



Investor Presentation

Q4FY24

ASAHI SONGWON COLORS LIMITED

BSE CODE : **ASAHISONG** | 532853

NSE CODE : **ASAHISONG**

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Corporate Portrait

Asahi Songwon Colors Limited is one of the leading manufacturers of blue (Phthalocyanine) pigments for ink, plastics, paint, textile and paper industry with globally benchmarked manufacturing capabilities. Recently, **the company has also ventured into manufacturing of yellow, red and orange (AZO) pigments and APIs.**



4

Manufacturing facilities

3

decades of manufacturing expertise

Exporting to
19 Countries

Team strength of
850 people

Long standing relations
with **MNC's**

101 number of customers served

Strong
technical capabilities

Manufacturing capacities –

13,800 MTPA
Blue Pigments

2,400 MTPA
Red and Yellow Pigments

Odhav
29 KL

Chhatral
208 KL

Our Journey

Small start with aspirations to become a global leader in Pigment Industry

1993

Commenced operations of green pigment

2003

Entered into technical collaboration with Clariant for manufacture of CPC Blue crude.

2007

Entered into a technical collaboration and supply agreement with DIC Japan

2007

The company went public and successfully raised ₹33.50 crores from IPO.

2008

Enhanced capacities of CPC blue crude from 3,000 TPA to 7,000 TPA and setup new capacity of 1,200 TPA for Beta blue as forward integration

2010

Enhanced Beta Blue capacity from 1,200 TPA to 2,040 TPA

2014

Demerged the green pigment segment

Subdued Financial Growth | Strengthening Business Model

2016

Debottlenecking of CPC blue crude capacity to 10,200 TPA

2016

Set up new capacity of 600 TPA for Alpha Blue as forward integration

2018

Enhanced Beta Blue capacity to 3,600 TPA

[READ MORE -NEXT SLIDE](#)

Ready for the next leg of growth

2019 - 2021

Company entered into a JV with Tennants Textile Colors Limited (TTC) UK for manufacturing Red and Yellow (AZO) pigment at Dahej

Setup 2,400 TPA Azo pigment capacity equally distributed between Red and Yellow Pigment

Necessary infrastructure in place to enhance this capacity to 10,000 TPA

Plans to enhance Alpha Blue capacity to 840 TPA

Working on high value complex pigments in Azo category

2022

On April 18, 2022 acquired 78% stake in Atlas Life Sciences Private Limited, one of the leading manufacturers of Active Pharmaceutical Ingredients (API) with dominant position in Pregabalin (PG) and 4 other API's and one intermediate (R-CMH for PG).

2023

On December 9, 2023 Atlas Life Sciences (India) Private Limited commenced commercial production of API Intermediate at state of art new plant at Chhatral, Gandhinagar, Gujarat.

2024

On March 26, 2024 acquired remaining 22% stake in Atlas Life Sciences Private Limited, and the Atlas becoming 100% subsidiary of the Company.

Strengthening Business Model

2005 -2015



Added **2** new products

2015 - 2024

Added **3** new products and entered **new product category** of AZO pigments and APIs

Continuous investments made towards making the business **sustainable**

2015



2024

Served **19** customers

Serving more than **101** customers currently

Reducing costs and Ramping up operations

Presence in **18** countries

serving customer across **19** countries

End use industry diversification -

Over the last few years, the revenue contributions from the ink industry have come down from more than 90% to ~ 55%

Revenue contributions from top 5 customers - **90%**

Revenue contributions from top 5 customers - **<75%**



Strong Global Footprint – Pigment Business



List of countries we export to

- | | |
|-----------------|-----------------|
| 1. USA | 11. Malaysia |
| 2. Korea | 12. Philippines |
| 3. Japan | 13. Singapore |
| 4. Spain | 14. Taiwan |
| 5. Belgium | 15. UAE |
| 6. South Africa | 16. UK |
| 7. Brazil | 17. Vietnam |
| 8. China | 18. Bangkok |
| 9. Italy | 19. Thailand |
| 10. Indonesia | |

56%

revenue contributions from
exports in FY24

Serving Leading Brands

We have come a long way from our humble beginnings to become a preferred choice of supplier to the large MNC's across the globe. We are well on our way to becoming one of the largest pigment players by enhancing our product basket to offer a full suite of colour range in organic pigments.



