Ref: ASCL/SEC/20-21/18

September 9, 2020

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
BSEScrip 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: ANNUAL REPORT

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

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith a Copy of Annual Report of the Company for the financial year 2019-20.

You are requested to take the same on your records.

Thanking you,

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

SAJI V. JOSEPH
Company Secretary

Encl: As above



AsahiSongwon®

Turning Adversity into Opportunity

Asahi Songwon Colors Limited | Annual Report 2019-20

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Forward looking statements

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 .

When the going gets tough…

Pessimism takes over business sentiments. Every growth and expansion plan is put on hold. Every business decisions starts with 'umm'. The cash box echoes. Liquidity becomes a luxury.

…the tough gets going

They stay resilient and look beyond the crisis for opportunity. They believe that this the right time to take decisions and starts drawing plans. They make every minute and every rupee count. They find out new ways of doing things.

This is what Asahi Songwon did in a challenging FY 2019-20. From high crude prices to weak global demand, trade wars to market volatility, liquidity crisis in India to the outbreak of one of the most deadly pandemics – COVID-19 – in recent memory, this year had it all.

However, we remained optimistic and took several defining initiatives. We ventured in the Azo pigments segment through a joint venture to diversify revenue stream and accelerate growth in the long term. We focused on improving and strengthening relationships with customers, suppliers and employees. We adjusted to a new normal and worked from home with minimal productivity loss. We improved operational efficiencies and gained market share. We managed cash flows efficiently and moved towards becoming a net debt free organisation.

At Asahi Songwon, we have turned around adversity and are geared for future opportunity. We are,

Turning **adversity** into **opportunity**

The World of Asahi Songwon

We are a globally leading integrated phthalocyanine manufacturer reputed for our quality, customer satisfaction, and cost efficiency. Our multiple years of experience, unparalleled know-how, talented manpower and robust technology infrastructure provide us a competitive edge in the industry. Over the year, we have transformed into an agile organisation, enabling us to respond with speed to the emerging opportunity.

Profile

We are a BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) listed company established in 1990 by Mrs. Paru M. Jaykrishna. Headquartered in Ahmedabad, we engage in the business of phthalocyanine pigments and derivatives products manufactured at our state-of-the-art plant at Padra (Vadodara, Gujarat). Our products are used in manufacturing ink paint, plastics, textiles and paper. During the year, we have ventured in the Azo pigments segments to manufacture red and yellow pigments.



Certifications

ISO 9001:2008

ISO 14001:2004

Our vision

To be the world leader in its field of pigments by supplying quality and environment friendly products to MNC's worldwide.

Our mission

To be the market leader in the Pigment industry globally.

To be the largest supplier of Blue crude in the world.

To be the preferred supplier of finished Pigments to MNC's worldwide with a higher Pigments capacity.

Our reputation

We have won the following awards and accolades:

- Award for Outstanding export performance for five consecutive years from GDMA
- Award for 'Outstanding performance in the export of dye and dye intermediaries' from CHEMEXCIL for four years running
- Award for 'Excellent Export Performance' in the 'Export House' category from FIEO in 2000-01
- Award for 'Emerging SME' across all sectors in India and 'SMEs in the chemical and petrochemical sectors' by Dun and Bradstreet and Fullerton India in 2008
- Award for International Trade in the Chemicals category by DHL-CNBC TV18 in 2009 and 2010-11
- Dun & Bradstreet, Vyasa bank & S.M.E. Business Excellence Award – Entrepreneurial Spirit Award Woman Entrepreneur (Mid Corporate) in 2015-2016
- Selected in Forbes Asia July 2012 edition as the Asia's 200 Best Under A Billion Companies
- Ranked 364 by the International Business Times in 1000 fastest growing companies in the world in their list published in 2012. IBT also ranked the Company as 18th Fastest Growing Company in Chemical Sector

The Building Blocks of a Competitive and Futuristic Asahi Songwon

Our Statement of Purpose

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

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

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

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

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

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

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

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

Our strategic approach

Build client relationships

We will build client relationships by delivering on their requirement, constantly engaging with them, enhancing share in their overall requirement and delivering competitively priced quality products

Maximise value creation

We will ensure sustained value creation for shareholders by adding new products, diversifying to newer segments, enhancing share of value-added products and optimising costs and processes. We will also look forward to scaling operations by leveraging quality and competitive to target business opportunity

Quality excellence

We set new standards of quality excellence by investing in better equipment and upgrading processes, training employees and adopting global best manufacturing practices.

Take a long-term perspective

We will introduce new products and enter new markets only if there is significant potential. We are continuously enhancing our business know-how by upskilling employees and encouraging them to participate in global forums.

Leverage market opportunity

We will leverage our product quality and competitive pricing to target new markets and have geography specific strategies.

Lead sustainability

We will invest in technology and processes to minimise our carbon footprint and water consumption, and ensure effective treatment of all disposals.



Enterprising Spirit in a Challenging Year

We encountered challenging market conditions in FY 2019-20



Yet, we responded with determination and agility to convert them into opportunity



Competitive strengths that enable us to win

Corporate strengths

- **Globally trusted brand** with over two decades of product quality and service reliability track record.
- **Stringent quality adherence** with ISO 9001:2015 and ISO 14001:2015 certified products that are registered with Department of Scientific and Industrial Research (Ministry of Science and Technology) and validated by leading ink, plastics and paint companies.
- **Diversified operations** with presence in phthalocyanine and Azo pigments.
- **Skilled manpower** who are highly experienced professionals and technologists.
- **Environmentally sustainable** with proactive investments in environment-friendly technologies.

Qualitative strengths

- **Zero tolerance** for errors supported through robust QMS (Quality Maintenance System), standard operating procedures, dedicated quality team and a culture of continuous improvement.
- **State-of-the-art infrastructure** comprising advanced quality testing equipment, muller machines and injection moulding machines.
- **Operational excellence** benchmarked to global best practices for stability, predictability and higher uptime.

Marketing strengths

- **Trusted global vendor** with 66% of our total revenues in FY 2019-20 coming from exports.
- **Marquee clientele** like DIC (Japan), Sun Chemicals (USA), Clariant Chemicals India and BASF who account for 58% of our FY 2019-20 revenues.
- **Robust customer relationships** leading to repeat business and revenue visibility.

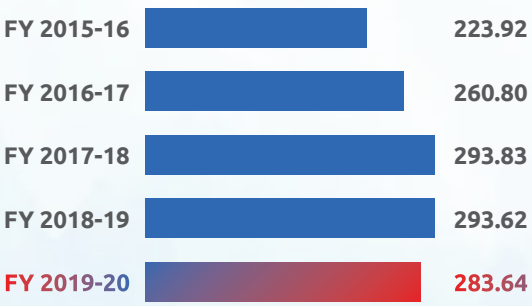
Operational strengths

- **Strategically located** in India's chemical belt resulting in proximity to raw material suppliers and ready availability of skilled manpower.
- **Large scale** of operations accounting for ~5% of the world's organic pigment production.
- **Application diversity** of products across ink, plastics, paint and rubbers end user industries.

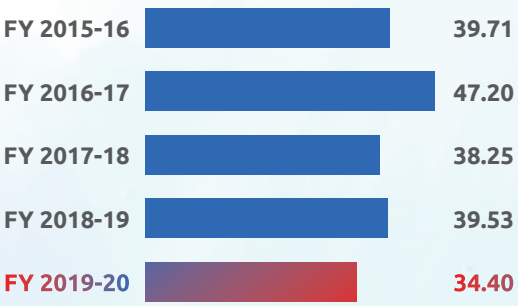


Performing Sustainably Over the Years

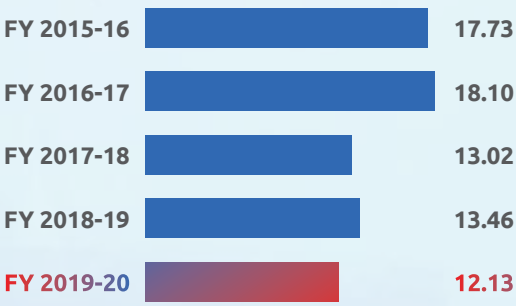
Revenue from operations
(₹ Crore)



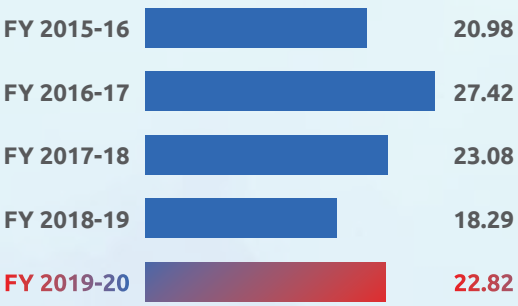
EBITDA
(₹ Crore)



EBITDA Margin
(%)

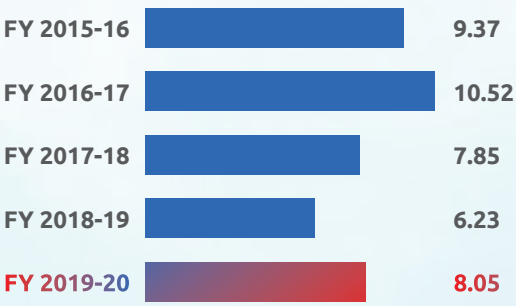


PAT
(₹ Crore)

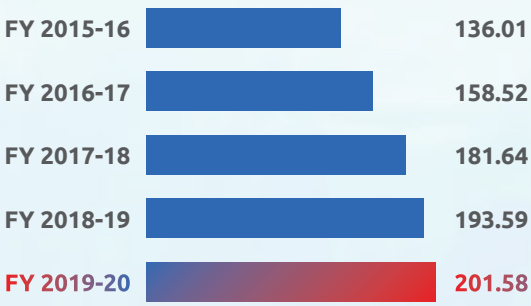


Strengthening balance sheet in a challenging year…

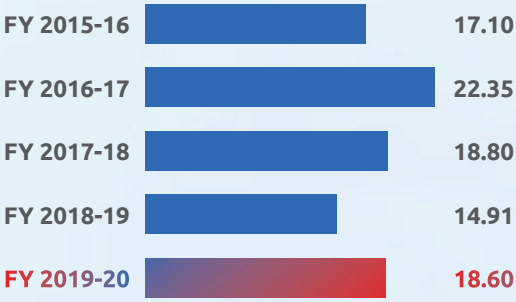
PAT Margin
(%)



Net Worth
(₹ Crore)



Earnings Per Share
(₹)



₹ 21.12 Crore*

Net debt as compared to ₹ 61.76 Crore as on March 31, 2019

₹ 74.31 Crore*

Operating cash flows as compared to ₹ 27.06 Crore as on March 31, 2019

*as on March 31, 2020

Chairperson's Message

"There are decades when no change happens, and then there are days when decades of change happens. The COVID-19 pandemic is a great example of this."



