to the Investors Education and Protection Fund (IEPF) during the year.

26 Other Current Liabilities

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>a. Other payables</b>		
Advances from customers	1.18	1.52
Statutory liabilities	91.53	42.06
Other Current liabilities and payables	65.09	63.19
<b>Total</b>	<b>157.80</b>	<b>106.77</b>

27 Current Provisions

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	43.10	75.10
<b>Total</b>	<b>43.10</b>	<b>75.10</b>

28 Current Tax Liabilities ( NET)

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax ( Net )	-	38.85
<b>Total</b>	<b>-</b>	<b>38.85</b>

29 Revenue from Operations

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Reveune from Sale of Products</b>		
a. Export Sales	22,400.70	16,627.55
b. Domestic Sales	17,640.99	11,357.02
<b>Total Sale of Products</b>	<b>40,041.69</b>	<b>27,984.57</b>
<b>c. Other operating revenues</b>		
Export incentives	0.35	235.00
Interest Income on FDR	14.63	7.52
Other Operating Income	508.16	67.39
<b>Total - Other Operating revenues</b>	<b>523.13</b>	<b>309.91</b>
<b>Total</b>	<b>40,564.82</b>	<b>28,294.48</b>

## 30 Other Income

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a. Dividend Income	0.30	3.87
b. Others	165.92	249.03
<b>Total</b>	<b>166.22</b>	<b>252.90</b>

## 31 Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>a. Raw Materials</b>		
Opening Stock	1,533.61	1,092.48
Add : Purchases	28,573.44	17,057.39
	<b>30,107.05</b>	<b>18,149.87</b>
Less : Closing Stock	1,735.84	1,533.61
Cost of Raw Material Consumed	<b>28,371.20</b>	<b>16,616.26</b>
<b>b. Packing Material</b>		
Opening Stock	67.61	56.24
Add : Purchases	532.51	343.18
	<b>600.12</b>	<b>399.42</b>
Less : Closing Stock	108.07	67.61
Cost of Packing Material Consumed	<b>492.05</b>	<b>331.81</b>
<b>Cost of Total material consumed</b>	<b>28,863.25</b>	<b>16,948.07</b>

## 32 Changes in Inventories of Finished Goods, Stock-In-Trade And Work-In-Progress

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a. Inventories at the end 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. Inventories at the beginning of the year		
Finished goods	2,214.34	1,213.91
Work-in-progress	189.12	83.24
<b>Total</b>	<b>2,403.46</b>	<b>1,297.15</b>
<b>Net (Increase) / decrease</b>	<b>(3,270.36)</b>	<b>(1,106.31)</b>

## 33 Employee Benefits Expense

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a. Salaries, Wages & Bonus *	769.13	689.51
b. Contribution to Provident and other funds	49.72	48.98
c. Staff welfare expenses	41.74	35.36
d. Directors Remuneration including perquisites and commission	234.76	239.85
<b>Total</b>	<b>1,095.34</b>	<b>1,013.70</b>

\* Salaries, Wages and Bonus excluded the salaries paid to the staff related to R & D, is debited to Research and Development expenses.

34 Finance Costs

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>a. Interest</b>		
Term Loans	46.68	72.34
Working Capitals	228.22	77.50
<b>b. Other Financial Costs</b>		
Bank and other charges	50.20	42.11
<b>Total</b>	<b>325.10</b>	<b>191.95</b>

35 Depreciation and Amortization Expense

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation and amortization for the year on tangible assets	880.53	843.78
<b>Depreciation and amortization relating to continuing operations</b>	<b>880.53</b>	<b>843.78</b>

36 Other Expenses

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and Fuel	4,810.15	3,169.41
Consumption of Stores and Spare parts	325.96	303.06
Pollution Treatment Expenses	943.31	548.52
Repairs to Machinery	269.49	314.11
Repairs to Building	17.25	8.68
Repairs to Other Assets	22.30	14.83
Manufacturing & Labour Charges	941.11	872.92
Freight and forwarding Expenses	1,382.63	687.43
Other Selling and Distribution Expenses	117.33	106.43
Rent	42.20	40.04
Rates & Taxes (excluding taxes on income)	14.91	3.89
Insurance	54.11	46.26
Travelling, Conveyance & Vehicle Expenses	45.70	40.08
Directors Travelling Expenses	81.28	20.76
Auditors Remuneration *	3.27	3.80
Directors Sitting Fees	2.48	2.16
Legal & Professional Expenses	244.30	130.80
General Charges	86.05	67.60
Research and Development Expenses (Refer Note: 43)	95.40	93.29
Donation	0.11	-
Expenditure towards Corporate Social Responsibility activities ( Refer Note: 47)	62.15	55.92
Expected Credit Loss Provision	2.22	-
Loss on sales of Property , Plant & Equipments	0.61	34.80
<b>Total</b>	<b>9,564.31</b>	<b>6,564.79</b>

**36.1 \* Payment to Auditors**

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Audit fees	2.75	2.75
Out of pocket expenses	0.02	0.02
Others (Certification work)	0.50	1.03
<b>Total</b>	<b>3.27</b>	<b>3.80</b>

**37 Other Comprehensive Income**

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Items that will not be reclassified to Profit and Loss</b>		
Other comprehensive Income / (Expense ) FVOCI	(22.99)	1,021.70
Re-measurement Gain/(Loss) of Defined Benefit Plan	(17.51)	(1.24)
Income tax relating to items that will not be reclassified to profit or loss	<b>55.44</b>	<b>(342.20)</b>
<b>Items that will be reclassified to Profit and Loss</b>		
Effective Portion of Gain/(Loss) on cashflow hedges	(67.40)	144.14
Income Tax that will be reclassified to Profit and Loss	16.97	(36.28)
	<b>(35.49)</b>	<b>786.12</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	March 31, 2022	March 31, 2021
Profit for the year	2,418.90	2,282.49
Net Profit attributable to Equity Shareholders	2,418.90	2,282.49
Profit after taxation before Extra Ordinary Items	2,418.90	2,282.49
Number of Equity Shares for Basic EPS	1,20,27,262	1,20,72,262
Number of Equity Shares for Diluted EPS	1,20,27,262	1,20,72,262
Nominal Value Per Share	10	10
Basic Earning Per Share	20.11	27.11
Diluted Earning Per Share	20.11	27.11



## 39 Income Taxes

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A. The major components of income tax expense for the year as under:</b>		
<b>Current tax</b>		
In respect of current year	685.00	1,123.63
<b>Deferred tax</b>		
In respect of Accumulated Depreciation	119.55	118.93
In respect of Other comprehensive income from investments	3.02	(75.97)
In respect of defined benefit plan for employees	(1.51)	2.70
<b>Total deferred tax</b>	<b>121.06</b>	<b>45.66</b>
<b>Total tax expenses charged to statement of Profit and Loss</b>	<b>806.06</b>	<b>1,169.29</b>
<b>B. RECONCILIATION OF EFFECTIVE TAX RATE</b>		
<b>Applicable Tax Rate *</b>	<b>25.168%</b>	<b>25.168%</b>
Profit before tax	3,224.96	4,030.36
Income not considered for tax purpose	(35.49)	786.12
Expenses not allowed for tax purpose	(471.99)	(114.71)
Tax payable at lower rate	(0.64)	(575.71)
<b>Net Taxable income for the year</b>	<b>2,716.84</b>	<b>4,126.06</b>
<b>Effective Tax for the year</b>	<b>683.77</b>	<b>1,038.45</b>
Effective tax at lower rate	0.11	84.27
Total current tax calculated for the year	683.88	1,122.72
<b>Excess provision</b>	<b>1.12</b>	<b>0.91</b>
<b>Effective current tax rate for the year</b>	<b>21.21%</b>	<b>27.86%</b>

## 40 Contingent Liabilities

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
In Respect of Income Tax	47.20	-
Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year	516.28	663.21

## 41 Capital Commitment

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods / Capital work in progress	-	1,320.70

## 42 Research and Development

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
<b>Capital Goods</b>		
Machinery and Equipments for Research Laboratory	-	-
<b>Total Capital Expenditure</b>	-	-
<b>Revenue Expenses</b>		
Salaries & Wages	77.39	76.01
Laboratory Chemicals and other goods	17.09	16.45
Stationery	0.04	-
Consumable stores	0.06	-
Travelling Expenses	0.16	-
Conveyance Expenses	0.15	-
Testing Expenses	0.30	0.35
Seminar for R & D	-	-
Sampling Expenses	-	0.17
Electricity Expenses	0.21	0.31
<b>Total Revenue Expenditure</b>	<b>95.40</b>	<b>93.29</b>
<b>Total Expenditure towards R &amp; D</b>	<b>95.40</b>	<b>93.29</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 Group has recognized the following amount as an expense:

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Contribution to Provident and other Funds	49.72	48.98

### 2 Defined Benefit Plan

Table Showing Change in the Present Value of Projected Benefit Obligation

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Present Value of Benefit Obligation at the Beginning of the Period	282.62	247.43
Interest Cost	19.50	17.04
Current Service Cost	17.02	17.73
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)	(7.55)	(0.82)
(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	(11.23)	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	33.64	1.24
Present Value of Benefit Obligation at the End of the Period	334.27	282.62

Table Showing Change in the Fair Value of Plan Assets

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contributions by the Employer	100.00	-
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	5.16	-
Fair Value of Plan Assets at the End of the Period	105.16	-

Amount Recognized in the Balance Sheet

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
(Present Value of Benefit Obligation at the end of the Period)	(334.27)	(282.62)
Fair Value of Plan Assets at the end of the Period	105.16	-
Funded Status (Surplus/ (Deficit))	(229.11)	(282.62)
Net (Liability)/Asset Recognized in the Balance Sheet	(229.11)	(282.62)

Net Interest Cost for Current Period

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Present Value of Benefit Obligation at the Beginning of the Period	282.62	247.43
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	282.62	247.43
Interest Cost	19.50	17.04
(Interest Income)	-	-
Net Interest Cost for Current Period	19.50	17.04

Expenses Recognized in the Statement of Profit or Loss for Current Period

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Current Service Cost	17.02	17.73
Net Interest Cost	19.51	17.04
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Transfer In / ( Out )	-	-
Expenses Recognized	36.53	34.77

## Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Actuarial (Gains)/Losses on Obligation For the Period	22.67	1.24
Return on Plan Assets, Excluding Interest Income	(5.16)	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	17.51	1.24

## Balance Sheet Reconciliation

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Opening Net Liability	282.62	247.43
Expenses Recognized in Statement of Profit or Loss	36.53	34.77
Expenses Recognized in OCI	17.51	1.24
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(7.55)	(0.82)
(Employer's Contribution)	(100.00)	-
Net Liability/(Asset) Recognized in the Balance Sheet	229.11	282.62