21 years of collaboration and still going strong



Supply agreement since last **18** years



Supply agreement since last **18** years



Repeat business since last **13** years with no quarter without sales



Repeat business since last **12** years with no quarter without sales

We have not lost a single customer in our more than **3 decades** of existence

More than **80%** of business is repeat business

Other Marquee Clients



Board of Directors



Mrs. Paru M. Jaykrishna
Chairperson & Managing Director

She holds a Bachelor's degree in Law and Philosophy & Sanskrit, and a Masters' degree in English Literature. She is the Founder, Chairperson and Managing Director of the Company responsible for strategic decision making and devising policies for growth.

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 & CEO

A major in Finance with a minor in Economics, from Lehigh University, USA. He 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 (USA), one of the most influential currency and option traders in USA. He is also on board of AksharChem (India) Ltd.



Mr. Arvind Goenka
Director

A graduate from St. Xavier College, Kolkata, he is an industrialist hailing from the renowned Goenka family. He has rich experience over 38 years in managing and overlooking operations of diverse business interests such as jute, cotton textiles, rubber, chemical and sophisticated industrial engineering products. He is on the board of reputed companies like Oriental Carbon and Chemicals Ltd. and Schrader Duncan Ltd.



Mr. R.K. Sukhdevsinghji
Director

A graduate from St. Stephens College, Delhi, he is the son of late Maharaja Rajendrasinhji. In 1981, he was deputed 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 position in various Central Government and public sectors companies.



Mr. Jayprakash M Patel
Director

He holds a B. E. degree in Chemical Engineering from USA. He is an industrialist with more than 49 years of experience in Dyes and Chemicals Industry with in-depth and expert knowledge in this field. He is the founder of Loxim Industries Limited.

Board of Directors (Contd.)



Dr. Pradeep Jha
Director

He is a renowned mathematician having over 49 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 program for corporates.



Mr. Munjal M Jaykrishna
Director

A Major in Finance and Marketing from Lehigh University, USA. He has an experience of working with Bank of California (San Francisco) as Financial Analyst and Paragon Knits, Bethlehem, (USA) as a Consultant.



Mr. Arjun G Jaykrishna
Executive Director

A Bachelor of Science in Chemical Engineering with a Minor in Sustainable Energy from the prestigious Northwestern University, USA. He has a high school degree in the International Baccalaureate Board from the renowned UWCSEA, Singapore. Prior to joining the Company, he has worked with Deloitte gaining exposure to the Indian business environment and knowledge of the brown field acquisition process. He also worked at DIC (Dainippon Ink and Chemicals) of Japan to better understand operations and management in the chemical industry. He is now actively in charge of Pigment marketing and plant operations at Asahi.



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 14 years of experience in legal matters.



Mr. Mitesh Patel
Executive Director

He is having over more than 18 years in Chemical Industry. He associated with the Company Since 2006. His core areas are commercial, new project and strategy execution.

He was Senior Vice President Techno Commercial and Strategy Execution of the Company.



02 Business Canvas

Phthalocyanine Pigments – **12**
Our Mainstay

Infrastructure Facility – **13**
Padra Unit

Azo Pigments – **14**
Growth Driver

Infrastructure Facility – **15**
Dahej Unit

Acquisition of Atlas Life
Sciences **16**

New Manufacturing
facility – Atlas Life
Sciences (India) Private
Limited **17**

Phthalocyanine Pigments – Our Mainstay

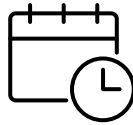
At Asahi, we use our experience and expertise to manufacture Phthalocyanine pigments for the printing ink, packaging ink, paint, plastic and textile industries.