The sheer speed and profoundness with which the world around us has changed in these last few months makes the year gone by seem like an altogether different era. There is no doubt that world, when we come out of the pandemic, would be a different place. It will throw open many challenges as well as opportunities. But it is the mindset that makes the difference. I have experienced many crises in my career, and each one has taught new things and provided new opportunities. At Asashi Songwon, we will be on the lookout for any such opportunities to accelerate our growth.

This COVID-19 pandemic has been in every way unprecedented, causing socio-economic crisis across the world. The International Monetary Fund has projected all major economies across the globe to de-grow in 2020. My sympathies are to all those adversely impacted. That said, it is great to see how the entire world has united to fight this pandemic. This gives us hope that this too shall pass. Let us not forget that our country has emerged stronger from many such

past crises. Though recovery would take time, we are optimistic of the longer-term outlook. Measures by Government to support the weakest section of society with economic stimulus and the domestic companies with its Atmanirbhar (self reliant) India campaign as well as by the RBI to reduce repo rates will help revive the economic engine.

While the pandemic broke out at the end of the year, we witnessed a challenging business environment year around. The weakness in the economic activity has impacted the demand of our key industries. We also faced a situation of increased supply from China which resulted in decline in realisations of dye and intermediates. A positive to have transpired in a rather challenging year was a sharp fall in the oil prices since the onset of the pandemic and this will benefit the Indian economy as well as our business.

Sustaining in a volatile context

We saw our revenue and profitability slightly declining in FY 2019-20 which is no surprise due to challenging circumstances. But to better gauge our performance, it would be important to go beyond the financials to the multiple efforts that we undertook during the year. The most significant event has been our joint venture with UK's leading colour manufacturer Tennants Textile Colours (TTC) to enter the Azo pigments segment. I am sure this will be an exciting and rewarding journey for both of us. With their robust technical know-how and our manufacturing competitiveness, we will be in a great position to exploit domestic market opportunities with very few operational players and work our way to become a leading player. Azo pigments are also non-toxic and will thus give a push to our environment-friendly practices also.

I am proud of our team for excellently managing the cash flows and working towards fortifying the balance sheet position. Our inventory levels have reduced, liquidity position is comfortable, collections have remained unimpacted and we have nearly become a net debt free company. This gives us enough headroom to deploy capital towards growth opportunities.

Relationships is one area where we rightly have a unique competitive advantage. Our Company is built on the pillars of three key relationships – customers, suppliers and employees – and we continued to nurture them to take it to next level. Our focus on giving our customers the best quality products and timely delivery in addition to trust and transparency makes us one of the most preferred partners. In fact, some of our customers have been with us since inception. We have also undertaken efforts to improve relations with suppliers by ensuring amicable business terms and with our employees by providing them a learning and engaging work environment to facilitate their career growth.

Prepared for the challenging outlook

Going forward, we see a brighter and better future despite the pandemic sticking around. Though we expect slower offtake in the short-term due to weak demand, however things should return to normal over

> "Our Company is built on the pillars of three key relationships – customers, suppliers and employees – and we continued to nurture them to take it to next level."

the medium- to long-term. With companies looking to shift operations from China and very low crude prices, it is a once-in-a-lifetime opportunity for Indian companies. The advantage of easy availability of raw material, lower cost of labour and large end-user industries' base will continue to make India a lucrative destination for chemical manufacturing. With full support from the Governments to set-up a strong infrastructure and compete against the threat from China, the Indian Chemical Council's (ICC) goal to reach a USD 300 billion-industry turnover by 2025 now seems very much possible.

Sustainable growth

Asahi Songwon has always been a strong advocate of growing sustainably. Since our inception, we have undertaken multiple efforts and made continuous investments to reduce the impact of our operations on environment. We strive for best practices that ensures minimal emissions, waste discharge, freshwater consumption and energy consumption. Our entry in the non-toxic Azo pigments space will further contribute to our efforts.

Message to the shareholders

We are continually striving for new product development and innovative methods to enhance our manufacturing capabilities and cater to the stringent quality requirement of our customers. Our plant has also resumed operations and is now operating at normal utilisation levels. We also expect to commence the operations of Azo pigments in next fiscal. The coming years are going to exciting as we start to reap the benefits of efforts undertaken through the years.

I end by expressing my appreciation, on behalf of the Board, to our Management Team and staff for their dedication, commitment, and hard work that has helped this organisation remain on top of challenges. I also extend my appreciation to all our stakeholders for their trust and show confidence in our business model. To our shareholders for their steadfast support and to our customers for their belief in us. We remain committed to growing together and maximising value creation for each.

Warm regards,



Paru M. Jaykrishna

> "We are continually striving for new product development and innovative methods to enhance our manufacturing capabilities and cater to the stringent quality requirement of our customers."

CEO's Message



Adversity causes some to break and others to break records. It is in this context that I write to you about our effort to bring a resilient organisation and responding with great agility to the crisis at hand.

FY 2019-20 was a very challenging year. The year was marred with multiple challenges starting with weak global economy, trade wars, high crude oil prices, liquidity crisis and low consumer sentiments. As we started to see a silver lining with benign crude prices, the world was suddenly in the middle of an unprecedented crisis with the global outbreak of COVID-19 pandemic. Not only has it caused severe social crisis, its economic ramifications have also been multifold. Majority of global economies are now staring at recession, including India.

I take this opportunity to salute the spirit of all those who have been at the forefront to help overcome the crisis and those who are driving the economy.

Our performance

Despite the many challenges, I am happy to state that we showed good resistance and handled the situation well. Amidst declining realisations, we contained revenue fall to 3.40% to

> The challenging times brought out the best in us as we converted it into opportunity

₹ 283.64 Crore in FY 2019-20 supported by a marginal increase in sales volume. Though, an increase in overheads hit our profitability. EBITDA declined marginally to ₹ 34.40 Crore and EBITDA margins declined by 133 basis points to 12.13%. PAT, however, increased by 24.77% to ₹ 22.80 Crore due to deferred tax benefits.

The most notable development for the year was our entry into the Azo pigments segment through a joint venture (JV) with UK's leading colour manufacturer Tennants Textile Colours (TTC). Azo pigments are non-toxic and therefore a better alternative to toxic organic and inorganic pigments. While China is a market leader in these pigments, huge global demand and very few operational players in India make it an attractive opportunity to manufacture it domestically. The recent backlashing of China from the western countries due to the pandemic and customers looking for alternatives further presents a great opportunity for us to fill the void.

JV status

The JV has invested ₹ 100 Crores towards setting up a state-of-the-art red and yellow pigment plant at Dahej, Gujarat, and is well underway to operationalise it by December 2020, well ahead of the stipulated date of March, 2021 despite the pandemic. It will give us the perfect launching pad to widen our presence as a leading global supplier of pigments.

Turning adversity into opportunity

Like I said before, the COVID-19 pandemic has been very challenging and many companies have felt its heat. However, with its outbreak in India we immediately deployed business continuity plan and ensured all necessary safety protocols are followed. The lockdown has driven a new awareness in the Company with regards to our capability of working from home. We adapted and learned working in this new normal. Our people have also responded well to it, and ensured minimising the productivity loss to less than 20 days in the lockdown.

The most important thing, I believe, is that this pandemic has brought out the best in us. We have used these tough times to enhance the level of trust and satisfaction of our customers, suppliers and employees. Four months into it and I can say with reasonable confidence that we have been successful on all these fronts. We have also undertaken multiple initiatives to optimise cost and enhance operational efficiency.

Outlook

I thank all our stakeholders for their continuous trust and support. The coming years are going to be exciting for us as we see our new growth engine starting to deliver. We see more robustness and stability in our business model to be able to deliver growth in good and bad times.

Warm regards,

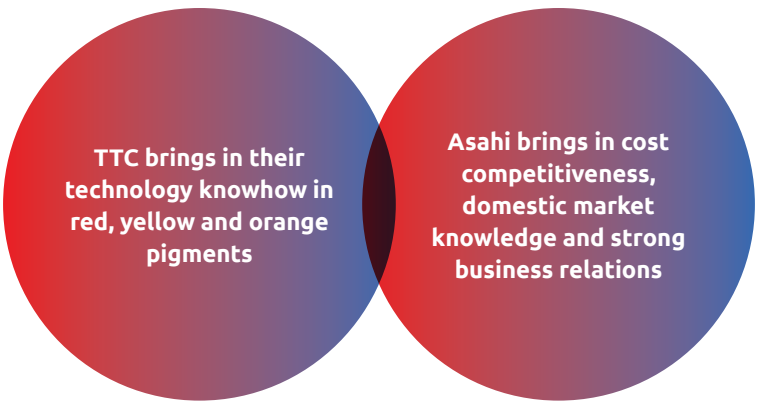
Gokul M. Jaykrishna
CEO

Creating Opportunity by Venturing New Business

We aspire to be a globally leading pigment manufacturer. Our venture in the Azo Pigments segments will enable us to accelerate this ambition while creating a solid foundation for sustained business growth and revenue diversification.