## Category of Assets

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	105.16	-
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
<b>Total</b>	<b>105.16</b>	<b>-</b>

## Other Details

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
No of Active Members	138	140
Per Month Salary For Active Members	43.10	35.13
Weighted Average Duration of the Projected Benefit Obligation	9.00	9.94
Average Expected Future Service	15.00	15.00
Projected Benefit Obligation	334.26	282.62
Prescribed Contribution For Next Year (12 Months)	43.10	-

Net Interest Cost for Next Year

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
Present Value of Benefit Obligation at the End of the Period	334.27	282.62
(Fair Value of Plan Assets at the End of the Period)	(105.16)	-
Net Liability/(Asset) at the End of the Period	229.11	282.62
Interest Cost	24.30	15.18
(Interest Income)	(7.65)	-
Net Interest Cost for Next Year	16.65	15.18

Expenses Recognized in the Statement of Profit or Loss for Next Year

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
Current Service Cost	20.07	14.67
Net Interest Cost	16.66	15.18
(Expected Contributions by the Employees)	-	-
Expenses Recognized	36.73	29.85

Maturity Analysis of the Benefit Payments: From the Employer  
Projected Benefits Payable in Future Years From the Date of Reporting

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
1 <sup>st</sup> Following Year	28.08	125.10
2 <sup>nd</sup> Following Year	114.39	6.91
3 <sup>rd</sup> Following Year	6.65	9.38
4 <sup>th</sup> Following Year	7.01	6.15
5 <sup>th</sup> Following Year	7.39	6.98
Sum of Years 6 to 10	65.56	152.22

Sensitivity Analysis

(₹ in lakhs)		
Impact of change in discount rate when base assumption is decreased/increased by 100 basis point	March 31, 2022	March 31, 2021
Present Value of Obligation for Discount Rate Increased by 100 basis point	309.81	301.52
Present Value of Obligation for Discount Rate Decreased by 100 basis point	363.15	266.42

(₹ in lakhs)		
Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point	March 31, 2022	March 31, 2021
Present Value of Obligation for Salary Increment Rate Increased by 100 basis point	305.32	267.59
Present Value of Obligation for Salary Increment Rate Decreased by 100 basis point	359.22	299.75

(₹ in lakhs)		
Impact of change in discount rate when base assumption is decreased/increased by 100 basis point	March 31, 2022	March 31, 2021
Present Value of Obligation for Withdrawal Rate @ 1.00%	331.31	281.31
Present Value of Obligation for Withdrawal Rate @ 3.00%	337.66	283.78

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  
AksharChem (India) Ltd  
Skyjet Aviation Pvt Ltd  
Skyways  
Gokul M. Jaykrishna HUF  
Hunter Wealth Management LLP  
Plutoeco Enviro Association

#### 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 ( w.e.f 04.08.2021)  
Mr. Utsav Pandwar - Chief Financial Officer ( upto 20.04.2021)  
Mr. Saji V Joseph - Company Secretary

#### c) Relative of Key Managerial Personnel

Mr. Mrugesh Jaykrishna

### 2 Details of Transactions during the year

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
<b>A. Enterprises own or significantly influenced by key managerial personnel or their relatives</b>		
1 Asahi Tennants Color Private Limited		
Subscription of Investments	-	3,437.97
Sales of Goods / Services	90.69	3,504.98
Reimbursment of Expenses	-	8.50
2 Aksharchem (India) Ltd		
Purchase of Goods	27.26	52.71
Sales of Goods / Services	-	30.74
3 Skyways		
Rent Paid	1.86	1.86
4 Hunter Wealth Management LLP		
Rent / Maintenance Income	1.20	1.20
5 Gokul M. Jaykrishna HUF		
Rent Paid	9.00	9.50
6 Plutoeco Enviro Association		
Subscription of Investments	-	0.25
<b>B. Key Managerial Personnel and their relatives</b>		
<b>1 Mrs. Paru M. Jaykrishna</b>		
Remuneration	72.00	97.00
Perquisites	0.08	1.05
Provident Fund Contribution	8.64	8.64

<b>2</b>	<b>Mr. Gokul M. Jaykrishna</b>		
	Remuneration	76.80	96.80
	Commission	30.00	-
	Perquisites	1.87	4.00
	Provident Fund Contribution	5.76	5.76
<b>3</b>	<b>Mr. Arjun G. Jaykrishna</b>		
	Remuneration	24.00	41.00
	Commission	30.00	-
<b>4</b>	<b>Mr. Mrugesh Jaykrishna</b>		
	Consultancy Charges	29.31	29.31
<b>5</b>	<b>Mr. Pratik Shah ( W.e.f from 04.08.2021)</b>		
	Salary and allowances	14.81	-
<b>6</b>	<b>Mr. Utsav Pandwar ( Till 20.04.2021 )</b>		
	Salary and allowances	1.05	18.88
<b>7</b>	<b>Mr. Saji V Joseph</b>		
	Salary and allowances	15.38	14.34
<b>C. Outstanding payables / (receivables ) to / from Related Parties and Key Managerial persons</b>			
1	Asahi Tennants Color Private Limited	(53.78)	(15.24)
2	Aksharchem (India) Ltd	-	24.69
3	Skyways	0.14	0.14
4	Skyjet Aviation Pvt Ltd.	(0.63)	(1.78)
5	Hunter Wealth Management LLP	(0.60)	-
6	Gokul M. Jaykrishna HUF	0.68	0.69
7	Mrs. Paru M Jaykrishna	2.15	2.16
8	Mr. Gokul M. Jaykrishna	3.15	3.15
9	Mr. Mrugesh Jaykrishna	2.25	2.29
10	Mr. Arjun G. Jaykrishna	1.40	1.40
11	Mr. Pratik Shah ( W.e.f from 04.08.2021)	1.44	-
12	Mr. Utsav Pandwar	-	1.28
13	Mr. Saji V Joseph	0.93	0.61

## 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: ₹ 61.36 Lacs ( Previous year ₹ 56.34 Lacs)

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
<b>Amount required to be spent by the Company during the year</b>	<b>61.36</b>	<b>56.34</b>
Amount of expenditure incurred on:		
(i) Construction/acquisition of any assets	-	-
(ii) On purposes other than (i) above	61.36	55.92
Shortfall at the end of the year	-	0.42
Total of previous year shortfall	0.42	-
Reason for shortfall	NA	NA
Nature of CSR activities	Education, skilling, health, environmental sustainability, Rural Development, COVID-19 relief 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.

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Borrowings (Note No: 19 & 23)	5,238.98	4,409.05
Less : cash and cash equivalents (Note No: 11)	(26.59)	(26.75)
Net Debt	5,212.39	4,382.30
Total Equity	25,226.06	23,263.60
Total Equity and net debt	30,438.45	27,645.90
Gearing Ratio	0.17 : 1	0.16 : 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, 2022, 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, 2022 and March 31, 2021.

## 48 Dividend

The Board of Directors has recommended final dividend for the financial year 2021-22 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 analyze 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 analyzed 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 ₹ 26.59 Lakhs at March 31, 2022 (March 31, 2021: ₹16.75 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 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.

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	
		As at	As at
		March 31, 2022	March 31, 2021
Borrowings from Bank	0.5%	(19.60)	(16.50)
	-0.5%	19.60	16.50

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 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

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Trade Receivables		
Rupees	4,226.51	3,802.21
Trade Payables		
Rupees	269.84	364.56
Net Exposure in Rupees	3,956.67	3,437.65

## Forward Exchange Contracts:

## Forward Contracts outstanding

(₹ in lakhs)

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Net Exposure	US \$	53.41	47.79

## Risk over uncovered foreign currency:

(₹ in lakhs)

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Exposure covered	US \$	53.41	47.79
Un hedged Exposure	US \$	-	-
Un hedged Exposure	₹	-	-
Risk over uncovered exposure @ 5% +/- Forex Rate fluctuation	₹	-	-

## 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.

(₹ in lakhs)

Particulars	Movement in Rate	Impact on OCI	
		2021-22	2020-21
Equity Shares (Quoted)	3%	1.81	2.83
Equity Shares (Quoted)	-3%	(1.81)	(2.83)

## 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 recognized and subsequently re-measured at fair value as described below :

- 1 The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
- 2 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, 2021

(₹ in lakhs)

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments (Non-Current)	4,945.85	-	-	4,945.85
Non Current Loans	-	-	-	-
Other Non Current Financial Assets	41.25	-	-	41.25
Trade Receivables	7,821.30	-	-	7,821.30
Cash and Cash Equivalents	26.75	-	-	26.75
Bank Balances Other than Cash and Cash Equivalents	179.11	-	-	179.11
Current Loans	13.36			13.36
Other Current Financial Assets	8.81	-	-	8.81
TOTAL	13,036.43	-	-	13,036.43
Financial assets at fair value through other comprehensive income:				
Investments (Current)	-	-	-	-
Investments (Non-Current)	126.22	126.22	-	-
TOTAL	126.22	126.22	-	-
Financial liabilities at amortised cost:				
Borrowings (Non-Current)	750.00	-	-	750.00
Borrowings (Current)	3,659.05	-	-	3,659.05
Trade Payables	4,082.83	-	-	4,082.83
Other financial liabilities	145.44	-	-	145.44
TOTAL	8,637.32	-	-	8,637.32

## III. Figures as at March 31, 2022

(₹ in lakhs)

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments (Non-Current)	4,945.85	-	-	4,945.85
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
TOTAL	14,043.14	-	-	14,043.14
Financial assets at fair value through other comprehensive income:				
Investments (Current)	-	-	-	-
Investments (Non-Current)	80.77	80.77	-	-
TOTAL	80.77	80.77	-	-
Financial liabilities at amortised cost:				
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
TOTAL	11,779.72	-	-	11,779.72

## 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

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 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 2021-22	FY 2020-21	% Change	Reason for Change
Current Ratio (In Times )	Total Current Assets	Total Current Liabilities	1.74	1.81	-4.05%	-
Debt-Equity ratio (in times)	Total Debt	Total Equity	0.21	0.19	9.58%	-
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	4.67	6.45	-27.70%	Negligible change owing to lower gross margins. However much above the threshold level