Product Category Characteristics



Backward integrated for Beta and Alpha Blue

Manufacturing 1 ton of Beta & Alpha blue requires 1 ton of CPC Blue crude respectively.



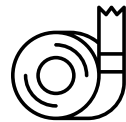
Long lead time creates entry barriers

Getting approval from customers is a long process and can sometimes take years.



Mature Market

Phthalocyanine is mature market with established players. The market is expected to grow at mid single digits.



Sticky in nature

The switching cost for the customer is high.

In the last 15 years, the competitive landscape in phthalocyanine pigments has changed. India has now become a significant force in the markets by continuously taking share away from China, which contributed more than 70% share in phthalocyanine pigments. Today India caters to more than 70% of phthalocyanine pigment requirements across the globe.

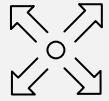


- One of **largest manufacturer** of CPC Blue crude globally
- **66%** revenue contributor for the company in FY24
- Major raw materials – **Phthalic Anhydride** & **Curpuros Chloride** sourced easily available
- Signed **long term** contracts with clients

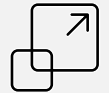
Manufacturing facility – Padra Site



Setup in
2004



Situated on
98,000 sq. mt.
plot



Available area for
further expansion -
25,000 sq. mt.



Team strength of
475 people



Products manufactured:
Phthalocyanine Pigments

- CPC Blue crude
- Beta Blue
- Alpha Blue

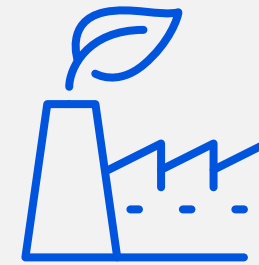


Available capacities

- **10,200 TPA** CPC Blue crude
- **3,000 TPA** Beta Blue
- **600 TPA** Alpha Blue



Waste and
effluent treatment
facilities available



No forced
pollution shutdown
in the last decade



Green cover
around factory
premises

Azo Pigments – Growth Driver

At Asahi Songwon has entered into a joint venture with UK's leading colour manufacture Tennants Textiles Colours Limited (TTC) to manufacture red, yellow and orange Azo pigments.

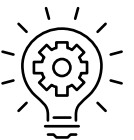
Why AZO Pigments



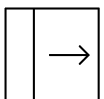
High demand that is largely met through imports from China



Domestic manufacturing will ensure lower cost of production



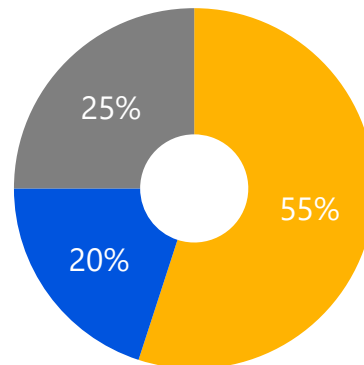
Very few operational player in the segment



Global customers Looking to shift from China

China +1 A Strong Tailwind

The global organic and specialty pigment market is estimated at \$5 billion and Azo is the largest in volume.



Azo Pigments
HPP & others

Phthalocyanine Pigments

China accounts for >50% of global pigment production.

Production shift from China to put Asahi in a sweet spot.

Manufacturing facility – Dahej Site



Setup in
2020

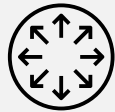


Situated on
60,000 sq. mt. plot

Capacities
expandable upto
- **10,000 TPA**



Team strength
of **95 people**



Available capacities

- **1,200 TPA**
Red Pigments
- **1,200 TPA**
Yellow Pigments



Waste and **effluent**
treatment facilities
available



Available area for
further expansion to
meet future demand
requirements



Acquisition of Atlas Life Sciences



Acquired remaining 22% stake in Atlas Life Sciences Private Limited, and the Atlas becoming 100% subsidiary of the Company.

Atlas is a leading manufacturer of Anti-convulsant, Anti-psychotic and Anti-diabetic APIs with a strong focus on product and process research.