At Asahi Songwon, we have entered into a joint venture with UK's leading colour manufacturer Tennats Textiles Colours Limited (TTC) to manufacture red and yellow Azo pigments. Together, we are investing ₹ 100 Crores for putting up a state-of-the-art red and yellow pigment plant at Dahej, Gujarat. The plant is being established through equity financing from both companies and thus will ensure the project remains zero debt. With TTC's technology and our manufacturing efficiencies, the JV will be well-positioned to capture new market and also cross-sell to our existing clientele.

The JV is well-positioned to capture market opportunity



Ensuring value creation with entry in Azo Pigments

Our entry in the Azo pigments space will provide us a perfect launch pad to widen presence as a leading global supplier of pigments. With China being the largest global supplier, the ongoing backlash against it due to COVID-19 as well as high demand and very few operational players in India provides a great opportunity to capture market. Our aim is to eventually increase capacity to compete with major players.

Why Azo Pigments in India?

- High demand that is largely met through imports from China
- Very few operational player in the segment
- Domestic manufacturing will ensure lower cost of production
- Customers looking to shift from China

Creating Opportunity by Driving Operational Excellence

We hold strong reputation in the global chemical industry for our quality, operational excellence, timely delivery and cost competitiveness. In FY 2019-20, when we faced with a competitive and challenging industry scenario, we instead focused on further strengthening our fundamentals to ensure we are ready to deliver as soon as the market revives.



Driving operational efficiency

We have invested in upgrading equipment and streamlining processes to enhance operational efficiency and improve quality standards. Several best operational and good manufacturing practices have been implemented to ensure continuous improvement. Alongside, we are training our people to enhance their skills and build new competencies. We are also continuously exploring areas of bottlenecks through root cause analysis to undertake adequate measures to remove impediments and ensure smooth operations.

Optimising cost

Adoption of globally accepted best practices and investment in automation technologies, while enhancing our operational efficiency has also resulted in cost optimisation. We are undertaking measures like optimum utilisation of resources and better manpower deployment to achieve maximum output at controlled cost. Our investments in renewable energy and training employees on minimising wastage is also helping reduce costs. Additionally, during the year, we have opted to shift to the new tax regime which will help in reducing tax burden.

Focusing on innovation

Innovation remains an important success driver and enables us to meet the evolving needs of customers. We have adopted a culture of innovation within the organisation and encourage employees to think creatively. In the course last few years, we have launched several exciting products that have won appreciation from clients and business growth for us. Our recently launched products – Blue 15.0 for textiles, Blue 15.1 plastic grade and Blue 15.4 for Publication Gravure Ink – are witnessing good reception among customers globally and provide good revenue visibility for the future.

Creating Opportunity by Strengthening Relationships

Our business is built on the pillars of three key relationships – customers, suppliers and employees. These relationships provide stability and help us to grow business. In FY 2019-20, we continued to nurture these relationships to ensure long-term sustainability of our operations.

During the year, with multiple challenges, especially the pandemic, we undertook initiatives to strengthen our relationships with customers, suppliers and employees. Focusing on the areas of trust, transparency and satisfaction, we have successfully taken our relationships to the next level.



Strengthening relationships with customers

We maintained sustained engagement with our customers to ensure their needs are met alongside focusing on impeccable quality and timely delivery. We continued with our 3T strategy: Trust and Transparency across all business dealing and working as a Team to deliver superior customer experience. We also continue to address their business specific requirements like investments in sustainable technologies to make our operations environment-friendly.

Strengthening relationships with suppliers

We undertook initiatives towards ensuring sustainable business generation and long-term reliability. We have also identified ways to build amicable business terms for mutual benefit to create win-win relationships.

Strengthening relationships with employees

We gave top priority to their health and safety by ensuring all COVID-19 related safety protocols are being followed. All employees are being provided protective gears, social distancing is being maintained at plants and regular office sanitisation is carried out. We continued to provide necessary skill development training to enhance their skills along with carryout engaging and entertaining activities to maintain high motivation level.

Creating Opportunity by Driving Environment Sustainability

We are operating in times when environment sustainability has gained as much importance as our business operations. Governments across the globe have raised their environmental norms stringency to control climate change. Our clients have also set stringent environmental prequalification criteria. We are making sustained investment in green technologies to make our operations more sustainable and succeed.

At Asahi Songwon, we have always been at the forefront of environment sustainability by striving to go beyond regulatory requirements. We have a reputation of being amongst the few pigment manufacturers globally to have internationally recognised environment-friendly processes which ensures minimal waste generation and pollutant emissions. Our business operates on the model of reduce, reuse and recycle to protect natural resources and we continue to explore ways to improve our environment performance.



Reducing emission

We are strongly focused on reducing our carbon emissions. Investments in Electrostatic Precipitator (ESP) for Boiler and TFH flue gases are helping us arrest 95% of the particulate matter. We also continue to monitor ambient air quality around our plant. Further, we have installed a 128 KVA solar plant at our facility to enhance green fuel consumption.

Product stewardship

Our R&D is focused on developing products that deliver best performance while being environment friendly. Today, all our products are safe and sustainable. Our recent venture into Azo pigments will further this agenda as they being non-toxic are better and safer alternative to toxic and inorganic pigments.

Optimising water consumption

Our investments in better technologies and processes have assisted us in reducing water consumption in production process. We are further undertaking measures like treating and reusing water for various purposes including gardening, urinals and production. Employees are also sensitised to reduce water consumption.

Ensuring the safety of our people

We provide all necessary safety gear to our employees. Besides, regular monitoring and periodic surveys are undertaken to identify areas of improvement. We also arrange for regular safety training to ensure highest level of safe working conditions for our employees.

Board of Directors



Mrs. Paru M Jaykrishna,
Chairperson and 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 68 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. R. K. Sukhdevsinhji,
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. 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 34 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. Jayprakash M. Patel,
Director

He holds a B. E. degree in Chemical Engineering from USA. He is an industrialist with more than 45 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.



Dr. Pradeep Jha,
Director

He is a renowned mathematician having over 45 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. 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. 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.

Managing risks, maximising opportunity

Industry risk

With the onset of COVID-19 pandemic, the global and Indian economy is headed for a recession and in turn is likely to impact our client's business and thus lead to lower demand in FY 2020-21

Mitigation

- Our operations spread across geography and wide product portfolio catering to diverse industries like printing inks, paints, textiles, plastics and automobile coatings will ensure minimal impact from business loss due to dependence on single client, country or products
- We are constantly engaging with customers to understand their needs and generate business
- Our entry in the Azo pigments segment will open new business opportunity

Quality risk

Our inability to provide high quality products to clients may dampen relations and impact new business opportunity

Mitigation

- We continue to maintain our track record of zero rejection rates due to quality by continuously improving processes and ensuring strict adherence to standard operating procedures
- We have invested in modern manufacturing infrastructure and testing equipment supported by a robust quality control team
- We continuously benchmark our manufacturing with global best practices and adopt them, thus enabling us to retain our ISO 9001:2005 quality certification

Raw material availability risk

Unavailability of raw materials and significant fluctuations in their prices may impact our profitability

Mitigation

- We undertake measures like better forecasting and production planning to ensure uninterrupted production
- We enjoy strong relationships with raw material suppliers and enter into contracts to prevent impact of fluctuation in prices
- We adopt various cost control measures to minimise the impact of adverse price movements
- With the current oil prices at low levels, the Company would be able to control costs

Technology risk

Outdated technology and processes may result in poor efficiencies and impact our quality

Mitigation

- We consistently invest in better technologies to modernise our plants
- We keep updated through technical support from industry leaders like DIC and Clariant Pigments, and benchmarking with global standards
- Our joint venture with UK's leading colour manufacturer Tennants Textile Colours (TTC) will provide us access to technical knowhow

Competition risk

Our clients seek better value proposition and demand us to continuously meet their evolving requirements. Inability to do so will result in client attrition

Mitigation

- We maintain strong relations with clients along with constant engagement to understand their needs and deliver on them through our R&D
- We provide high value proposition to clients through quality products, competitive prices and meeting their changing needs
- Our compliance to global environment norms enhances our reputation as a preferred partner
- 58% of our business is repeat with clients continuously enhancing scale of business dealing

Environment risk

Climate change and other environment related challenges necessitate undertaking big measures. As a result, the Government continues to implement stringent environmental standards. Further, the companies across the globe also practice policies of dealing with only those vendors adhering to strict environmental compliances. Inability to become environment-compliant may lead to statutory non-adherence as well as loss of such clients.

Mitigation

- Asahi has always been ahead of compliance in terms of environmental practices making sustained investments in effluent treatment plant, renewable energy, reducing water and energy consumption
- We have also established a green belt around our plant and maintain ambient air quality along with checking sound pollution

COVID-19 risk

The pandemic poses risk to health of our employees and supply chain partners. It has also triggered a recessionary trend across the globe thereby adversely impacting demand.