Return on equity ratio (in %)	Profit After Tax	Average Total Equity	10%	28%	-64.77%	Change owing to lower gross margns.
Trade receivables turnover ratio (in times)	Total Net Sales	Average trade receivables	4.85	7.16	-32.27%	-
Trade payables turnover ratio (in times)	Total Purchases	Average trade payables	5.62	8.52	-34.06%	-
Inventory Turnover Ratio	Total Net Sales	Average Inventory	6.33	12.17	-47.98%	-
Net capital turnover ratio (in times)	Total Net Sales	Average Working Capital (i.e Total Current Assets less Total Current Liabilites)	5.55	8.50	-34.66%	-
Net profit ratio (in %)	Profit After Tax	Revenue from Operations	6%	12%	-48.77%	Change owing to lower gross margns.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Deferred tax liabilities	13%	17%	-22.23%	-
Return on investment (in %)	Income from Investments	Average Investments	5.68%	4.60%	23.69%	-

53 Additional Regulatory Information Reconciliation of quarterly Stock submitted to banks where borrowings have been availed based on security of current assets

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, 2021	State Bank of India	Inventory-Raw Material	1,479.34	1,487.75	(8.41)	Refer Note Below
June, 2021	State Bank of India	Inventory-Stock in process	265.00	262.26	2.74	
June, 2021	State Bank of India	Inventory-Semi Finished Goods	375.21	355.19	20.02	
June, 2021	State Bank of India	Inventory- Finished Goods	1,016.57	1,007.30	9.27	
June, 2021	State Bank of India	Inventory- Finished Goods in transit	691.96	711.49	(19.53)	
June, 2021	State Bank of India	Inventory- Stores & Packing Materials	369.48	324.90	44.58	
June, 2021	State Bank of India	Trade Receivables	8,534.87	8,498.90	35.97	
September, 2021	State Bank of India	Inventory-Raw Material	1,896.88	1,906.24	(9.36)	
September, 2021	State Bank of India	Inventory-Stock in process	225.26	229.90	(4.64)	
September, 2021	State Bank of India	Inventory-Semi Finished Goods	119.06	123.69	(4.63)	
September, 2021	State Bank of India	Inventory- Finished Goods	2,122.75	2,106.90	15.85	
September, 2021	State Bank of India	Inventory- Finished Goods in transit	915.66	908.26	7.40	
September, 2021	State Bank of India	Inventory- Stores & Packing Materials	408.94	398.92	10.02	
December, 2021	State Bank of India	Inventory-Raw Material	1,870.22	1,867.64	2.58	
December, 2021	State Bank of India	Inventory-Stock in process	353.49	313.39	40.10	
December, 2021	State Bank of India	Inventory-Semi Finished Goods	953.57	753.45	200.12	
December, 2021	State Bank of India	Inventory- Finished Goods	3,737.12	3,295.37	441.75	
December, 2021	State Bank of India	Inventory- Finished Goods in transit	976.02	874.08	101.94	

December, 2021	State Bank of India	Inventory- Stores & Packing Materials	402.00	404.10	(2.10)	Refer Note Below
December, 2021	State Bank of India	Trade Receivables	7,950.82	7,950.88	(0.06)	

**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 lead 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 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.

**55** The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**56** The Company do not have any transactions with companies struck off.

**57** The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**58** The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

**59** 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

**60** 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,

In terms of our report attached.

**For, Mahendra N. Shah & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 105775W

**Chirag M. Shah**  
Partner  
Membership No. 045706

**Place :** Ahmedabad  
**Date :** May 19, 2022

**61** 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

**62** 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.

**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 19, 2022.

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.

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
CIN: L24222GJ1990PLC014789

**Pratik Shah**  
Chief Financial Officer

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN 00671721)

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

**Place :** Ahmedabad  
**Date :** May 19, 2022

# 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 Holding Company’) and its subsidiary (hereinafter referred to as “The Holding and Subsidiary ” and together referred to as the “Group”) which comprise the Consolidated Balance Sheet as at March 31, 2022, 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, 2022, and their consolidated profit, 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 Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

## 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.

Key Audit Matter	Auditor’s Response
<p><b>Property, Plant &amp; Equipment</b> <b>(Refer Note No- 3 to 4 of the consolidated financial statements)</b></p> <p>The value of property, plant &amp; equipment and capital work-in-progress amounted to ₹ 23,352.16 Lakhs (i.e. 49.72% of total assets) at the Consolidated Balance Sheet Date March 31, 2022.</p> <p>There are a number of areas where management judgement impacts the carrying value of property, plant and equipment and capital work-in-progress and their respective depreciation profiles. These include :</p> <ul style="list-style-type: none"><li>- the decision to capitalize or expense costs;</li><li>- review of estimated useful lives of assets</li><li>- the timeliness of transfers to property, plant &amp; equipment from capital work-in-progress.</li></ul>	<p>We tested controls in place over the property, plant &amp; equipment cycle, evaluated the appropriateness of capitalization policies, performed tests of details on costs capitalized and assessed the timeliness of capitalization from capital work-in-progress. We also reviewed the appropriateness of estimated useful lives applied in the calculation of depreciation.</p> <p>Our Results: As a result of performance of above procedures we have not identified any circumstances that would led to material adjustments to the carrying value of these assets, or change in their useful lives.</p>



## Information other than Financial Statements & Auditors Report thereon

The Holding Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis Report (but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's reports thereon).

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do 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 Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, Management 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 the Consolidated Financial Statement

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated 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 Holding 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 ability of the Group 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 overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statement of such entity included in the Consolidated Financial Statements of which we are the independent auditors included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the Independent Auditors 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 period 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 statements of above one subsidiary company, whose financial statements reflect total assets of ₹ 13,439.50 Lakhs as at March 31, 2022, total revenues of ₹ 973.42 Lakhs, total loss after tax of ₹ 961.02 Lakhs, total comprehensive

income of ₹ 957.75 Lakhs and net cash out flows amounting to ₹ 14.60 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

## 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 Holding company as on March

31, 2022 taken on record by the Board of Directors of the Holding company and the reports of the statutory auditor of the subsidiary company incorporated in India, none of the directors is disqualified as on March 31, 2022 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 company incorporated in India, the managerial remuneration for the year ended March 31, 2022 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 subsidiary, 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 subsidiary 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 Holding Company or such subsidiary 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 Holding Company and its subsidiary 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 subsidiary respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or such subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary 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 subsidiary 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 mis-statement.

- v. The final dividend paid by the Holding 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

**Date:** May 19, 2022  
**Place:** Ahmedabad

**For, Mahendra N. Shah & Co.,**  
 Chartered Accountants  
 ICAI Firm Registration Number: 105775W  
**Chirag M. Shah**  
 Partner  
 Membership Number :045706  
 UDIN : 22045706AKOCCS3125

# “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 SUB-SECTION 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 Holding Company”) as of March 31, 2022 in conjunction with our audit of the Consolidated Financial Statements of the Company and its subsidiary company, 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 Holding 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 Holding Company and such company incorporated in India which is its subsidiary company, 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, 2022, 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").

**Date:** May 19, 2022

**Place:** Ahmedabad

**For, Mahendra N. Shah & Co.,**

Chartered Accountants

ICAI Firm Registration Number: 105775W

**Chirag M. Shah**

Partner

Membership Number :045706

UDIN : 22045706AKOCCS3125



# Consolidated Balance Sheet

As At March 31, 2022

(₹ in lakhs)

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>1) Non-current Assets</b>			
(a) Property, Plant and Equipment	3	19,671.86	17,395.00
(b) Right of Use Assets	4	3,642.50	3,661.57
(c) Capital work-in-progress	5	37.80	858.95
(d) Other Intangible Assets	6	214.54	225.27
(e) Financial Assets			
(i) Investments	7	131.55	177.00
(ii) Other Financial Assets	8	158.41	193.20
(f) Deferred Tax Assets	9	194.93	12.73
(g) Other Non Current assets	10	91.23	143.74
<b>Total Non-current Assets</b>		<b>24,142.82</b>	<b>22,667.46</b>
<b>2) Current Assets</b>			
(a) Inventories	11	10,610.87	4,872.18
(b) Financial Assets			
(i) Trade receivables	12	9,057.52	7,818.06
(ii) Cash and Cash equivalents	13	30.07	44.83
(iii) Bank balances other than (ii) above	14	387.67	190.68
(iv) Loans	15	8.77	13.36
(v) Others	16	15.26	8.81
(c) Current Tax Assets	17	224.83	2.38
(d) Other Current Assets	18	2,489.37	3,329.59
<b>Total Current Assets</b>		<b>22,824.36</b>	<b>16,279.89</b>
<b>TOTAL ASSETS</b>		<b>46,967.18</b>	<b>38,947.35</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
(a) Equity Share capital	19	1,202.73	1,202.73
(b) Other Equity	20	23,028.99	21,547.81
(c) Non Controlling Interest	21	4,211.38	4,680.66
<b>Total Equity</b>		<b>28,443.10</b>	<b>27,431.20</b>
<b>2) Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	2,707.75	750.00
(b) Provisions	23	194.93	164.68
(c) Deferred tax liabilities	24	1,565.27	1,516.62
(d) Other Non-Current liabilities	25	0.44	0.20
<b>Total Non Current Liabilities</b>		<b>4,468.39</b>	<b>2,431.50</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	26	6,038.05	4,264.80
(ii) Trade payables	27		
Total outstanding dues of Micro and Small Enterprises		791.55	260.85
Total outstanding creditors dues of other than Micro and Small Enterprises		6,552.39	3,903.05
(iii) Other Financial Liabilities	28	378.00	415.44
(b) Other Current Liabilities	29	252.56	126.53
(c) Provisions	30	43.14	75.13
(d) Current Tax Liabilities	31	-	38.85
<b>Total Current Liabilities</b>		<b>14,055.69</b>	<b>9,084.65</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>46,967.18</b>	<b>38,947.35</b>
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of Consolidated Financial Statements

In terms of our report attached.