SALIENT FEATURES



Incorporated in **2004**

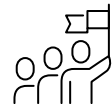


80 - member team strength



Key Products include

- Pergabalin
- R-Compound
- Levosulpiride
- Amisulpride
- Glicazide
- Phenylephrine



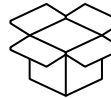
Market leader in **Pregabalin**



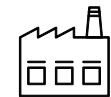
10 products under research and development, including 6 new molecules and intermediates for existing products



Established R&D center with team strength of **11 people**



Currently plant running at **optimum capacity** utilizations



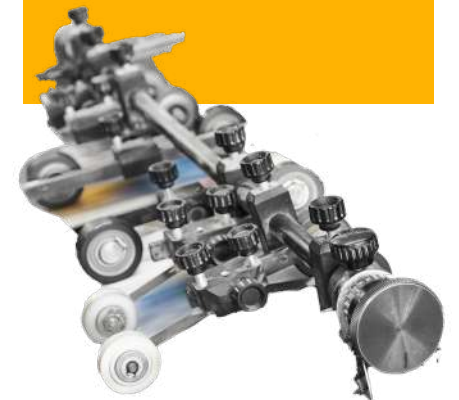
The Chattral site has commenced commercial production of **API intermediates**. Trial runs for APIs have also begun and will soon transition to commercial production.

FINANCIAL HIGHLIGHTS

FY24 (₹ IN CRORE)
Audited Figures

94.16
REVENUE

2.35
PBT



New Manufacturing facility – Atlas Life Sciences (India) Private Limited



A hand holding a paintbrush over a red paint can. The background is dark blue with a large, semi-transparent white circle. The text '03' is large and white, followed by 'Strategic Advantages and Investment Merits' in a smaller white font. A white box in the bottom right corner contains a table of contents.

03

Strategic Advantages and Investment Merits

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<hr/>	
Investment Merits	20

Strategic Advantages



HIGH LEAD TIME

Customer approvals take long time. However, once the relationship is established, it becomes difficult for the other player to take the market share. Due to its long track record and presence in the markets Asahi enjoys a long-standing relationship with majority of its customers



REALIGNMENT OF GLOBAL SUPPLY CHAIN

The Chinese government's crackdown a few years ago culminated not only in a rise in the prices of dyes & pigments on global markets, but also in end-users reevaluating their reliance on China



STRATEGIC LOCATION

The new plant at Dahej brings Asahi in the cluster of chemical companies. The company now benefits from:

- Skilled labour availability
- Strong common infrastructure facilities
- Raw material availability in proximity leading to savings in logistics cost



LONG TERM SALES CONTRACT

Majority pigments under long term sales contract



STRINGENT QUALITY CONTROL

Stringent control over quality has made us the preferred partner of choice for our diverse set of clients. The control over quality also reflects from the track record of zero product returns over last 3 decades



LONG TERM RELATIONS WITH MARQUEE CLIENTS

Over the years, we have built client relationships by delivering on their requirement, constantly engaging with them, enhancing our share in their overall requirement and delivering competitively priced quality product of the highest standards



MAKING AN IMPACT BY REDUCING OUR IMPACT

Being in the chemical industry we understand the impact our operation have on the environment. Keeping this in mind we keep sustainability at the core of our business strategy to attain leadership across various business aspects



Investment Merits



The ramp-up of capacity utilisation in Azo and the addition of new capacity in the **API** business are set to place the Company back on the growth path.