Mitigation

- We have put in place a monitoring system to ensure strict compliance to SOPs issued by MHA/State Government. We ensure regular sanitization of manufacturing plant and office. All safety protocols of temperature sensing, wearing safety masks, goggles, social distancing, sanitizing and washing hands are being adhere to very stringently
- We have also developed work from capabilities to ensure the safety of our people
- Business continuity plan has been deployed to ensure that the Company has adequate liquidity and strong balance sheet position to handle any shocks

Statutory Section

Notice

Notice is hereby given that the 30th Annual General Meeting of the Members of **ASAHI SONGWON COLORS LIMITED (CIN: L24222GJ1990PLC014789) will be held on Wednesday, 30th day of September, 2020 at 11.30 am through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt:

   a) the Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2020, together with the Reports of the Board of Directors' and the Auditors' thereon; and

   b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2020, together with Report of the Auditors' thereon.

2. To confirm the payment of Interim Dividend of Rs. 3.00 (30%) per Equity Share of Rs. 10/- for the Financial Year 2019-2020.

3. To appoint a director in place of Mrs. Paru M. Jaykrishna (DIN: 00671721), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. **APPOINTMENT OF MR. ARJUN G. JAYKRISHNA (DIN: 08548676) AS WHOLE TIME DIRECTOR, DESIGNATED AS EXECUTIVE DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the relevant Rules made there under (including any statutory modification or re-enactment thereof), the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Articles of Association of the Company, Mr. Arjun G. Jaykrishna (DIN: 08548676), who was appointed as an Additional Director of the Company with effect from October 14, 2019 and who holds office till the date of the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee of the Board, approval of the Members of the Company be and is hereby accorded to the appointment of Mr. Arjun G. Jaykrishna (DIN: 08548676) who fulfills the conditions prescribed under Schedule V of the Companies Act, 2013 as the Whole-Time Director, designated as Executive Director of the Company, to hold office for a period of Five (5) years with effect from October 14, 2019 to October 13, 2024, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter or modify the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination and Remuneration Committee as may be agreed to between the Board of Directors and Mr. Arjun G. Jaykrishna.

   RESOLVED FURTHER THAT notwithstanding anything mentioned above, where in any financial year during the currency of Whole-Time Director designated as Executive Director, the Company has no profit or its profit are inadequate, the remuneration will have to be limited to amounts specified in section II and Section III of Part II of schedule V of the Companies Act, 2013."

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 Rs.100 Crore (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. PRIVATE PLACEMENT OF NON-CONVERTIBLE DEBENTURES AND/OR OTHER DEBT SECURITIES

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

"RESOLVED THAT pursuant to the provisions of Sections 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 framed there under and all other applicable rules, if any, and other applicable Guidelines and Regulations issued by the Securities and Exchange Board of India, provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other applicable law for the time being in force (including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and such other approvals as may be required from regulatory authorities from time to time, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to make offer(s), invitation(s), to subscribe and issue Non-Convertible Debentures ("NCDs"), Bonds, Commercial Papers ("CP") or any other Debt Securities in one or more series/tranches aggregating upto Rs. 500 crores (Rupees Five Hundred Crores Only), whether rupee denominated or denominated in foreign currency, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting be held in calendar year 2021, whichever is earlier, on such terms and conditions and at such times and at par or at such premium, as the Board may, from time to time determine and consider proper and most beneficial to the Company including as to when the said Non Convertible Debentures and /or Bonds and/or Commercial Papers or other debt securities be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, and execute all such deeds, documents, instruments and writings, and take all such steps as it may in its sole and absolute discretion deem necessary including for the purpose of determining terms of issue of Non-Convertible Debentures and/or Bonds and/or Commercial Papers and/or other debt securities and to settle all questions, difficulties and doubts that may arise in relation thereto."

By the Order of the Board of Directors

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

Place : Ahmedabad
Date : July 21, 2020

Registered Office :
"Asahi House"
13, Aaryans Corporate Park
Nr. Shilaj Railway Crossing
Thaltej – Shilaj Road
Thaltej, Ahmedabad – 380 059 (India)
CIN:L24222GJ1990PLC014789
Phone : +91 79 6832500
Fax: +91 79 68325099
Website : www.asahisongwon.com
Email id : cs@asahisongwon.com

NOTES:

1. In view of outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars"), has allowed to hold the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 30th Annual General Meeting of the Company is being held through VC/OAVM. Hence, members can attend and participate in the Annual General Meeting through VC/OAVM only.
2. **Proxy**
   In terms of the MCA Circulars, the physical attendance of Members has been dispensed with and there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Since the Annual General Meeting of the Company will be held through VC / OAVM, the Route Map for Annual General Meeting venue is not annexed in this Notice.
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 Act.
4. **Explanatory Statement**
   The relevant explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") as set out under Item No. 4 to 6 of the Notice, is annexed hereto.
5. The relevant documents referred to in this Notice requiring approval of Members at the Meeting shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours, up to the date of the Annual General Meeting.
6. **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 Thursday, September 24,

2020 to Wednesday, September 30, 2020 (both days inclusive) for the purpose of Annual General Meeting.

7. Director proposed to be re-appointed

At the ensuing Annual General Meeting, Mrs. Paru M. Jaykrishna (DIN:00671721), retire by rotation and being eligible, offers herself for re-appointment. The Board of Directors of the Company recommends her re-appointment. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in annexure to notice of Annual General Meeting.

8. The Company's Statutory Auditors M/s. Mahendra N. Shah & Co., Chartered Accountants (Firm Registration No. 105775W), Ahmedabad were appointed as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company (subject to ratification of such appointment at every Annual General Meeting, if so required under the Companies Act, 2013).

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

In view of the above, no resolution is proposed for ratification of appointment of the Statutory Auditors. As authorised by the members, at the 27th Annual General Meeting, the Board of Directors (the Board), as recommended by the Audit Committee, has ratified the appointment of the Statutory Auditors for their respective remaining terms, at such remuneration as may be mutually agreed between the Board and the Statutory Auditors, from time to time. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as the Statutory Auditors.

9. As per the MCA Circulars and SEBI Circular no SEBI/HO/ CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the Annual General Meeting is being sent only through email to those Members whose email IDs are registered with the Company/Depositories. Members may note that the Notice of the Annual General Meeting and Annual Report for the Financial Year 2019-20 will also be available on the Company's website www.asahisongwon.com and on the website of NSDL (agency providing the Remote e-Voting facility) at www.evoting.nsdl.com.

10. Payment of Dividend

The Interim dividend declared in the Board meeting held on February 25, 2020 is proposed as final dividend and no additional dividend is recommended.

11. 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 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
2012-2013 Final	27/09/2013	01/11/2020
2013-2014 Final	26/09/2014	31/10/2021
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

Accordingly, the unclaimed dividend in respect of Financial Year 2012-13 is due for transfer to the said Fund in November, 2020. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2012-13 onwards, are requested to lodge their claims with the Company for the same.

12. Compulsory transfer to Equity Shares to IEPF Account

Attention of Members is invited to the provisions of Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a special Demat account of Investor Education and Protection Fund Authority ("IEPF Authority"). The dividend/shares, once transferred to the said Demat account of the IEPF Authority can be claimed after following due procedure prescribed under the said IEPF Rules by making an online application to the IEPF Authority in web from No. IEPF-5 available on www.iepf.gov.in.

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.

13. Members who wish to seek any information with regard to the Financial Statements or any matter to be placed at 30th 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.

14. 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 from.

15. 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 S0hare 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

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

16. 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.

17. 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.

18. 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.

19. In case of joint holders, the Members whose name appear 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.

20. Voting through electronic means
In compliance with 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to members to exercise their right to vote at 30th Annual General Meeting by electronic means (e-voting) and the business may be transacted through e-Voting Services.

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

Voting Options

20.1 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.

20. 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.

20.3 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.

20.4 The instructions for e-voting are as under:
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: Log-in to NSDL e-Voting system at https:// www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

20.4.1 Details on Step 1 is mentioned below:

20.4.1.1 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

20.4.1.2 Once the home page of E-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

20.4.1.3 A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to cast your vote electronically

20.4.1.4 Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL or Physical	Your User ID is:
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******
For members who hold shares in demat account with Central Depository Services (India) Limited ("CDSL")	16 Digit Beneficiary ID For example if your Beneficiary ID is 12**********then your user ID is 12**********
For members holding shares in Physical Form	EVEN (E-Voting Event Number) of the Company followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

20.4.1.5 Your Password details are given below:

(i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

(ii) 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 enter the 'initial password' and the system will force you to change your password.

(a) How to retrieve your 'initial password'?

(i) 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. ASAHISONGWON.pdf file. Open the ASAHISONGWON.pdf file. The password to open the ASAHISONGWON.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 ASAHISONGWON.pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

20.4.1.6 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.

"Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.

20.4.1.7 After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

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

20.4.1.9 After you click on the "Login" button, Home page of e-Voting will open.

20.4.2 Details on Step 2 is given below:
How to cast your vote electronically on NSDL e-Voting system?

20.4.2.1 After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

20.4.2.2 After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

20.4.2.3 Select "EVEN" of **Asahi Songwon Colors Limited**

20.4.2.4 Now you are ready for e-Voting as the Voting page opens.

20.4.2.5 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.

20.4.2.6 Upon confirmation, the message "Vote cast successfully" will be displayed.

20.4.2.7 You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

20.4.2.8 Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

21. Corporate Members intending to appoint their authorized representatives pursuant to Section 113 of Act are requested to send a scanned copy (PDF/ JPG format) of certified Board Resolution authorizing their representatives to attend the Annual General Meeting through VC/OAVM and vote on their behalf through remote e-Voting or voting at the Annual General Meeting. The said Resolution shall be sent to the Scrutinizer by email through its registered email address to makwanabipin577@gmail.com with a copy marked to evoting@nsdl.co.in.

22. 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 to reset the password.