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
CIN: L24222GJ1990PLC014789

**For, Mahendra N. Shah & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 105775W

**Chirag M. Shah**  
Partner  
Membership No. 045706

**Place :** Ahmedabad  
**Date :** May 19, 2022

**Pratik Shah**  
Chief Financial Officer

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN 00671721)

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

**Place :** Ahmedabad  
**Date :** May 19, 2022

# Consolidated Statement of Profit & Loss

For The Year Ended March 31, 2022

(₹ in lakhs)

Sr. No.	Particulars	Note No	Year ended March 31, 2022	Year ended March 31, 2021
<b>I.</b>	<b>Income:</b>			
	Revenue from operations	32	41,537.82	28,308.02
	Other income	33	88.62	31.02
	<b>Total Income (I)</b>		<b>41,626.44</b>	<b>28,339.04</b>
<b>II.</b>	<b>Expenses:</b>			
	Cost of Materials consumed	34	30,451.64	16,979.57
	Purchase of Stock in Trade		47.91	61.04
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	35	(4,309.99)	(1,153.42)
	Employee benefits expense	36	1,357.07	1,037.40
	Finance cost	37	472.42	194.13
	Depreciation and amortization expense	38	1,195.70	869.38
	Other Expenses	39	10,323.44	6,432.27
	<b>Total expenses (II)</b>		<b>39,538.19</b>	<b>24,420.37</b>
<b>III.</b>	<b>Profit before Exceptional items and tax expenses ( I - II )</b>		<b>2,088.25</b>	<b>3,918.67</b>
<b>IV.</b>	Exceptional items		-	445.24
<b>V.</b>	<b>Profit before tax expenses ( III + IV )</b>		<b>2,088.25</b>	<b>4,363.91</b>
<b>VI.</b>	<b>Tax expense:</b>			
	Current tax		685.00	1,123.63
	Deferred tax		(61.82)	45.66
<b>VII.</b>	<b>Profit for the year ( V - VI )</b>		<b>1,465.07</b>	<b>3,194.62</b>
<b>VIII.</b>	<b>Other Comprehensive Income</b>	<b>40</b>		
	(i) Items that will not be reclassified to profit or loss		9.42	1,020.46
	Income tax relating to items that will not be reclassified to profit or loss		8.78	(342.20)
	(ii) Items that will be reclassified to profit or loss		(67.40)	144.14
	Income tax relating to items that will be reclassified to profit or loss		16.97	(36.28)
	Other Comprehensive Income for the year (net of tax)		(32.23)	786.12
<b>IX.</b>	<b>Total Comprehensive Income for the year</b>		<b>1,432.84</b>	<b>3,980.74</b>
<b>X.</b>	<b>Profit for the year attributable to:</b>			
	Owners of the Company		1,935.96	3,221.44
	Non Controlling Interest		(470.89)	(26.82)
<b>XI.</b>	<b>Other Comprehensive Income ( Net of Tax ) attributable to:</b>			
	Owners of the Company		(33.83)	786.12
	Non Controlling Interest		1.60	-
<b>XII.</b>	<b>Total Comprehensive Income ( Net of Tax ) attributable to:</b>			
	Owners of the Company		1,902.13	4,007.56
	Non Controlling Interest		(469.29)	(26.82)
<b>XIII.</b>	<b>Earnings per equity share: (face value of ₹ 10/- each)</b>	<b>41</b>		
	Basic		16.10	26.29
	Diluted		16.10	26.29

Summary of Significant Accounting Policies

2

The accompanying notes form an integral part of Consolidated Financial Statements

In terms of our report attached.

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
CIN: L24222GJ1990PLC014789

**For, Mahendra N. Shah & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 105775W

**Pratik Shah**  
Chief Financial Officer

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN 00671721)

**Chirag M. Shah**  
Partner  
Membership No. 045706

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

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

**Place :** Ahmedabad  
**Date :** May 19, 2022

**Place :** Ahmedabad  
**Date :** May 19, 2022

# Consolidated Statement of Changes in Equity

For The Year Ended March 31, 2022

## A. Equity Share Capital

(₹ in lakhs)		
Particulars	Note	Amount
As at April 01, 2020		1,227.23
Changes in Equity Share Capital due to prior period errors		-
Restated Balance as at April 01, 2020		1,227.23
Changes in equity share capital during the year		(24.50)
As at March 31, 2021		1,202.73
As at April 01, 2021		1,202.73
Changes in Equity Share Capital due to prior period errors		-
Restated Balance as at April 01, 2021		1,202.73
Changes in equity share capital during the year		-
As at March 31, 2022		1,202.73

## B. Other Equity

(₹ 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 other comprehensive Income / (loss )	
Balance as at April 01, 2020	1,507.17	2,787.00	15,423.62	-	(737.41)	(61.41)	16.29	18,935.26
Profit for the year	-	-	3,221.44					3,221.44
Other Comprehensive Income	-	-	-		679.19	107.86	(0.93)	786.12
Transfer from General Reserve	-	-	-	24.50	-	-	-	24.50
Total comprehensive income for the year	0.00	0.00	3,221.44	24.50	679.19	107.86	(0.93)	4,032.06
Transfer to Capital Redemption Reserve	-	(24.50)	-	-	-	-	-	(24.50)
Buy-back of Equity Share	(950.04)	-	-	-	-	-	-	(950.04)
Gain on Transaction with controlling interest	-	-	(444.94)	-	-	-	-	(444.94)
Balance as at March 31, 2021	557.13	2,762.50	18,200.12	-	(58.22)	46.45	15.36	21,547.81

Balance as at April 01, 2021	557.13	2,762.50	18,200.12	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)
Total comprehensive income for the year	-	-	1,935.96	-	8.48	(50.43)	8.12	1,902.13
Dividend Paid	-	-	(420.95)	-	-	-	-	(420.95)
Balance as at March 31, 2022	557.13	2,762.50	19,715.13	24.50	(49.74)	(3.98)	23.48	23,028.99

In terms of our report attached.

For, Mahendra N. Shah & Co.  
Chartered Accountants  
ICAI Firm Registration No. 105775W

Chirag M. Shah  
Partner  
Membership No. 045706

Place : Ahmedabad  
Date : May 19, 2022

For and on behalf of the Board of Directors  
Asahi Songwon Colors Limited  
CIN: L24222GJ1990PLC014789

Pratik Shah  
Chief Financial Officer

Saji V. Joseph  
Company Secretary  
Membership No. F 9596

Paru M. Jaykrishna  
Chairperson & Mg. Director  
(DIN 00671721)

Gokul M. Jaykrishna  
Jt. Managing Director & CEO  
(DIN 00671652)

Place : Ahmedabad  
Date : May 19, 2022

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# Consolidated Cash Flow Statement

For The Year Ended March 31, 2022

(₹ in lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
<b>A. Cash Flow from Operating Activities</b>				
<b>Profit Before Tax</b>	<b>2,088.24</b>		<b>3,918.67</b>	
<b>Adjustments for :</b>				
Depreciation and Amortisation Expense	1,195.70		869.38	
Finance Cost	472.42		194.13	
Profit / (Loss) on sale of Property, Plant and Equipment ( Net )	(0.61)		410.44	
Interest Income	(20.78)		(7.52)	
Profit / (Loss) from sale of Current Investment ( Net )	0.63		155.90	
Dividend Income	(0.30)	1,647.06	(3.87)	1,618.46
<b>Operating Profit Before Working Capital Changes</b>	<b>3,735.30</b>		<b>5,537.13</b>	
<b>Working Capital Changes</b>				
<b>Adjustments for</b>				
(Increase)/Decrease Trade receivables	(1,320.44)		(2,176.28)	
(Increase)/Decrease Inventories	(5,738.69)		(1,951.66)	
Increase/ (Decrease) Trade payables	3,306.85		1,959.60	
Changes in Loans, Current and Financial Assets	925.67	(2,826.61)	(1,627.65)	(3,795.99)
<b>Net Cash Flow Generated from Operating Activities</b>	<b>908.69</b>		<b>1,741.14</b>	
Direct taxes paid (Net)	(946.22)		(935.71)	
	<b>(946.22)</b>		<b>(935.71)</b>	
<b>Net Cash Flow from Operating Activities</b>	<b>(37.53)</b>		<b>805.43</b>	
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Property, Plant & Equipment ( Including capital advances)	(2,778.75)		(9,624.41)	
Proceeds from sale of Property, Plant & Equipment	76.27		2,698.71	
Purchase of Non Current Investments	-		(2,376.86)	
Sale of Non Current Investments	21.82		3,317.02	
Margin money deposit (placed) / matured	(156.14)		(32.69)	
Dividend Income	0.30		3.87	
Interest Income	20.78		7.52	
<b>Net Cash Flow from (used in) Investing Activities</b>	<b>(2,815.72)</b>		<b>(6,006.84)</b>	
<b>C. Cash Flow from Financing Activities</b>				
Repayment of long term borrowings	(501.83)		(521.00)	
Availment of long term borrowings	3,258.49		-	
Availment/(Repayment) Short term borrowings	974.34		3,385.01	
Proceeds from Issue of Share Capital	-		3,303.17	
Payment of Buy back of shares and tax	-		(974.54)	
Payment of Dividend	(420.95)		-	
Unclaimed dividend paid	0.86		(0.54)	
Finance Cost	(472.42)		(194.13)	
<b>Net Cash Flow from (used in) Financing Activities</b>	<b>2,838.49</b>		<b>4,997.97</b>	
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(14.76)</b>		<b>(203.44)</b>	
<b>Cash and cash equivalent at the beginning of the year</b>	<b>44.83</b>		<b>248.27</b>	
<b>Cash and cash equivalent at the end of the year</b>	<b>30.07</b>		<b>44.83</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.

In terms of our report attached.

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
CIN: L24222GJ1990PLC014789

**For, Mahendra N. Shah & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 105775W

**Chirag M. Shah**  
Partner  
Membership No. 045706

**Place :** Ahmedabad  
**Date :** May 19, 2022

**Pratik Shah**  
Chief Financial Officer

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN 00671721)

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

**Place :** Ahmedabad  
**Date :** May 19, 2022



# Notes Forming Part of the Consolidated Financial Statements

## 1. 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, 2022.

The Parent Company is a public limited Company domiciled and incorporated in India having CIN:L24222GJ1990PLC014789 with its registered office at "Asahi House", 13, Aaryans Corporate Park, Thaltej – Shilaj Road, Nr. Shilaj Railway Crossing, 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, 2022 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

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. 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, 2022
1.	Aashi Tennants Color Private Limited	India	51

**(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) 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.

**(vii) Rounding of amounts**

The Consolidated Financial Statements are presented in ₹ and all values are rounded to the nearest Lakh (₹ 1,00,000) 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 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 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.

2.4 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.

2.5 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.

2.6 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 includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## 2.7 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.

## 2.8 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.

## 2.9 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.

## 2.10 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.



## 2.11 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 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.

## 2.12 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.

## 2.13 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.

## 2.14 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.

## 2.15 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.

## 2.16 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

## 2.17 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.

## 2.18 Segment Reporting (IND AS 108)

Based on "Management Approach" as defined in IND 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.

## 2.19 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.

## 2.20 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.

## 2.21 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.

## 2.22 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.

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.

