

Ref: ASCL/SEC/2023-24/13

June 02, 2023

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

SUB: PRESS RELEASE

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

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a Press Release of the Company.

This is for your information and records.

Thanking you,

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

SAJI VARGHESE
JOSEPH
SAJI JOSEPH
Company Secretary and Compliance Officer

Digitally signed by SAJI VARGHESE JOSEPH
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JOSEPH
Date: 2023.06.02 19:44:48 +05'30'

Encl: As above

Asahi Songwon Colors Ltd.

CIN: L24222GJ1990PLC014789

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

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



Asahi Songwon Colors Limited Reports Q4FY23 Results

**Total Revenue - ₹123.78 Cr;
EBITDA at - ₹(8.49) Cr**

Ahmedabad, June 2nd, 2023: Asahi Songwon Colors Limited, India's leading manufacturer of pigments for ink, plastics, paint, textile and the paper industry has announced its financial results for the fourth quarter ended March 31st, 2023.

Standalone Financial Highlights for Quarter Ended March 31st, 2023:

- Total Revenue was ₹82.81 Cr during the quarter under review, Q-o-Q growth of 44.49% and Y-o-Y degrowth of 29.43%
- EBITDA ₹(8.03) Cr during the quarter, a Q-o-Q degrowth of 328.06% and Y-o-Y decline of 195.51%
- EBITDA Margin stood at (9.70)% for Q4FY23 as compared to (3.27)% in Q3FY23 and 7.16% in Q4FY22
- Net Profit stood at ₹(8.48) Cr, a Q-o-Q decrease of 48.89% and 238.91% decline on Y-o-Y basis

Consolidated Financial Highlights for Quarter Ended March 31st, 2023:

- Total Revenue was ₹123.78 Cr, a Q-o-Q growth of 31.87% and Y-o-Y growth of 1.40%
- EBITDA ₹(8.49) Cr during the quarter, a Q-o-Q degrowth of 268.24% and Y-o-Y decline of 227.00%
- EBITDA Margin stood at (6.86)% for Q4FY23 as compared to (2.46)% in Q3FY23 and 5.48% in Q4FY22
- Net Profit stood at ₹(11.67) Cr, a Q-o-Q decrease of 30.00% and 455.66% decline on Y-o-Y basis

Commenting on the Q4FY23 performance, Gokul Jaykrishna, Joint Managing Director and CEO, said,

"We are pleased to report on our performance for the fourth quarter of FY23, although it was one of the most challenging quarters in the history of our company. As we mentioned in our previous commentary, the operating environment continued to be difficult, especially for our blue business. The demand for our blue products remained unusually low, leading to lower capacity utilization and a negative impact on our financial performance. We are starting to see some signs of improvement in the first quarter of FY24, it will still take a few more quarters to fully recover to the previous levels. We are likely to achieve an EBITDA breakeven in Q1FY24 for our blue business as against a negative ~₹ 8 crores EBITDA in Q4FY23. In light of these challenges, we have implemented strict cost control measures to mitigate the impact.

Similar to the blue business, the operating environment for our API segment was equally challenging. We experienced a drop in realizations, which was a common trend in the API industry. However, we managed to maintain our market position by increasing volumes. The profitability of our API business has been lower since its acquisition, but we have confidence that this cycle will normalize as the inventory with higher costs is phased out and new orders start flowing in.

Despite the tough conditions, we remain committed to our capital expenditure plans at the Chatral site. We are on track with our preparations, and we expect the trials to commence by the end of the first half of the next financial year. This investment will enhance our capabilities and position us for future growth."

Arjun G. Jaykrishna, Executive Director, commented,

"Despite a challenging downturn that affected much of the pigment industry throughout majority of the last financial year, I am pleased to report that the operating climate within the AZO market is beginning to show signs of recovery, displaying encouraging potential.

Under these circumstances, we have managed to maintain optimal operation levels for our yellow pigment production, bolstered by a strong demand for the product. We expect the ramp up to follow for our red pigments production as well. Given the buoyant demand, we plan to debottleneck our yellow pigment capacity and may soon disclose our capex plans pertaining to the same.

On a consolidated basis, all three of our businesses have weathered a challenging period over the last year. Nevertheless, our strategic investments over the past three years have fortified our optimism, even though this has not yet reflected in our financial performance. Amid these trying times, we have adopted stringent cost control measures and are treading with caution. We remain confident that the coming quarters will be significantly better than the previous ones."

About Asahi Songwon Colors Ltd. (ASCL):

Asahi Songwon Colors Ltd. is a leading player in the Indian Pigment industry and is one of the leading manufacturers of pigments. The company manufactures CPC Beta Blue and Blue Crude. The company has also ventured into manufacturing of AZO pigments as well as APIs through its subsidiaries. The company caters to a diverse base of global and Indian customers with more than 60% of business from exports to global MNC's. It is currently manufacturing products for over 80 international and domestic customers. The company operates via its three manufacturing facilities in Gujarat, India, located at Padra, Vadodara, Dahej, Bharuch and Odhav, Ahmedabad (manufacturing APIs).

FOR FURTHER DETAILS PLEASE GET IN TOUCH WITH:

SAJI JOSEPH
ASAHI SONGWON COLORS LTD.
Email: cs@asahisongwon.com

ABHISHEK MEHRA
TIL Advisors
Email: abhishek@theinvestmentlab.in

DIWAKAR PINGLE
ERNST & YOUNG
Email: Diwakar.pingle@in.ey.com