23. The Remote E-voting period shall commence at 9.00 a.m. on Sunday, September 27, 2020 and ends at 5.00 p.m. on Tuesday, September 29, 2020. At the end of the Remote E-voting period, the Remote E-voting facility shall be blocked by NSDL

forthwith. The Remote E-voting shall not be allowed after 5.00 p.m. on September 29, 2020.

24 A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories (in case of shares held in dematerialised form) as on the cut-off date i.e. Wednesday, September 23, 2020 only shall be entitled to avail the facility of Remote E-voting as well as voting in the Annual General meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

25. The voting rights of the shareholders shall be reckoned in proportion to their shares in the total paid-up equity share capital of the Company as on cut-off date i.e. Wednesday, September 23, 2020.

26. 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 or call on toll free no.: 1800-222-990 or send a request to at evoting@nsdl.co.in.

27. In case of any grievances connected with facility for e-voting, please contact:
Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
Email: evoting@nsdl.co.in / pallavid@nsdl.co.in, Tel: 91 22 2499 4545/ 1800-222-990

28. The Board of Directors of the Company has appointed Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. A15650) to scrutinise the voting at 30th Annual General Meeting and Remote e-voting process in a fair and transparent manner.

29. The scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast 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.

30. 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 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

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE 30TH ANNUAL GENERAL MEETING ARE AS UNDER

31. The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.

32. Only those Members/ shareholders, who will be present at the 30th 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 at the 30th Annual General Meeting.

33. Members who have voted through remote e-Voting will be eligible to attend the 30th Annual General Meeting. However, they will not be eligible to vote at the Annual General Meeting.

34. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the 30th Annual General Meeting shall be the same person mentioned for remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC/OAVM ARE AS UNDER

35. The Members can join the Annual General Meeting through VC/OAVM, 30 minutes prior to the scheduled time of the commencement of the Annual General Meeting by following the procedure mentioned in the Notice. The Company has made arrangements to provide facility of participation at the Annual General Meeting through VC/OAVM on 'first come first serve' basis. 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 Annual General Meeting can participate at the Annual General Meeting without restrictions of 'first come first serve' basis.

36. Members will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of the 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. Further, members can also use the OTP based login for logging into the e-Voting system of NSDL.

37. Members are encouraged to join the Meeting through Laptops for better experience.

38. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Annual General Meeting.

39. 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.

40. 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 from Thursday, September 24, 2020 (9:00 a.m. IST) to Saturday, September 26, 2020 (5:00 p.m. IST). 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.

41. Members who need assistance before or during the Annual General Meeting, can contact NSDL on: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Mr. Pratik Bhatt at designated email ID: pratikb@nsdl.co.in /+91-22-24994738, or Ms. Sarita Mote, at saritam@nsdl.co.in /+91-22-24994890.

STATEMENT PURUSANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

As required under section 102 (1) of the Companies Act, 2013, the following Statement set out all the material facts relating to the Special Business mentioned in Item No. 4 to 6 of the accompanying Notice.

Item No. 4

The Board of directors of your company, based on the recommendation of Nomination and Remuneration Committee (NRC), has appointed Mr. Arjun G. Jaykrishna (DIN:08548676) as an Additional Director and Whole Time Director designated as Executive Director pursuant to Section 149 and 152 read with other relevant provisions of the Companies effective from October 14, 2019 for Five (5) years, subject to approval of the members at the ensuing Annual General Meeting. In accordance with the provisions of Section 161 of the Companies Act, 2013 Mr. Arjun G. Jaykrishna shall hold office up to the date of the 30th Annual General Meeting. The Company has received a Notice from a Member in writing under Section 160 of the Act, proposing his candidature for the office of the Director along with the requisite fees, to be appointed as such under Section 149 of the Act.

Accordingly, it is proposed to appoint Mr. Arjun G. Jaykrishna (DIN:08548676) as Whole Time Director designated as Executive Director for a term of 5 (five) consecutive years with effect from October 14, 2019 upto October 13, 2024 pursuant to Section 149, and other applicable provisions of the Act and the Rules made there under. He will be liable to retire by rotation.

Mr. Arjun G. Jaykrishna, aged 23 years 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 Copany, 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 of the Company.

Brief profile of Mr. Arjun G. Jaykrishna and the disclosures required under the Listing Regulations form part of the Notice.

The terms of appointment of Mr. Arjun G. Jaykrishna are in accordance with the applicable provisions of the Companies Act, 2013.

Brief terms and conditions of re-appointment of Mr. Arjun G. Jaykrishna are given below:

1.	**Remuneration**		
	A. Basic Salary		Rs. 3,00,000/- (Rupee Three Lakhs) per month with effect from October 14, 2019 with such revisions as approved by the Board of Directors from time to time.
	B. Commission		In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company. Commission should not exceed 2% of the Company's Net Profit for each Financial Year subject to the overall ceiling stipulated in Section 196 and 197 read with Schedule V of the Companies Act, 2013.
2.	**Perquisites:** In addition to the salary and commission as outlined above, the Executive Director shall be entitled to perquisites/allowances as under:		
	Category "A"		
	a. Housing	i)	The expenditure incurred by the Company on hiring furnished accommodation for the Executive Director, subject to a ceiling of 60% of the salary, over and above 10% payable by the Executive Director.
		ii)	In case the accommodation is owned by the Company, 10% of the salary of Executive Director shall be deducted by the Company.
		iii)	In case no accommodation is provided by the Company, Executive Director shall be entitled to House Rent Allowance not exceeding 60% of his Salary.
	Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of salary.		
	b. Medical Reimbursement		The Company shall reimburse expenses incurred for the Executive Director for himself and his family subject to a ceiling of one-month salary in a year or three months salary over a period of three years.
	c. Leave Travel Concession		For the Executive Director and his family once in a year incurred in accordance with the rules of the Company.
	d. Insurance		Insurance policy to cover personal effects, personal accident and medical expenses.
	e. Club Fees		Fees of clubs subject to maximum five clubs. This will include admission or entrance fees and monthly and annual subscriptions.
	f. Entertainment Expenses		The Company shall reimburse entertainment expense actually incurred in the course of business of the Company subject to such annual limits as may be fixed by the Board of Directors of the Company.
	Explanation: For the purposes of Category "A" family means the spouse, the dependent children and dependent parents of the Executive Director.		
	Category "B"		Contribution to Provident Fund and Superannuation fund will not be included in the computation of the ceiling on remuneration to the extent they are, either singly or put together not taxable under the Income-tax Act, 1961. Gratuity not exceeding half month salary for each completed year of service. Gratuity and encashment of leave shall not be included in the computation of the ceiling on the remuneration.
	Category "C"		The Company shall provide a car with driver and telephone at residence. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Director.
3.	**Overall Remuneration:** The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013 or any statutory modifications or re-enactments thereof.		
4.	**Minimum Remuneration:** In the event of absence or inadequacy of profits in any financial year during the currency of tenure of the Executive Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013.		

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mrs. Paru M. Jaykrishna his Grand Mother, Mr. Gokul M. Jaykrishna his father and Mr. Munjal M. Jaykrishna, his uncle and their relatives is concerned or interested in the passing of the resolution set out at item no. 6. of the accompanying notice.

The Board recommends above the resolution for the approval of the members as an Ordinary Resolution.

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 a subsidiary engaged in the business of manufacturing of pigments. Since, the subsidiary is 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 subsidiary 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 Rs. 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 Company	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 fortheir principal business activities.

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

In order to augment resources inter alia, for financing capital expenditure and / or for general corporate purposes, the Company may offer or invite subscription for secured and / or unsecured, bonds, Commercial Paper ("CP") or any other Debt securities in one or more series / tranches on private placement basis.

Pursuant to the provision of Section 42 and any other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a Special Resolution for each offer or invitation. Further, the sub rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the Company shall obtain previous approval of the members by means of special resolution only once in a year for all the offers or invitations for such debentures during the year.

Accordingly, consent of the members is sought for passing a Special Resolution as set out under this item no. 6 of the Notice. This resolution enables the Board of Directors of the Company / its duly authorised Committee to offer or invite subscription for debt securities, including but not limited to non-convertible debentures, commercial paper, bonds, etc., whether in rupee denominated or denominated in foreign currency, in one or more series or tranches aggregating up to Rs. 500 crores (Rupees Five Hundred Crores Only), as deemed fit, from time to time, during the period commencing from the date of passing of special resolution till completion of one year thereof or the date of next Annual General Meeting to be held in calendar year 2021, whichever is earlier within a period of one year within the overall Borrowing limits of the Company, as approved by the Members from time to time.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said Resolution set out at Item No. 6 except to the extent of their equity shareholding in the Company.

By the Order of the Board of Directors

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

Place : Ahmedabad
Date : July 21, 2020

Registered Office :
"Asahi House"
13, Aaryans Corporate Park
Nr. Shilaj Railway Crossing
Thaltej – Shilaj Road
Thaltej, Ahmedabad – 380 059 (India)
CIN:L24222GJ1990PLC014789
Phone : +91 79 6832500
Fax: +91 79 68325099
Website : www.asahisongwon.com
Email id : cs@asahisongwon.com

B. DISCLOSURE RELATING TO DIRECTORS PURSUNAT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSRUE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS-2)

	Re-Appointment	**Appointment**
Name of the Director	Mrs. Paru M. Jaykrishna	Mr. Arjun G. Jaykrishna
DIN	00671721	08548676
Date of Birth /Age	05.8.1943 (77 Years)	17.04.1996 (23 Years)
Date of first appointment to the Board	19.12.1990	14.10.2019
Qualification	Law Graduate, M.A. in English Literature and Bachelor's degree in Philosophy and Sanskrit	Bachelor of Science degree in Chemical Engineering with a minor in Sustainable Energy from the prestigious Northwestern University, USA
Number of shares held in the Company	Nil	19,487
Number of Board meetings attended during the Financial year 2019-2020	5	3*
List of outside Directorship held in Listed Companies	AksharChem (India) Limited	Nil
Membership in the Committees of Board of other listed companies*	Nil	Nil
Membership and Chairman in the	Nil	Nil
Committees of the Board of the Company Terms and conditions of reappointment / appointment alongwith details of remuneration sought to be paid	She is Chairperson and Managing Director of the Company. As per terms of appointment, she is liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offer herself of reappointment. She is entitled for remuneration.	He is Whole Time Director designated as Executive Director of the Company. As per 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.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mother of Mr. Munjal M. Jaykrishna and Mr. Gokul M. Jaykrishna and Grand Mother of Mr. Arjun G. Jaykrishna.	None

* Mr. Arjun G. Jaykrishna was appointed as additional director and Whole Time Director designated as Executive Director with effect from October 14, 2019.