### 2.23 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.

### 2.24 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.

### 2.25 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.

### 2.26 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

3 Property, Plant and Equipments

(₹ in lakhs)							
Particulars	Land	Building	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Total
<b>Gross Carrying Amount</b>							
Gross Amount as on April 1, 2020	409.23	1,351.78	15,223.94	93.28	355.92	77.05	17,511.20
Additions	-	2,584.36	4,999.79	14.66	31.07	18.83	7,648.71
Disposal & Adjustment	2.43	-	486.68	-	14.88	-	503.99
Balance as at March 31, 2021	406.80	3,936.14	19,737.05	107.94	372.11	95.88	24,655.92
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
Balance as at March 31, 2022	609.56	3,878.55	22,949.14	112.08	408.87	107.16	28,065.36
<b>Accumulated Depreciation</b>							
Balance as at April 1, 2020	-	524.13	5,857.23	54.39	146.28	54.99	6,637.02
Depreciaton for the period	-	53.23	754.30	7.28	42.56	9.44	866.81
Disposal & Adjustment	-	-	231.50	-	11.40	-	242.90
Balance as at March 31, 2021	-	577.36	6,380.03	61.67	177.44	64.43	7,260.93
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
Balance as at March 31, 2022	-	727.61	7,355.36	70.28	230.63	75.76	8,393.50
<b>Net carrying amount</b>							
Balance as at March 31, 2021	406.80	3,358.78	13,357.02	46.27	194.67	31.45	17,395.00
Balance as at March 31, 2022	609.56	3,150.94	15,593.78	41.80	178.24	31.39	19,671.86

4 Right of Use Assets

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Right of Use Assets	3,642.50	3,661.57
Total	3,642.50	3,661.57

5 Capital Work in Progress

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Tangible Assets	37.80	44.50
Tangible Assets - Dahej Project	-	814.45
Total	37.80	858.95

6 Other Intangible Assets

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Other Intangible Assets	214.54	225.27
Total	214.54	225.27



## Ageing Schedule

As at March 31, 2022

(₹ in lakhs)

Particulars	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>

As at March 31, 2021

(₹ in lakhs)

Particulars	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total
Tangible Assets	818.06	-	40.89	-	858.95
<b>Total</b>	<b>818.06</b>	<b>-</b>	<b>40.89</b>	<b>-</b>	<b>858.95</b>

## 7 Non Current Investments

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹	No. of Shares	₹
<b>Other investments</b>				
<b>a) Investments in equity instruments ( fully paid-up )</b>				
<b>Other companies measured at FVOCI</b>				
<b>Quoted</b>				
Equity Shares of ₹ 10/- The Anup Engineering Limited	-	-	3,830	21.83
Equity Shares of ₹ 1/- each of HDFC Life Insurance Company Limited	15,000	80.77	15,000	104.39
	<b>15,000</b>	<b>80.77</b>	<b>18,830</b>	<b>126.22</b>
<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 ₹ 10/- each of Plutoeco Enviro Association	2,500	0.25	2,500	0.25
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>2,86,925</b>	<b>20.78</b>	<b>2,86,925</b>	<b>20.78</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>3,31,925</b>	<b>131.55</b>	<b>3,35,755</b>	<b>177.00</b>

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate amount of quoted investments	80.77	126.22
Aggregate market value of quoted investments	80.77	126.22
Aggregate amount of unquoted investments	50.78	50.78

## 8 Other Non Current Financial Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Security Deposits	158.41	193.20
<b>Total</b>	<b>158.41</b>	<b>193.20</b>

## 9 Deferred Tax Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets	194.93	12.73
<b>Total</b>	<b>194.93</b>	<b>12.73</b>

## 10 Other Non Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Advances to Capital Goods Suppliers	91.23	143.74
<b>Total</b>	<b>91.23</b>	<b>143.74</b>

## 11 Inventories (At lower of cost or net realisable value )

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Raw materials	3,221.92	2,057.44
b. Work in progress	1,496.92	220.27
c. Finished goods	4,867.24	1,850.61
d. Finished Goods in Transit	396.39	379.68
e. Stores and spares	497.17	343.26
f. Fuel & Oil	131.23	20.92
<b>Total</b>	<b>10,610.87</b>	<b>4,872.18</b>

## 12 Trade Receivables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered good	9,057.52	7,818.06
<b>Total</b>	<b>9,057.52</b>	<b>7,818.06</b>

## Trade Receivables Ageing Schedule

As at March 31, 2022

(₹ in lakhs)

Particulars		Outsanding for following period from due date of payment						Total
		Not Due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
i.	Undisputed Trade Receivables - Considered Good	7,319.57	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	-	-	-	-	-	-	-
ii.	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	-	-	-	-	-	-	-
Total		7,319.57	1,521.61	87.42	13.78	11.03	104.11	9,057.52

As at March 31, 2021

(₹ in lakhs)

Particulars		Outsanding for following period from due date of payment						Total
		Not Due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
i.	Undisputed Trade Receivables - Considered Good	6,595.27	971.54	95.04	11.08	13.99	91.02	7,777.94
ii.	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
ii.	Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	40.12	40.12
iv.	Disputed Trade Receivables- Considered Good	-	-	-	-	-	-	-
v.	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi.	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total		6,595.27	971.54	95.04	11.08	13.99	131.14	7,818.06

## 13 Cash & Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks in Current accounts	18.97	33.54
Cash on hand	11.11	11.29
Total	30.07	44.83

## 14 Bank Balances other Than Cash & Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Term Deposits with Bank as Margin Money against Letters of Credit, Bank Guarantees and Collateral Security	383.08	185.69
Earmarked balance for Unpaid Dividend	4.59	4.99
<b>Total</b>	<b>387.67</b>	<b>190.68</b>

## 15 Current Loans

Unsecured, Considered good

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to Employees	8.77	13.36
<b>Total</b>	<b>8.77</b>	<b>13.36</b>

## 16 Others Current Financials Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued on deposits	15.26	8.81
<b>Total</b>	<b>15.26</b>	<b>8.81</b>

## 17 Current tax Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance payment of tax	224.83	2.38
<b>Total</b>	<b>224.83</b>	<b>2.38</b>

## 18 Others Current Assets (Unsecured, considered good)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with government authorities	2,136.61	2,926.55
Prepaid expenses	94.91	67.61
Misc. Expenses Assets	-	71.13
Advances Other than Capital Advances	257.86	264.30
<b>Total</b>	<b>2,489.37</b>	<b>3,329.59</b>

## 19 Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	1,20,27,262	1,202.73	1,20,27,262	1,202.73
<b>Total</b>	<b>1,20,27,262</b>	<b>1,202.73</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**

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹	No. of Shares	₹
<b>Equity Shares</b>				
At the beginning of the period	1,20,27,262	1,202.73	1,22,72,262	1,227.23
Less : Buy-back of equity shares ( Refer note : 56 )	-	-	(2,45,000)	(24.50)
<b>Outstanding at the end of the period</b>	<b>1,20,27,262</b>	<b>1,202.73</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.**

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding
Mrugesh Jaykrishna Family Trust - 1	52,76,651	43.87	52,76,651	43.87
Gokul M. Jaykrishna Family Trust	26,99,238	22.44	26,99,238	22.44
DIC Corporation	8,65,200	7.19	8,65,200	7.19
	<b>88,41,089</b>	<b>73.50</b>	<b>88,41,089</b>	<b>73.50</b>

**e ) Details of shares in the Company held by Promoters.**

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021		% Change
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding	
Mrugesh Jaykrishna Family Trust - 1	52,76,651	43.87	52,76,651	43.87	-
Gokul M. Jaykrishna Family Trust	26,99,238	22.44	26,99,238	22.44	-
Gokul M. Jaykrishna	28,922	0.24	28,922	0.24	-
Arjun G. Jaykrishna	9,809	0.08	9,809	0.08	-

- 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 2020-21 company has bought back 2,45,000 equity shares of ₹10 each @ 330 per share**
- 4.** Securities which are convertible into Equity Shares : **NIL**
- 5.** Aggregate Value of Calls unpaid by directors and officers : **NIL**



## 20 Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Securities Premium</b>		
Balance as per last year	557.13	1,507.17
Less: Buy-back of Shares	-	(950.04)
Balance at the end of the Year	557.13	557.13
<b>General Reserve</b>		
Balance as per last year	2,762.50	2,787.00
Add: Appropriations From Current year's Profit	-	-
Less: Transfer to Capital Redemption Reserve	-	(24.50)
Balance at the end of the Year	2,762.50	2,762.50
<b>Capital Redemption Reserve</b>		
Balance as per last year	24.50	-
Add: Transfer from General Reserve	-	24.50
Balance at the end of the Year	24.50	24.50
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance at the beginning of the year	18,203.68	14,641.06
Add: Profit after tax for the Year attributable to Owners of the Company	1,935.96	3,221.44
Other Comprehensive Income attributable to Owners of the Company	(33.83)	786.12
Gain on Transaction with controlling interest	-	(444.94)
Amount available for Appropriation	20,105.81	18,203.68
<b>Less: Appropriations</b>		
Dividend	420.95	-
Dividend Distribution Tax	-	-
Total Appropriation	420.95	-
Balance at the end of the Year	19,684.86	18,203.68
<b>Total</b>	<b>23,028.99</b>	<b>21,547.81</b>

### 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.

## 21 Non Controlling Interest

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the Beginning of the Year	4,680.67	1,404.02
Addition in Share of Non Controlling Interest in Total Equity	(470.89)	3,303.46
Profit Attributable to Non Controlling Interest	1.60	(26.82)
Other Comprehensive Income attributable to Owners of the Company	-	-
<b>Balance at the end of the Year</b>	<b>4,211.38</b>	<b>4,680.67</b>

## 22 Non Current Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
a. Term Loans from Banks		
From Federal Bank Ltd.	250.00	750.00
From HDFC Bank Ltd	1,124.42	-
From Kotak Mahindra Bank Ltd	1,333.33	-
Net of Repayable in one year considered as Current Borrowings (Refer Note: 26)		
<b>Total</b>	<b>2,707.75</b>	<b>750.00</b>

### I.a Indian Rupee Term loan from Banks are secured by:

#### i Primary Security:

State Bank of India Term Loan: First charge in favour of State Bank of India By way of Equitable Mortgage and Hypothecation on entire Fixed Assets ( Land, Building, Plant & Machinery) both present and future of the company situated at Survey No. 437 to 440 , ECP Channel Road, Padra, Vadodara.

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.

Kotak Mahindra Bank Ltd. Term Loan: First charge in favour of Kotak Mahindra Bank By way of Equitable Mortgage and Hypothecation on entire Fixed Assets ( Land, Building, Plant & Machinery) both present and future of the company situated at D-2/CH-39, GIDC Estate Dahej-II, Village Vadadla, Taluka Vagra , Dist Bharuch-392110 Gujarat.