Strong
Balance Sheet



Strong technical capabilities backed by technological tie up with industry leaders



Consolidation the **global pigment industry** to put the company in a sweet spot



**Foray into
API**



04

Financial Statement Summary



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Financial Highlights – Profit and Loss statement

PARTICULARS	FY20	FY21	FY22	FY23	FY24
Revenue from Operations	283.64	283.08	410.82	504.55	426.24
Other Income	0.78	0.31	5.61	5.86	2.81
Total Income	284.42	283.39	416.43	510.41	429.05
Total Operating Expenses	249.24	233.57	378.87	499.27	410.79
EBITDA	34.40	49.51	31.95	5.28	18.26
EBITDA Margins	12%	17%	8%	1%	4%
Interest Cost	3.60	1.94	4.72	14.02	12.55
Depreciation	8.32	8.69	11.96	14.86	16.22
Profit Before Tax (excl. Exceptional Items)	23.27	39.19	20.88	(17.74)	(7.70)
Profit After Tax (incl. Exceptional Items)	22.82	31.95	14.65	(18.47)	15.64
EPS (incl. Exceptional Items)	18.60	26.52	16.10	(9.83)	17.01

Note: Consolidated Numbers

EBITDA = PBT excl. exceptional items - Other Income + Interest Cost + Depreciation

Financial Highlights – Balance Sheet

PARTICULARS	FY20	FY21	FY22	FY23	FY24
Total Equity (Net Worth)	215.66	274.31	284.43	260.05	265.95
Non-Current Liabilities	25.59	24.32	44.68	75.77	91.18
Current Liabilities	36.56	90.84	140.56	210.88	217.62
Total Equity and Liability	277.81	389.47	469.67	546.70	574.74
Non-Current Assets	160.46	226.72	241.43	310.70	325.33
Current Assets	117.35	162.80	228.24	236.01	249.42
Total Assets	277.81	389.47	469.67	546.70	574.74

Note: Consolidated Numbers

Financial Highlights – Cash Flow Statement

PARTICULARS	FY20	FY21	FY22	FY23	FY24
Cash Flow from Operating Activities	56.97	8.05	(0.38)	29.97	8.73
Cash Flow from Investing Activities	(15.76)	(60.07)	(28.16)	(77.21)	(13.14)
Cash Flow from Financing Activities	(38.90)	49.98	28.38	47.49	4.37
Net increase/(decrease) in cash and cash equivalents	2.31	(2.03)	(0.15)	0.25	(0.04)
Cash and cash equivalents at the beginning of the year	0.18	2.48	0.45	0.46	0.71
Cash and cash equivalents at the end of the year	2.48	0.45	0.30	0.71	0.68

Note: Consolidated Numbers

The background of the slide features a collection of open paint cans in various colors including red, blue, yellow, and pink, along with paintbrushes, all set against a dark, textured surface. A large, semi-transparent white circle is positioned in the center-right of the image.

05

Quarterly Highlights

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Key Highlights

Consolidated

Revenues

₹125.97 Cr.

↑ 1.77% ↑ 23.31%

EBITDA

₹8.78 Cr.

↓ 203.48% ↓ 76.79%

PAT

₹0.91 Cr.

↓ 107.78% ↓ 142.58%

↑ v/s Q4FY23

↑ v/s Q3FY24

Standalone

Revenues

₹83.85 Cr.

↑ 1.43% ↓ 25.21%

EBITDA

₹8.08 Cr.

↓ 198.76% ↓ 99.98%

PAT

₹3.95 Cr.

↓ 146.58% ↓ 977.74%

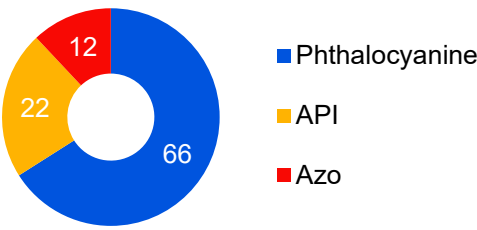
EXPORTS VS DOMESTIC REVENUE BREAK-UP

Domestic 44

Exports 56



SEGMENT WISE REVENUE BREAK UP





**Mr. Gokul M
Jaykrishna**

Joint Managing
Director & CEO

Management Commentary

“I am pleased to provide an update on the performance of our blue pigment business for the quarter gone by. In line with our earlier guidance, the blue pigment segment has reported a strong performance. The inventory destocking phase has come to an end, and the value chain now maintains low inventory levels. This has resulted in higher demand compared to previous quarters.