* Mrs. Paru M. Jaykrishna is not holding any Equity Shares of the Company in individual capacity but holds 5,379,811 (43.84%) Equity Shares as trustees(s) of Mrugesh Jaykrishna Family Trust – I.

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

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their 30th Annual Report of the Company together with the Audited Financial Statements both Standalone and Consolidated for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2020 is summarised below:

Particulars	Standalone		Consolidated
	2019-20	2018-19	2019-20
Revenue from Operations and Other Income	28,363.98	29,362.04	28,363.98
Profit before Depreciation, Finance Cost, Exceptional Item and Tax Expenses	3,518.27	3,957.69	3,518.27
Less : Depreciation	831.69	816.12	831.69
Less : Finance Cost	359.74	517.27	359.79
Profit before Tax (PBT)			
Less : Tax Expenses	(44.35)	794.80	(44.16)
Profit after Tax (PAT	2,282.49	1,829.50	2,282.63
Attributable to :			
Owners of the Company	-	-	2282.56
Non-Controlling Interest	-	-	0.07
Other Comprehensive Income/(Loss)	(596.00)	(190.33)	(587.95)
Total Comprehensive Income	1,686.49	1,639.17	1,694.68
Attributable to :			
Owners of the Company	-	-	1,690.67
Non-Controlling Interest	-	-	4.01
Opening Balance in Retained Earnings	13,838.10	12,642.77	13,838.10
Amount available for appropriation	15,524.59	14,281.94	15,528.76
Less : Dividend (including Dividend Distribution Tax) on equity shares	887.70	443.84	887.70
Closing Balance in Retained Earnings	14,636.90	13,838.10	14,641.06

* The financial year 2019-20 being the first financial year after incorporation of the Subsidiary Company, the disclosure of corresponding figures of consolidated financial results are not applicable and not presented.

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

a. General

Financial year 2019-20 was an extremely challenging year for the global economy and was marked by multiple upheavals. Trade conflicts, political uncertainties, heightened volatility in commodity prices. Towards the end of the year, unprecedented impact was witnessed from the global spread of the COVID-19, which caused turmoil across markets worldwide. Indian Economy also witnessed weak consumer sentiments, slackening demand and liquidity crunch contributing to stunted GDP growth of 4.2 per cent during the year. Towards the second half of the fiscal, India began to witness early signs of an uptick in business activities signaling return of momentum to Asia's third-largest economy. However, those were short lived as the pandemic has derailed the prospects for higher economic growth in the short term. The pace of recovery is currently uncertain as the country is yet unwinding from the lockdown and the medium to long term outlook is opaque at every level.

The market of the Phthalo pigments was also sluggish during the year, which challenged the volume. However, the Company embarked visible improvement in operating profit margins due to focused cost efficiency measures, price discipline and low commodity pricing and continued its growth journey in sustainable way.

b. Performance Review

During the year under review, the Company on Standalone basis earned a total income of Rs. 28,364 lakhs compared to Rs.29,362 lakhs in the previous year with a revenue fall of 3.40% supported by a marginal increase in sales volume.

The profit after tax (PAT) stood at Rs 2,282 lakhs (Previous year Rs. 1,830 lakhs) an increase of 25%.

c. Exports

During the year under review, the total exports contributed to Rs. 17,972 lakhs compared to Rs. 18,873 lakhs during the previous year. Your Company is trying to locate new export markets for its products and see good potential for growth to the export business.

IMPACT OF THE COVID-19 ON BUSINESS OF THE COMPANY

The operations of the Company were affected due to the lockdown announced by the Government of India to control the spread of Corona virus. The Company's manufacturing operations have been partially functional since April 11, 2020 with the permissions of the State Government, well with the functioning guidelines issued by Ministry of Home Affaire (MHA). The Company has adhered to the guidelines as specified by the Government of India and complying with all safety measures to safeguard its employees from COVID-19 disease. Your Company has formulated policy for work from home for all employees except employees associated with manufacturing plant. Plant operations have been partially functional throughout the lockdown period initially.

Your Company has assessed the probable impact of COVID-19 pandemic. It has considered internal and external information available up to the date of approval of these financial results and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables, inventories, other financial and non-financial assets for possible impact on these financial results. Your Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any material impact on these financial results. However, the assessment of Impact of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic condition.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the requirement of Regulation 33 & Regulation 34 of the SEBI (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, 2020.

DIVIDEND

The Board of Directors at its meeting held on February 25, 2020 declared an interim dividend of Rupee 3.00 per share (30%) of face value of Rs. 10/- each on the fully paid up equity share capital of the Company for the financial year ended March 31, 2020.

The Board has not recommended any final dividend and the interim dividend as aforesaid to be considered as final dividend for the financial year ended March 31, 2020.

During the previous financial year, the Company has paid final dividend of Rupee 3.00 per share (30%) of face value of Rs. 10/- each on the fully paid up equity share capital of the Company.

TRANSFER TO RESERVE

Your Directors has not proposed any amount to transferred to the General Reserve.

SHARE CAPTIAL

a. Issue of equity Shares with differential rights

During the year under review, there was no change in the Company's issued, subscribed and paid-up equity share capital. As at March 31, 2020, it stood at Rs. 1227.23 lakhs divided into 12,272,262 equity shares of Rs. 10/- each. During the year under review, no equity shares with differential rights as to dividend, voting or otherwise where 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 SEBI (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 2019-20.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, the Company has one subsidiary Asahi Tennants Color Private Limited. It was incorporated on October 24, 2019, pursuant to a Joint Venture cum Shareholders Agreement dated October 22, 2019 between your Company (holding 51% Equity Shares Capital in that Company) and Tennants Textile Colours Limited, United Kingdom (UK) (holding 49% Equity Shares Capital in that Company), the Company has set up to manufacture AZO Pigments (a range of pigment Yellow, Red and Orange) with an installed capacity of 2400 tonnes per annum in India at Dahej, Bhrauch, Gujarat with marketing assistance.

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.

The construction work of the manufacturing plant at Dahej, Bhrauch, Gujarat has already been commenced. It is not a material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

This investment will help the Company to enter in AZO pigments and consolidate its position as global market leader in organic pigments.

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.

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.

FINANCE AND INSURANCE

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

All assets and insurable interests of your Company including building, plant and machinery, stocks, vehicles, stores and spares have been adequately insured against various risks and perils.

Bank Term Loans

During the year under review, CARE has reaffirmed "CARE AA- Stable [Double A Minus; 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.

Commercial Paper

During the year under review, CARE has reaffirmed "CARE A1+ (A One Plus) indicating very strong degree of safety regarding timely payment of financial obligations for Commercial Paper to be issued carved out of the sanctioned working capital limits of the Company. As at March 31, 2020, outstanding commercial paper was Nil.

LISTING

As at March 31, 2020, 12,272,262 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 2020-2021.

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 has been no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year to which the financial statements relate and the date of the 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.

PUBLIC DEPOSIT

During the year under review, the Company has not accepted any fixed deposit from public under Section 73 of Companies Act, 2013 and the Rules framed there under and no amount on account of

principal or interest on deposits from public was outstanding as on March 31, 2020.

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, 2020.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Resignation

Mr. H. K. Khan ceased to be a director of the Company with effect from April 20, 2019 on account of his death. The Board of Directors of the Company express their deep condolences and pay tribute to late Mr. H. K. Khan.

Mr. Gaurang N. Shah has resigned as independent director and member from all committees of the Board due to his work and other travel commitments with effect from August 12, 2019. Further, Mr. Gaurang N. Shah had provided confirmation that there was no such material reason other than those provided under his resignation letter. The Board placed on record its deep appreciation for the contribution made by Mr. Gaurang N. Shah during his tenure as Independent Director of the Company.

Shareholders at the 29th Annual General Meeting held on September 27, 2019 approved appointments of Mr. Jayprakash M. Patel as an Independent Director of the Company, for a period of 5 years commencing from August 12, 2019.

Mr. R. K. Sukhdevsinhji, Mr. Arvind Goenka and Dr. Pradeep Jha were appointed as Independent Directors of the Company for their 2nd term of 5 (five) consecutive years with the approval of shareholders' by way of special resolutions at 29th Annual General Meeting of the Company held on September 27, 2019.

During the year under review, upon the recommendation of Nomination and Remuneration Committee, Mr. Arjun G. Jaykrishna (DIN: 08548676), was appointed as an Additional Directors and Whole Time Director designated as Executive Director of the Company with effect from October 14, 2019. subject to approval of the members at the ensuing Annual General Meeting. The Board recommend his appointment.

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, Mrs. Paru M. Jaykrishna, Chairperson and Managing Director of the Company is due to retire by rotation at the ensuing 30th Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her reappointment.

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 SEBI (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 SEBI Regulations.

Profile of Directors seeking appointment/re-appointment

As required under Regulation 36 (3) of the SEBI (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 30th Annual General Meeting.