#### ii Collateral Security:

State Bank of India Term Loan : Second charge in favour of State Bank of India, on all chargable current assets of the Company, both present and future.

### I.b Interest on Term Loan ranges from 5% to 6.50% per annum.

#### I.c Term of Repayment.

- Term Loan from Federal Bank Ltd. ₹ 7,50,00,000/- ( Previous year ₹ 12,50,00,000/-), Repayable in 6 equal Quarterly Installments of ₹ 1,25,00,000/- will end on July-2023
- Term Loan from HDFC Ltd. ₹ 12,58,48,655/- ( Previous year ₹ Nil/-), Repayable in 54 equal monthly Installments of ₹ 26,81,390/- will end on April-2027
- Term Loan from Kotak Mahindra Bank Ltd. ₹20,00,00,000/- ( Previous year ₹ Nil/-), Repayable in 12 equal Quarterly Installments of ₹ 66,666.667/- will end on March-2025
- There was no default in repayment of loan or interest.

## 23 Non Current Provisions

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions for employees benefits		
Provision for Gratuity	194.93	164.68
<b>Total</b>	<b>194.93</b>	<b>164.68</b>

## 24 Deferred Tax Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Deferred Tax Liabilities		
Opening Balance	1,575.18	1,142.25
Accumulated depreciation	119.55	54.45
Other comprehensive income from investments	(72.41)	378.48
	1,622.32	1,575.18
b. Deferred Tax Assets		
Opening Balance	58.56	62.48
Defined benefit plan for employees	(1.51)	(3.92)
	57.05	58.56
<b>Liabilities (Net)</b>	<b>1,565.27</b>	<b>1,516.62</b>

## 25 Other Non Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits from customers	0.44	0.20
<b>Other Non Current Liabilities</b>	<b>0.44</b>	<b>0.20</b>

## 26 Current Borrowing

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured Loans *</b>		
<b>Loans repayable on demand from bank</b>		
<b>From State Bank of India</b>		
Working Capital Loans	30.49	1,157.22
<b>From Kotak Mahindra Bank Ltd</b>		
Working Capital Loans	1,506.81	605.75
<b>Unsecured Loans</b>		
<b>Loans repayable on demand from bank</b>		
<b>From Federal Bank Ltd</b>		
Working Capital Loans	1,200.00	1,000.00
<b>From HDFC Bank Ltd</b>		
Working Capital Loans	2,000.00	1,000.00
<b>Current Maturities of Long Term Borrowings</b>	<b>1,300.74</b>	<b>501.83</b>
<b>Total</b>	<b>6,038.05</b>	<b>4,264.80</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 of TDR worth of ₹ 25 Lakhs.

a )The working capital limits from Kotak Mahindra Bank are secured by:

**i Primary Security:**

First charge in favour of Kotak Mahindra Bank by way of hypothecation over entire present and future current assets of Asahi Tennants Color Private Limited.

**ii Collateral Security:**

First charge in favour of Kotak Mahindra Bank on the entire Fixed Assets of the Company ( Excluding Vehicles Purchased) of which includes:

- First and exclusive registered mortgage charge on immoveable properties being land and buliding situated at D-2/CH-39, GIDC Estate Dahej-II, Village Vadadla, Taluka Vagra , Dist Bharuch-392110 Gujarat.

## 27 Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade payable</b>		
Dues to Micro and Small Enterprises	791.55	260.85
Dues to Creditors other than Micro and Small Enterprises	6,552.39	3,903.05
<b>Total</b>	<b>7,343.94</b>	<b>4,163.90</b>

### 27.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Principal amount remaining unpaid to any supplier as at the end of accounting year	791.55	260.85
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>791.55</b>	<b>260.85</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, 2022

(₹ in lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	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>

As at March 31, 2021

(₹ in lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Payables							
a) MSME	260.85	-	-	-	-	-	260.85
b) Others	3,449.22	428.44	13.03	0.57	2.46	9.33	3,903.05
(ii) Disputed Trade Payables							
a) MSME	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-
<b>Total ( i + ii )</b>	<b>3,710.07</b>	<b>428.44</b>	<b>13.03</b>	<b>0.57</b>	<b>2.46</b>	<b>9.33</b>	<b>4,163.90</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.

## 28 Other Current Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Unpaid Dividends #	4.59	4.99
b. Payable for fixed assets	348.49	407.94
c. Interest accrued	24.92	2.51
<b>Total</b>	<b>378.00</b>	<b>415.44</b>

# The Company has transferred ₹ 0.86 lakhs/- (Previous Year ₹ 0.85 lakhs/-) to the Investors Education and Protection Fund (IEPF) during the year.

## 29 Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a. Other payables</b>		
Advances from customers	1.18	1.52
Statutory liabilities	107.98	47.94
Other Current liabilities and payables	143.40	77.07
<b>Total</b>	<b>252.56</b>	<b>126.53</b>



30 Current Provisions

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	43.14	75.13
<b>Total</b>	<b>43.14</b>	<b>75.13</b>

31 Current Tax Liabilities

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax	-	38.85
<b>Total</b>	<b>-</b>	<b>38.85</b>

32 Revenue from Operations

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue from Sale of Products</b>		
a. Export Sales	22,812.43	16,632.57
b. Domestic Sales	18,187.72	11,362.85
<b>Total Sale of Products</b>	<b>41,000.15</b>	<b>27,995.42</b>
<b>c. Other operating revenues</b>		
Export incentives	0.53	235.00
Interest Income on FDR	20.78	7.52
Other Operating Income	516.36	70.08
<b>Total - Other Operating revenues</b>	<b>537.67</b>	<b>312.60</b>
<b>Total</b>	<b>41,537.82</b>	<b>28,308.02</b>

33 Other Income

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a. Dividend Income	0.30	3.87
b. Others	88.32	27.15
<b>Total</b>	<b>88.62</b>	<b>31.02</b>

34 Cost of Materials Consumed

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>a. Raw Materials</b>		
Opening Stock	1,747.55	1,092.48
Add : Purchases	31,369.76	17,302.55
	<b>33,117.31</b>	<b>18,395.03</b>
Less : Closing Stock	3,169.78	1,747.55
Cost of Raw Material Consumed	29,947.53	16,647.48
<b>b. Packing Material</b>		
Opening Stock	70.47	56.24
Add : Purchases	560.32	346.32
	<b>630.80</b>	<b>402.56</b>

Less : Closing Stock	126.68	70.47
Cost of Packing Material Consumed	504.11	332.09
<b>Cost of Total material consumed</b>	<b>30,451.64</b>	<b>16,979.57</b>

### 35 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a. Inventories at the end of the year		
Finished goods	5,263.64	2,230.29
Work-in-progress	1,496.92	220.28
<b>Total</b>	<b>6,760.55</b>	<b>2,450.57</b>
b. Inventories at the beginning of the year		
Finished goods	2,230.29	1,213.91
Work-in-progress	220.28	83.24
<b>Total</b>	<b>2,450.57</b>	<b>1,297.15</b>
<b>Net (Increase) / decrease</b>	<b>(4,309.99)</b>	<b>(1,153.42)</b>

### 36 Employee Benefits Expense

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a. Salaries, Wages & Bonus *	937.74	705.81
b. Contribution to Provident and other funds	55.13	49.19
c. Staff welfare expenses	45.45	35.55
d. Directors Remuneration including perquisites and commission	318.76	246.85
<b>Total</b>	<b>1,357.07</b>	<b>1,037.40</b>

\* Salaries, Wages and Bonus excluded the salaries paid to the staff related to R & D, is debited to Research and Development expenses.

### 37 Finance Costs

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>a. Interest</b>		
Term Loans	100.37	72.34
Working Capitals	308.88	78.95
<b>b. Other Financial Costs</b>		
Bank and other charges	63.18	42.84
<b>Total</b>	<b>472.42</b>	<b>194.13</b>

### 38 Depreciation and Amortization Expense

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation and amortization for the year on tangible assets	1,195.70	869.38
<b>Depreciation and amortization relating to continuing operations</b>	<b>1,195.70</b>	<b>869.38</b>

39 Other Expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and Fuel	5,019.12	3,169.41
Consumption of Stores and Spare parts	403.06	303.06
Pollution Treatment Expenses	957.87	548.53
Repairs to Machinery	286.38	314.46
Repairs to Building	17.25	8.68
Repairs to Other Assets	23.18	14.83
Manufacturing & Labour Charges	1,143.38	717.93
Freight and forwarding Expenses	1,424.28	689.66
Other Selling and Distribution Expenses	118.36	106.48
Rent	44.12	40.22
Rates & Taxes (excluding taxes on income)	14.91	3.89
Insurance	66.30	46.91
Travelling, Conveyance & Vehicle Expenses	51.92	40.37
Directors Travelling Expenses	81.78	20.76
Auditors Remuneration *	5.77	4.30
Directors Sitting Fees	2.48	2.16
Legal & Professional Expenses	338.67	140.94
General Charges	92.98	68.42
Research and Development Expenses (Refer Note: 46)	95.41	93.29
Donation	0.11	-
Expenditure towards Corporate Social Responsibility activities (Refer Note: 50)	62.15	55.92
Expected Credit Loss Provision	2.22	-
Resource Sharing	-	6.10
Preliminary Expenditure Written Off	71.14	1.15
Loss on sales of Property , Plant & Equipments	0.61	34.80
<b>Total</b>	<b>10,323.44</b>	<b>6,432.27</b>

39.1 \* Payment to Auditors

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Audit fees	5.25	3.25
Others (Certification work)	0.02	0.02
Out of pocket expenses	0.50	1.03
<b>Total</b>	<b>5.77</b>	<b>4.30</b>

40 Other Comprehensive Income

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Items that will not be reclassified to Profit and Loss</b>		
Equity Instruments through FVOCI	22.99	1,021.70
Re-measerement of Defined Benefit Plan	(13.57)	(1.24)
Income tax relating to items that will not be reclassified to profit or loss	8.78	(342.20)
<b>Items that will be reclassified to Profit and Loss</b>		
Mark to Market Forex gain (Loss)	(67.40)	144.14
Income tax relating to items that will be reclassified to profit or loss	16.97	(36.28)
	<b>(32.23)</b>	<b>786.12</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, 2022	March 31, 2021
Profit for the year	1,465.07	3,194.62
Net Profit attributable to Equity Shareholders	1,465.07	3,194.62
Profit after taxation before Extra Ordinary Items	1,465.07	3,194.62
Number of Equity Shares for Basic EPS	1,20,27,262	1,20,27,262
Number of Equity Shares for Diluted EPS	1,20,27,262	1,20,27,262
Nominal Value Per Share	10	10
Basic Earning Per Share	16.10	26.52
Diluted Earning Per Share	16.10	26.52