Additionally, the current market demand has allowed us to pass on the increased costs of raw materials to our customers, which has helped us regain our profitability margins. Although we are still below our long-term average margins in this business, the situation is improving with each passing quarter.

We are confident about an improved performance of the blue pigment business in the current financial year.”



**Mr. Arjun G
Jaykrishna**

Executive Director

Management Commentary

“I am pleased to provide an update on the Company's performance for the past quarter. Our phthalocyanine business is exhibiting promising signs of recovery, although challenges persist in terms of demand within our Azo business. While our performance has improved compared to previous quarters, it remains below our expectations.

The situation in the Azo business is gradually improving, with capacity utilisation now approaching 65%. However, subdued demand continues to impact the profitability of this segment, thereby affecting the overall business performance.

On the API front, we are pleased to announce the commencement of commercial production at our Chattral site for API intermediates, which are currently being fully consumed internally. Trial runs for the APIs have also commenced, and we anticipate beginning commercial production shortly.

Additionally, we have acquired the remaining 22% stake in Atlas Life Sciences for a consideration of ₹9.65 crores, fully funded through internal accruals. Consequently, Atlas Life Sciences is now a wholly-owned subsidiary of Asahi Songwon Colors. The backward integration through intermediates has enhanced our profitability in the API business. However, the losses from the Azo segment continue to mask the overall profitability on a consolidated basis.

Looking ahead, we are confident in the improvement of both the Azo and API businesses and are optimistic that these segments will start contributing positively to our profitability in the current financial year.”

Financial Highlights – Profit and Loss statement (Standalone)

PARTICULARS	Q4FY23	Q3FY24	Q4FY24	Q-o-Q Change	Y-o-Y Change
Revenue from Operations	82.67	66.97	83.85	25.21%	1.43%
Other Income	1.98	1.32	1.77	34.09%	(10.61)%
Total Income	84.65	68.29	85.62	25.38%	1.15%
Total Operating Expenses	92.83	64.25	77.54	20.69%	(16.47)%
EBITDA	(8.18)	4.04	8.08	99.98%	198.76%
EBITDA Margins	(9.89)%	6.03%	9.63%	360 bps	1953 bps
Interest Cost	2.20	1.38	1.70	23.19%	(22.73)%
Depreciation	2.62	2.58	2.57	(0.39)%	(1.91)%
Profit Before Tax (excl. Exceptional Items)	(11.02)	1.40	5.58	298.29%	150.60%
Profit After Tax (incl. Exceptional Items)	(8.48)	0.36	3.95	977.74%	146.58%
EPS (incl. Exceptional Items)	(7.19)	0.31	3.35	980.65%	146.59%

EBITDA = PBT excl. exceptional items - Other Income + Interest Cost + Depreciation

Financial Highlights – Profit and Loss statement (Consolidated)

PARTICULARS	Q4FY23	Q3FY24	Q4FY24	Q-o-Q Change	Y-o-Y Change
Revenue from Operations	123.78	102.15	125.97	23.31%	1.77%
Other Income	2.14	0.49	0.91	84.81%	(57.51)%
Total Income	125.92	102.65	126.88	23.61%	0.76%
Total Operating Expenses	134.41	97.68	118.09	20.90%	(12.14)%
EBITDA	(8.49)	4.97	8.78	76.79%	203.48%
EBITDA Margins	(6.86)%	4.86%	6.97%	211 bps	1383 bps
Interest Cost	3.89	2.74	3.67	33.82%	(5.65)%
Depreciation	3.83	4.03	4.54	12.76%	18.48%
Profit Before Tax (excl. Exceptional Items)	(14.07)	(1.31)	1.48	212.90%	110.52%
Profit After Tax (incl. Exceptional Items)	(11.67)	(2.13)	0.91	142.58%	107.78%
EPS (incl. Exceptional Items)	(8.68)	(0.87)	1.83	310.34%	121.08%

EBITDA = PBT excl. exceptional items - Other Income + Interest Cost + Depreciation

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Thank You

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