Key Managerial Personnel

During the year under review, Mr. Chandravadan R. Raval has resigned as Chief Financial Officer (CFO) of the Company with effect from October 14, 2019, however, he will continue with the Company as General Manager (Accounts) and in his place Mr. Utsav Pandwar was appointed as Chief Financial Officer (CFO) of the Company with effect from October 14, 2019.

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 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. Utsav Pandwar, Chief Financial Officer
Mr. Saji Varghese Joseph, Company Secretary

Women Director

The Composition of the Board of Directors of the Company includes a women director viz. Mrs. Paru M. Jaykrishna. 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.

Remuneration Policy

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy on selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy is attached herewith as per "Annexure – D" form part of this Report.

Board Effectiveness

a. Familiarization Programme for the Independent Directors

Your Company has put in place a well structured familaristion 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting held on February 25, 2020 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. On the basis of evaluation made by the Independent Directors and the Nomination and Remuneration Committee and by way of individual and collective feedback from the Non-Independent Directors, the Board has carried out the Annual Performance Evaluation of the Directors individually as well as evaluation of the working of the Board as a whole and Committees of the Board. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

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

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

DIRECTORS RESPONSIBILITY STATEMENT

To the best of your Director's knowledge and belief and according to the information and explanations obtained your Directors make the following statements in terms of section 134 (3)(c) of the Companies Act, 2013:

i) that in the preparation of the annual financial statements for the year ended March 31, 2020, 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) that 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) that the annual financial statements have been prepared on a going concern basis;

v) that proper financial controls were in place and that the financial controls were adequate and were operating effectively; and

vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

MEETINGS

Number of Meeting of the Board of Directors

During the Financial Year 2019-20, Five (5) meeting of Board Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. Also the Board of Directors of your Company has passed a resolution by circulation on July 26, 2019 for reconstitution of the Nomination and Remuneration Committee.

Independent Directors' Meeting

A separate Meeting of the Independent Directors of the Company was also held on February 25, 2020, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, were discussed.

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 meet the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Dr. Pradeep Jha is the Chairman of the Audit Committee. The Composition of the Audit Committee meet the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (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

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 –F" forming part of this 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented as a separate section titled Corporate Governance Report.

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 Mr. Bipin L. Makwana, Practising 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 ("Listing Regulations"), which forms part of the Annual Report.

AUDITORS

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 up to the conclusion of the 32nd Annual General Meeting of the Company, if so required under the Law.

The Ministry of Corporate Affairs have, vide its Commencement Notification dated May 7, 2018, inter alia, notified the commencement of section 40 of the Companies (Amendment) Act, 2017, which omitted the proviso to sub-section (1) of section 139 of the Companies Act, 2013, mandating the requirement of annual ratification for Auditors appointment by the Members at every Annual General Meeting. Accordingly, the Board has decided, to discontinue the practice of obtaining annual ratification of the shareholders for appointment of Statutory Auditors, in view of the exemption provision in the resolution passed by the members in the 27th Annual General Meeting and the removal of the provision of the law which mandated the requirement.

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.

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, 2020 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.

b. Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Bipin L. Makawana, Company Secretary in Practice as a Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2019-20 (Period from April 1, 2019 to March 31, 2020).

The Report of Secretarial Auditor in the prescribed form MR-3for the financial year 2019-20 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 19 (1) and 19 (2) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 for the Quarter June 30, 2019 and September 30, 2019. The Company has paid penalty to the National Stock Exchange of India Limited as per their Invoice. The Company has reconstituted Nomination and Remuneration Committee with effect from July 26, 2019 and complied with the Regulations.

c. Internal Auditors

M/s. Pooja Shah & Associates, a Practising Cost and Management Accountant is the Internal Auditors of the Company for the financial year 2019-20. 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.

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

The Statutory Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made there under.

CASH FLOW STATEMENT

As required under Regulation 34(2) (c) of the SEBI (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.

EXTRACT OF THE ANNUAL RETURN

In accordance with provisions of sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of annual return in Form No. MGT-9 forms part of this report as "Annexure - G" and is also available on the Company's website viz. 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 15, 2020.

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 contracts/arrangements/transactions entered by the Company during the previous financial year with the related parties were in the ordinary course of business and on arms' length basis.

There were no materially significant related party transactions entered by the Company with its Promoters, Directors, Key Managerial Personnel or other persons which may have potential conflict with the interest of the Company.

All Related Party transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval for normal business transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature and accordingly, the required disclosures are made to the Committee on a quarterly basis in terms of the approval of the Committee. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC - 2 is annexed as "Annexure –B".

The Related Party Transactions that has taken placed during the financial year 2019-20 have placed in Notes to Financial Statements of the Company. The policy on Related Party Transactions as approved by the Board and may be accessed through the website of Company at 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.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Whistle Blower Policy is disclosed on the website of the Company. The Audit Committee of the Board overseas the functioning of the policy.

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.

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.

PARTICULAURS OF EMPLOYEES AND RELATED DISCLOUSRES

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.

CERTIFICATIONS

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

MANAGEMENT'S DISCUSSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 with the stock exchanges is presented in a separate section forming part of the

Annual Report as per "Annexure-I".

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

Your Company strongly believes in providing a safe and harassment-free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavour of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment, including sexual harassment.

The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year under review, the Committee had not received any compliant under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124(6) of the Companies Act, 2013, which requires a Company to transfer in the name of Investors Education and Protection Fund (IEPF) Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the said provisions read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company is in the process to transfer all shares in respect of which dividends declared for the year 2012-2013 or earlier financial years has not been paid or claimed by members for 7 (seven) consecutive years or more.

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.

INSIDER TRADING REGULATIONS

Based on the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Code of Conduct for prevention of insider trading is in force in your Company. The Board of Directors of the Company has adopted the revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with Chapter IV of the said Regulations and the same has been uploaded on the Company's website www.asahisongwon.com.

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.

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 during the year under review.

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

For and on behalf of the Board of Directors

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

Place : Ahmedabad
Date : July 21, 2020

Registered Office :
"Asahi House"
13, Aaryans Corporate Park
Nr. Shilaj Railway Crossing,
Thaltej – Shilaj Road
Thaltej, Ahmedabad – 380 059 (India)
(CIN:L24222GJ1990PLC014789)

"ANNEXURE A" to the Directors' Report

Form No. AOC-1

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

Part "A" – Subsidiary & Associate

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, 2020
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, 2020	Not Applicable
Share Capital	2,857.10
Reserve & Surplus	8.19
Total Assets	2,991.35
Total Liabilities (excluding Share Capital and Reserves & Surplus)	126.06
Investments	-
Turnover	-
Profit before taxation	(0.04)
Provision for taxation	(0.20)
Profit after taxation	0.16
Proposed Dividend	-
% of shareholding	51%

Part "B" – Joint Venture : None

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : July 21, 2020

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, 2020. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

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

2. Details of material contracts or arrangement or transactions at arm's length basis:

   a) Name(s) of the related party and nature of relationship: Not Applicable
   b) Nature of contracts/arrangements/transactions: Not Applicable
   c) Duration of the contracts/arrangements/ transactions: Not Applicable
   d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
   e) Date(s) of approval by the Board, if any: Not Applicable
   f) Amount paid as advances, if any: None

Note:

1. All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors.
2. As defined under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Policy on Related Party Transactions adopted by the Board of Directors of the Company, there were no Material Related Party Transaction entered during the Financial Year 2019-20.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: July 21, 2020

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:

- Replacement of eight old thermic fluid heaters with two new thermic fluid heaters, which will to conserve fuel. Due to switch over to two Nos. TFH.
- The Company installed an automatic coal feed controller, which controls the feeding of coal to boiler by sensing 02 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.
- Installed draft controller system for our two numbers boilers having capacity of 10 TPH & 6 TPH. Due to this the Company was able to save 20000 units of electricity per month.
- Installation of capacitors to control the Power Factor.
- Street Light 70 watts converted to LED light of 36 watts.
- Periodical checking of electrical earthing.
- Flood Light 400 Watts converted to 40 W LED Flood Light.
- 125 Watts Flame proof lamps are changed to 15 watts LED lamps.
- Vessel lamps 60 watts converted to LED 18 watts with Timer.
- CT motors replaced from 75 HP to 15HP.
- 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 and 128 KVA Solar Power Plant, which will help to generate energy through environmental friendly measure and also reduce carbon emission in the atmosphere. Further the Company is planning to install additional Solar Plant of 868.6 KW in current year, for which order has been placed.

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

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

(i) The efforts made towards technology absorption:

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

(a) Development of new products.

(b) Cost effective technology for existing and new product which are environment friendly.

(c) Improvement in quality, productivity and cost reduction to meet the customers changing requirements.

(d) Cost reduction by process improvement and cycle time reduction.

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

(a) High quality products and process rationalisation.

(b) Improved product quality, production and cost reduction to meet the changing requirements of customer.

(c) Cost reduction by process improvement and cycle time reduction.

(d) Reduction in waste generation and energy inputs.

(e) Successful in developing value added pigments.