## 42 Income Taxes

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A. The major components of income tax expense for the year as under:</b>		
<b>Current tax</b>		
In respect of current year	685.00	1,123.63
<b>Deferred tax</b>		
In respect of Accumulated Depreciation	(63.33)	118.93
In respect of Other comprehensive income from investments	3.02	(75.97)
In respect of defined benefit plan for employees	(1.51)	2.70
<b>Total deferred tax</b>	<b>(61.82)</b>	<b>45.66</b>
<b>Total tax expenses charged to statement of Profit and Loss</b>	<b>623.18</b>	<b>1,169.29</b>
<b>B. RECONCILIATION OF EFFECTIVE TAX RATE</b>		
<b>Applicable Tax Rate</b>	<b>25.168%</b>	<b>25.168%</b>
Profit before tax	2,088.25	3,918.67
Income not considered for tax purpose	(32.23)	786.12
Expenses not allowed for tax purpose	(119.39)	(3.02)
Tax payable at lower rate	182.88	(575.71)
<b>Net Taxable income for the year</b>	<b>2,119.51</b>	<b>4,126.06</b>
<b>Effective Tax for the year</b>	<b>533.44</b>	<b>1,038.45</b>
Effective tax at lower rate	-	84.27
Total current tax calculated for the year	533.44	1,122.72
<b>Excess provision</b>	<b>151.56</b>	<b>0.91</b>
<b>Effective current tax rate for the year</b>	<b>25.54%</b>	<b>28.65%</b>

## 43 Contingent Liabilities

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
In Respect of Income Tax	47.20	-
Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year	659.32	674.78

## 44 Capital Commitment

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods / Capital work in progress	-	1,320.70

## 45 Research and Development

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
<b>Capital Goods</b>		
Machinery and Equipments for Research Laboratory	-	-
<b>Total Capital Expenditure</b>	-	-
<b>Revenue Expenses</b>		
Salaries & Wages	77.39	76.01
Laboratory Chemicals and other goods	17.09	16.45
Stationery	0.04	-
Consumable stores	0.06	-
Travelling Expenses	0.16	-
Conveyance Expenses	0.15	-
Testing Expenses	0.30	0.35
Seminar for R & D	-	-
Sampling Expenses	-	0.17
Electricity Expenses	0.21	0.31
<b>Total Revenue Expenditure</b>	<b>95.40</b>	<b>93.29</b>
<b>Total Expenditure towards R &amp; D</b>	<b>95.40</b>	<b>93.29</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, 2022	March 31, 2021
Contribution to Provident and other Funds	55.13	51.73

### 2 Defined Benefit Plan

Table Showing Change in the Present Value of Projected Benefit Obligation

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Present Value of Benefit Obligation at the Beginning of the Period	289.81	248.60
Interest Cost	20.00	20.12
Current Service Cost	22.23	17.81
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)	(7.55)	(0.82)
(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	(11.95)	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	30.43	4.10
Present Value of Benefit Obligation at the End of the Period	343.22	289.81

#### Table Showing Change in the Fair Value of Plan Assets

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contributions by the Employer	100.00	-
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	5.16	-
Fair Value of Plan Assets at the End of the Period	105.16	-

#### Amount Recognized in the Balance Sheet

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
(Present Value of Benefit Obligation at the end of the Period)	(343.22)	(289.81)
Fair Value of Plan Assets at the end of the Period	105.16	-
Funded Status (Surplus/ (Deficit))	(238.06)	(289.81)
Net (Liability)/Asset Recognized in the Balance Sheet	(238.06)	(289.81)

#### Net Interest Cost for Current Period

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Present Value of Benefit Obligation at the Beginning of the Period	289.81	248.60
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	289.81	248.60
Interest Cost	20.00	20.12
(Interest Income)	-	-
Net Interest Cost for Current Period	20.00	20.12

#### Expenses Recognized in the Statement of Profit or Loss for Current Period

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Current Service Cost	22.24	17.81
Net Interest Cost	20.00	20.12
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	42.24	37.93



## Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Actuarial (Gains)/Losses on Obligation For the Period	18.73	4.10
Return on Plan Assets, Excluding Interest Income	(5.16)	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	13.57	4.10

## Balance Sheet Reconciliation

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Opening Net Liability	289.81	248.60
Expenses Recognized in Statement of Profit or Loss	42.24	37.93
Expenses Recognized in OCI	13.57	4.10
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(7.55)	(0.82)
(Employer's Contribution)	(100.00)	-
Net Liability/(Asset) Recognized in the Balance Sheet	238.07	289.81

## Category of Assets

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	105.16	-
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
<b>Total</b>	<b>105.16</b>	<b>-</b>

## Other Details

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
No of Active Members	161	158
Per Month Salary For Active Members	57.01	46.34
Weighted Average Duration of the Projected Benefit Obligation	26	10
Average Expected Future Service	34	18
Projected Benefit Obligation	343.22	289.81
Prescribed Contribution For Next Year (12 Months)	43.10	-

Net Interest Cost for Next Year

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
Present Value of Benefit Obligation at the End of the Period	343.22	289.81
(Fair Value of Plan Assets at the End of the Period)	(105.16)	-
Net Liability/(Asset) at the End of the Period	238.07	289.81
Interest Cost	24.96	15.68
(Interest Income)	(7.64)	-
Net Interest Cost for Next Year	17.32	15.68

Expenses Recognized in the Statement of Profit or Loss for Next Year

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
Current Service Cost	26.02	20.43
Net Interest Cost	17.32	15.68
(Expected Contributions by the Employees)	-	-
Expenses Recognized	43.34	36.11

Maturity Analysis of the Benefit Payments: From the Employer  
Projected Benefits Payable in Future Years From the Date of Reporting

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
1 <sup>st</sup> Following Year	28.12	20.69
2 <sup>nd</sup> Following Year	144.44	113.18
3 <sup>rd</sup> Following Year	6.70	6.81
4 <sup>th</sup> Following Year	7.29	9.44
5 <sup>th</sup> Following Year	7.73	6.96
Sum of Years 6 to 10	68.70	181.41

Sensitivity Analysis

(₹ in lakhs)		
Impact of change in discount rate when base assumption is decreased/increased by 100 basis point	March 31, 2022	March 31, 2021
Present Value of Obligation for Discount Rate @ 5.90%	317.43	309.74
Present Value of Obligation for Discount Rate @ 7.90%	373.82	272.77

(₹ in lakhs)		
Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point	March 31, 2022	March 31, 2021
Present Value of Obligation for Salary Increment Rate @ 5.00%	312.56	273.98
Present Value of Obligation for Salary Increment Rate @ 7.00%	369.54	307.90

(₹ in lakhs)		
Impact of change in discount rate when base assumption is decreased/increased by 100 basis point	March 31, 2022	March 31, 2021
Present Value of Obligation for Withdrawal Rate @ 1.00%	340.20	288.40
Present Value of Obligation for Withdrawal Rate @ 3.00%	346.63	291.05

47 Segment Reporting

The Group operates in a single segment and in line with Ind AS - 108 - "Operating Segments", the operation of the Group fall under Chemical Business which is considered to be the only reportable business segment.

## 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

#### b) Key Managerial Personnel:

Mrs. Paru M. Jaykrishna - Chairperson and Managing Derector  
Mr. Gokul M. Jaykrishna - Joint Managing Director and CEO  
Mr. Arjun M. Jaykrishna - Executive Director  
Mr. Pratik Shah - Chief Financial Officer ( w.e.f 04.08.2021)  
Mr. Utsav Pandwar - Chief Financial Officer ( upto 20.04.2021)  
Mr. Saji V Joseph - Company Secretary

#### c) Relative of Key Managerial Personnel

Mr. Mrugesh Jaykrishna

### 2 Details of Transactions during the year

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
<b>A Enterprises own or significantly influenced by key managerial personnel or their relatives</b>		
1 Aksharchem (India) Ltd		
Purchase of Goods	27.26	52.71
Sales of Goods / Services	-	30.74
2 Skyways		
Rent Paid	1.86	1.86
3 Hunter Wealth Management LLP		
Rent / Maintenance Income	1.20	1.20
4 Gokul M. Jaykrishna HUF		
Rent Paid	9.00	9.50
5 Plutoeco Enviro Association		
Subscription of Investments	-	0.25
<b>B Key Managerial Personnel and their relatives</b>		
<b>1 Mrs. Paru M. Jaykrishna</b>		
Remuneration	72.00	97.00
Perquisites	0.08	1.05
Provident Fund Contribution	8.64	8.64
<b>2 Mr. Gokul M. Jaykrishna</b>		
Remuneration	124.80	141.80
Commission	30.00	-
Perquisites	1.87	4.00
Provident Fund Contribution	5.76	5.76
<b>3 Mr. Arjun G. Jaykrishna</b>		
Remuneration	60.00	75.00
Commission	30.00	-

3	Mr. Mrugesh Jaykrishna		
	Consultancy	29.31	29.31
4	Mr. Pratik Shah ( W.e.f from 04.08.2021)		
	Salary and allowances	23.58	30.58
5	Mr. Utsav Pandwar (Till 20.04.2021)		
	Salary and allowances	1.05	30.58
6	Mr. Saji V Joseph		
	Salary and allowances	15.38	14.34
<b>C Outstanding payables / (receivables ) to / from Related parties and key Managerial persons</b>			
1	Aksharchem (India) Ltd,	-	24.69
2	Skyways	0.14	0.14
3	Skyjet Aviation Pvt Ltd.	(0.63)	(1.78)
4	Hunter Wealth Management LLP	(0.60)	-
5	Gokul M. Jaykrishna HUF	0.68	0.69
6	Mr. Paru M. Jaykrishna	2.15	2.16
7	Mr. Gokul M. Jaykrishna	3.15	5.65
8	Mr. Mrugesh Jaykrishna	2.25	2.29
9	Mr. Arjun G. Jaykrishna	1.40	3.50
10	Mr. Pratik Shah ( W.e.f from 04.08.2021)	1.44	-
11	Mr. Saji V Joseph	0.93	0.61

## 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: ₹61.36 Lacs ( Previous year ₹ 56.34 Lacs )

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Amount required to be spent by the Company during the year	61.36	56.34
Amount of expenditure incurred on:		
(i) Construction/acquisition of any assets	-	-
(ii) On purposes other than (i) above	61.36	55.92
Shortfall at the end of the year	-	0.42
Total of previous year shortfall	0.42	-
Reason for shortfall	NA	NA
Nature of CSR activities	Education, skilling, health, environmental sustainability, Rural Development, COVID-19 relief 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.

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Borrowings (Note No: 22 & 26)	8,745.80	5,014.80
Less : Cash and Cash equivalents (Note No: 14)	(30.07)	(44.83)

Net Debt	8,715.72	4,969.97
Total Equity	28,443.10	27,431.20
Total Equity and net debt	37,158.82	32,040.17
Gearing Ratio	0.23 : 1	0.15 : 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, 2022, 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, 2022 and March 31, 2021.

## 51 Dividend

### Final Dividend

The Board of Directors has recommended final dividend for the financial year 2020-2021 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 ₹30.07 lakhs/- at March 31, 2022 (March 31, 2021: ₹44.83 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 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.

## 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.

(₹ in lakhs)

Nature of Borrowing	Change in basis points	Impact on PAT	
		As at March 31, 2022	As at March 31, 2021
Borrowing from Bank	0.5%	(32.72)	(18.76)
	-0.5%	32.72	18.76

## 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 ₹. 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

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Trade Receivables		
Rupees	4,353.71	3,802.21
Trade Payables		
Rupees	653.31	364.56
Net Exposure in Rupees	3,700.40	3,437.65

### Forward Exchange Contracts:

#### Forward Contracts outstanding

(₹ in lakhs)

Particulars	Currency	As at March 31, 2022	As at March 31, 2021	Cross Currency
Net Exposure	US \$	50.03	47.79	Rupees

### Risk over uncovered foreign currency:

(₹ in lakhs)

Particulars	Currency	As at March 31, 2022	As at March 31, 2021	Cross Currency
Exposure covered	US \$	50.03	47.79	Rupees
Un hedged Exposure	US \$	-	-	Rupees
Un hedged Exposure	₹	-	-	
Risk over uncovered exposure @ 5% +/- Forex Rate fluctuation	₹	-	-	



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.

Particulars	Movement in Rate	(₹ in lakhs)	
		Impact on OCI	
		2021-22	2020-21
Equity Shares (Quoted)	3%	1.81	2.83
Equity Shares (Quoted)	-3%	(1.81)	(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

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 recognized and subsequently re-measured at fair value as described below :

- 1
- The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
- 2
- 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 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.
- 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 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, 2021**

(₹ in lakhs)

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments (Non-Current)	50.78	-	-	50.78
Non Current Loans	-	-	-	-
Other Non Current Financial Assets	193.20	-	-	193.20
Trade Receivables	7,818.06	-	-	7,818.06
Cash and Cash Equivalents	44.83	-	-	44.83
Bank Balances Other than Cash and Cash Equivalents	190.68	-	-	190.68
Current Loans	13.36		-	13.36
Other Current Financial Assets	8.81	-	-	8.81
TOTAL	8,319.72	-	-	8,319.72
Financial assets at fair value through profit or loss:				
Investments (Current)	-	-	-	-
Investments (Non-Current)	126.22	126.22	-	
TOTAL	126.22	126.22	-	-
Financial liabilities at amortised cost:				
Borrowings (Non-Current)	750.00	-	-	750.00
Borrowings (Current)	4,264.80	-	-	4,264.80
Trade Payables	4,163.90	-	-	4,163.90
Other financial liabilities	415.44	-	-	415.44
TOTAL	9,594.14	-	-	9,594.14

**III. Figures as at March 31, 2022**

(₹ in lakhs)

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments (Non-Current)	50.78	-	-	50.78
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
TOTAL	9,708.48	-	-	9,708.48
Financial assets at fair value through profit or loss:				
Investments (Current)	-	-	-	-
Investments (Non-Current)	80.77	80.77	-	-
TOTAL	80.77	80.77	-	-
Financial liabilities at amortised cost:				
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
TOTAL	16,467.73	-	-	16,467.73

## 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 23 )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

(₹ in lakhs)

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Change	Reason for Change
Current Ratio (In Times )	Total Current Assets	Total Current Liabilities	1.62	1.79	-9%	
Debt-Equity ratio (in times)	Total Debt	Total Equity	0.31	0.18	68%	Improvement owing to lower debt levels and profit accruals for the year
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	3.44	6.33	-46%	Negligible change owing to lower gross margins. However much above the threshold level
Return on equity ratio (in %)	Profit After Tax	Average Total Equity	5%	13%	-60%	Change owing to lower gross margins.
Trade receivables turnover ratio (in times)	Total Net Sales	Average trade receivables	4.86	4.20	16%	
Trade payables turnover ratio (in times)	Total Purchases	Average trade payables	5.55	5.38	3%	
Inventory Turnover Ratio	Total Net Sales	Average Inventory	5.30	7.19	-26%	Change owing to price movement of the finished goods during the year
Net capital turnover ratio (in times)	Total Net Sales	Average Working Capital ( i.e Total Current Assets less Total Current Liabilites )	5.14	4.05	27%	Improvement owing to efficient working capital management
Net profit ratio (in %)	Profit After Tax	Revenue from Operations	4%	11%	-69%	Change owing to lower gross margins.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Deferred tax liabilities	9%	14%	-40%	Change owing to lower gross margins.
Return on investment (in %)	Income from Investments	Average Investments	5.02%	1.65%	204%	Improvement owing to better additional investments.

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	88.69%	25,226.06	165.10%	2,418.90	110.11%	(35.49)	166.34%	2,383.41
<b>Sub-total (A)</b>	<b>88.69%</b>	<b>25,226.06</b>	<b>165.10%</b>	<b>2,418.90</b>	<b>110.11%</b>	<b>(35.49)</b>	<b>166.34%</b>	<b>2,383.41</b>
<b>Subsidiary</b>								
Asahi Tenants Colors Private Limited	30.21%	8,593.97	-33.45%	(490.12)	-5.15%	1.66	-34.09%	(488.46)
<b>Sub-total (B)</b>	<b>30.21%</b>	<b>8,593.97</b>	<b>-33.45%</b>	<b>(490.12)</b>	<b>-5.15%</b>	<b>1.66</b>	<b>-34.09%</b>	<b>(488.46)</b>
Non-Controlling Interest. (C)	14.81%	4,211.38	-32.14%	(470.89)	-4.96%	1.60	-32.75%	(469.29)
Adjustment arising out of Consolidation. (D)	33.71%	9,588.31	-0.49%	(7.18)	-	-	-0.50%	(7.18)
<b>Total (A+B+C-D)</b>	<b>100.00%</b>	<b>28,443.10</b>	<b>100.00%</b>	<b>1,465.07</b>	<b>100.00%</b>	<b>(32.23)</b>	<b>100.00%</b>	<b>1,432.84</b>

57 Additional Regulatory Information Reconciliation of quarterly Stock submitted to banks where borrowings have been availed based on security of current assets

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, 2021	State Bank of India	Inventory-Raw Material	1,479.34	1,487.75	(8.41)	Refer Note Below
June, 2021	State Bank of India	Inventory-Stock in process	265.00	262.26	2.74	
June, 2021	State Bank of India	Inventory-Semi Finished Goods	375.21	355.19	20.02	
June, 2021	State Bank of India	Inventory- Finished Goods	1,016.57	1,007.30	9.27	
June, 2021	State Bank of India	Inventory- Finished Goods in transit	691.96	711.49	(19.53)	
June, 2021	State Bank of India	Inventory- Stores & Packing Materials	369.48	324.90	44.58	
June, 2021	State Bank of India	Trade Receivables	8,534.87	8,498.90	35.97	
September, 2021	State Bank of India	Inventory-Raw Material	1,896.88	1,906.24	(9.36)	
September, 2021	State Bank of India	Inventory-Stock in process	225.26	229.90	(4.64)	
September, 2021	State Bank of India	Inventory-Semi Finished Goods	119.06	123.69	(4.63)	
September, 2021	State Bank of India	Inventory- Finished Goods	2,122.75	2,106.90	15.85	
September, 2021	State Bank of India	Inventory- Finished Goods in transit	915.66	908.26	7.40	

September, 2021	State Bank of India	Inventory- Stores & Packing Materials	408.94	398.92	10.02	Refer Note Below
December, 2021	State Bank of India	Inventory-Raw Material	1,870.22	1,867.64	2.58	
December, 2021	State Bank of India	Inventory-Stock in process	353.49	313.39	40.10	
December, 2021	State Bank of India	Inventory-Semi Finished Goods	953.57	753.45	200.12	
December, 2021	State Bank of India	Inventory- Finished Goods	3,737.12	3,295.37	441.75	
December, 2021	State Bank of India	Inventory- Finished Goods in transit	976.02	874.08	101.94	
December, 2021	State Bank of India	Inventory- Stores & Packing Materials	402.00	404.10	(2.10)	
December, 2021	State Bank of India	Trade Receivables	7,950.82	7,950.88	(0.06)	

**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 lead 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 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.

**59** The Group do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**60** The Group do not have any transactions with companies struck off.

**61** The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**62** The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

**63** 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

**64** 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:

- 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,

**65** 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:

- 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

**66** 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.

## 67 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 19, 2022.

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.

In terms of our report attached.

**For, Mahendra N. Shah & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 105775W

**Chirag M. Shah**  
Partner  
Membership No. 045706

**Place :** Ahmedabad  
**Date :** May 19, 2022

For and on behalf of the Board of Directors  
**Asahi Songwon Colors Limited**  
CIN: L24222GJ1990PLC014789

**Pratik Shah**  
Chief Financial Officer

**Saji V. Joseph**  
Company Secretary  
Membership No. F 9596

**Paru M. Jaykrishna**  
Chairperson & Mg. Director  
(DIN 00671721)

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

**Place :** Ahmedabad  
**Date :** May 19, 2022



# 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. Pratik Shah

## Company Secretary

Mr. Saji V. Joseph

## Auditors

Mahendra N. Shah & Co.

## Bankers

State Bank of India  
Federal Bank Limited  
HDFC Bank Limited

## Registered Office

"Asahi House", 13, Aaryans Corporate Park  
Nr. Shilaj Railway Crossing, 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 Business Division

Atlas Life Sciences Private Limited  
C-1/360-361, GIDC, Odhav, Ahmedabad – 382 415, Gujarat.



**ASAHI SONGWON COLORS LTD**

"ASAHI HOUSE"

13, AARYANS CORPORATE PARK  
NR. SHILAJ RAILWAY CROSSING, THALTEJ – SHILAJ ROAD  
THALTEJ, AHMEDABAD – 380 059, INDIA

CIN: L24222GJ1990PLC014789