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

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

(iv) The Expenditure incurred on Research and Development

(₹ in Lakhs)

	2019-20	2018-19
Capital	**-**	7.51
Recurring	**94.97**	110.00
Total	**94.97**	117.51
Total Research and Development Expenditure as percentage of total turnover	**0.33**	0.40

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 66% of the total turnover comes from Exports. During the year under review, the Company exported pigments (Blue) valuing (FOB) Rs. 17,871 lakhs (Previous Year Rs. 18,761 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)

	2019-20	2018-19
Foreign Exchange Earned (FOB)	**17,871.39**	18,760.59
Foreign Exchange Used	**3,998.87**	7,802.24

"ANNEXURE D" to the Directors' Report

NOMINATION AND REMUNERATION POLICY

1. PREAMBLE

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

2. OBJECTIVES

The objective of the policy is to ensure that:

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

3. REMUNERTION TO DIRECTORS

A. Remuneration to Managing Director / Whole –time Directors:

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

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

B. Remuneration to Non-Executive / Independent Directors:

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

C. Remuneration to Key Managerial Personnel and Senior Management:

- 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 in the financial year
1.	Mrs. Paru M. Jaykrishna Chairperson and Managing Director	16.86 : 1	(23.45)
2.	Mr. Gokul M. Jaykrishna Joint Managing Director & CEO	21.99 : 1	3.01
3.	Mr. Arjun G. Jaykrishna Executive Director	4.58 : 1	NA

Independent Directors have been paid only sitting fees during the financial year 2019-20 and hence Ratio of Median Remuneration has not been shown for Independent Directors.

4.	Mr. Utsav Pandwar Chief Financial Officer	NA	NA
5.	Mr. Saji V. Joseph Company Secretary	NA	20.39

ii. **The percentage increase in the median remuneration of employees in the financial year:** During the year under review, there was a increase of 0.98% in the median remuneration of employees.

iii. **The number of permanent employees on the rolls of Company:** There were 137 permanent employees on the rolls of the Company as on March 31, 2020.

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 decreased of employees other than the managerial personnel in the year under review by 1%, whereas there was average increase in the managerial remuneration of 4% for the financial year 2019-20.

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

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 Rs. 102 Lakh p.a. : NA

ii. Employed part of the Financial year with average salary above Rs. 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.

For and on behalf of the Board of Directors

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

Place : Ahmedabad
Date: July 21, 2020

"ANNEXURE F" to the Directors' Report

Annual Report on Corporate Social Responsibility Activities

(Pursuant to Rule 8 of Companies (Corporate Social Responsibility policy) Rules, 2014

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes**

   Corporate Social Responsibility is the contribution by the Corporate towards social and economic development of the society. The Company's vision on CSR is to enhance the quality of life and the economic well being of communities around our operations. The Company has framed a CSR policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and is placed on website of the Company.

2. **Composition of the CSR Committee:**

   As at March 31, 2020 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:

1.	Mrs. Paru M. Jaykrishna	-	Chairperson
2.	Mr. Jayprakash M. Patel	-	Member
3.	Dr. Pradeep Jha	-	Member

3. Average net profit of the Company for last three financial years (2015-16 to 2018-19): The Average Net Profit of three financial years preceding the reporting financial year (i.e. 2018-2019, 2017-2018, 2016-2017) calculated in accordance with section 135 of the Companies Act, 2013 is Rs. 332.94 lakhs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : The prescribed CSR Expenditure to be incurred during the financial year i.e. 2019-20 is Rs. 66.59 lakhs.

5. Details of CSR spend for the financial year :

   a) Total Amount to be spent for the financial year: Rs.66.46 lakhs.

   b) Amount unspent, if any Rs. 0.13 lakhs

   c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project / Activity identified	Sector in which the project is covered	Projects / Programmes 1. Local area / other – 2. Specify the state / district (Name of the District/s State/s where project / programmme was undertaken)	Amount outlay) (budget project / programme wise (in Rs. lakhs)	Amount spent on the project / programme	Cumulative spend up to the reporting period (Rs in lakhs)	Amount spent : Direct / through implementing agency
1.	To promote facility of education to poor and under privileged children	Promotion of Education	Maninagar Ahmedabad	35.00	35.00	35.00	Implementing Agency : All India Social Education Charitable Trust
2.	To promote facility of education to poor and under privileged children	Promotion of Education	Ahmedabad	26.00	26.00	61.00	Implementing Agency : Jagatbharati Education and Charitable Trust
3.	Contribution towards renovation and maintenance of Police Station	Environmental sustainability	Vadodara	0.39	0.39	61.39	Implementing Agency : Direct
4.	To promote facility of education to poor and under privileged children	Promotion of Education	Ahmedabad	1.00	1.00	62.39	Implementing Agency : Shanti Sewa Charitable Trust
4.	Contribution for helping differently abled children	Promotion of Education	Ahmedabad	0.48	0.48	62.87	Implementing Agency : Smile Fundation
5.	Contribution towards the GREENATHON event arranged for awareness of Environment and cleanliness.	Environmental Sustainability	Vadodara	0.20	0.20	63.07	Implementing Agency : Direct

Sr. No.	CSR project / Activity identified	Sector in which the project is covered	Projects / Programmes 1. Local area / other – 2. Specify the state / district (Name of the District/s State/s where project / programmme was undertaken)	Amount outlay) (budget project / programme wise (in Rs. lakhs)	Amount spent on the project / programme	Cumulative spend up to the reporting period (Rs in lakhs)	Amount spent : Direct / through implementing agency
6.	Contribution to promotion of sports	Promotion of nationally recognised sports	Ahmedabad	0.35	0.35	63.42	Implementing Agency : Direct
7.	Contribution to promotion of sports	Promotion of nationally recognised sports	Vadodara	0.11	0.11	63.53	Implementing Agency : Direct
8.	Education Kit to School Children	Promotion of Education	Vadodara	0.93	0.93	64.46	Implementing Agency : Direct
9.	Contribution to Health care	Promotion of Health Care including Preventive Health Care	Ahmedabad	2.00	2.00	66.46	Implementing Agency : Universal Healing Charitable Trust

6. Reason for not spending the amount at 5(c) :

The amount required to be spend on CSR activities during the year under review in accordance with the provision of Section 135 of the Companies Act, 2013 and rules made there under was Rs. 66.59 Lakh and the Company has spent Rs. 66.46 Lakh during the financial year ended March 31, 2020. The shortfall in the spending during the year under report is intended to be utilized in future, upon identification of suitable projects within the Company's CSR Policy.

7. Responsibility Statement

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR policy is in compliance with CSR objective and policy of the Company.

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

Paru M. Jaykrishna
Chairperson of CSR Committee
DIN:00671721

Place : Ahmedabad
Date : July 21, 2020

"ANNEXURE G" to the Directors' Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L24222GJ1990PLCO14789
ii)	Registration Date	:	December 10, 1990
iii)	Name of the Company	:	Asahi Songwon Colors Limited
iv)	Category / Sub-Category of the Company	:	Public Company limited by shares
v)	Address of the Registered office and contact details	:	"Asahi House", 13, Aaryans Corporate Park Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road Thaltej, Ahmedabad – 380 059.
vi)	Whether Listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C-101, 247 Park, L.B. S Marg, Vikhroli (West) Mumbai – 400 083. Tel : 022-49186270

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Pigments	20114	100
2.	Trading Activity	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN	HOLDING/ SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
1.	Asahi Tennnants Color Private Limited	U24290GJ2019PTC110526	Subsidiary	51%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total Shares	% of Total	Demat	Physical	Total Shares	% of Total	
A. Shareholding of Promoters and Promoter Group									
(1) Indian									
a) Individual/Hindu Undivided Family	0	0	0	0.0000	19,487	0	19,487	0.1588	0.1588
b) Central Government/ State Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Financial Institutions Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other- Private Trust	8,075,820	0	8,075,820	65.8055	8,131,820	0	8,131,820	66.2618	0.8557
Sub-total (A) (1)	**8,075,820**	**0**	**8075,820**	**65.8055**	**8,151,307**	**0**	**8,151,307**	**66.4206**	**1.0145**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during
	Demat	Physical	Total Shares	% of Total	Demat	Physical	Total Shares	% of Total	the year
(2) Foreign									
a) Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Qualified Foreign Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-total (A) (2)	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**8,075,820**	**0**	**8075,820**	**65.8055**	**8,151,307**	**0**	**8,151,307**	**66.4206**	**1.0145**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Financial Institutions / Banks	4,510	0	4,150	0.0367	7	0	7	0.0001	(0.0366)
c) Central Government / State Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Foreign Portfolio Investors	47,798	0	47,798	0.3895	29,895	0	29,895	0.2436	(0.1459)
g) Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
h) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
i) Others (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-total (B)(1)	**52,308**	**0**	**52,308**	**0.4262**	**29,902**	**0**	**29,902**	**0.2437**	**(0.1825)**
2. Non- Institutions									
a) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,851,983	2,099	1,854,082	15.1079	2,153,712	2,099	2155,811	17.5665	2.4586
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	766,229	0	766,229	6.2436	395,187	0	395,187	3.2202	(3.0234)
b) NBFCs registered with RBI	4,000	0	4,000	0.0326	4,000	0	4,000	0.0326	0.0000
c) Others (specify)									
Bodies Corporate	312,078	0	312,078	2.5430	365,412	0	365,412	2.9775	0.4345
Hindu Undivided Family	148,703	0	148,703	1.2117	143,580	0	143,580	1.1700	(0.0417)
Non Resident Indian (Non Repat)	70,337	0	70,337	0.5731	67,254	0	67,254	0.5480	(0.0251)
Non Resident Indian (Repat)	66,158	0	66,158	0.5391	77,861	0	77861	0.6344	0.0953
IEPF	1,669	0	1,669	0.0136	1,669	0	1,669	0.0136	0.000
Clearing Member	55,678	0	55,678	0.4537	15,079	0	15,079	0.1229	(0.3308)
Foreign Company	0	865,200	865,200	7.0500	865,200	0	865,200	7.0500	0.0000
Sub-total (B)(2)	**3,276,835**	**867,299**	**4,144,134**	**33.7683**	**4,088,954**	**2,099**	**4,091,053**	**33.3358**	**(0.4325)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**3,329,143**	**867,299**	**4,196,442**	**34.1945**	**4,118,856**	**2,099**	**4,120,955**	**33.5794**	**(0.6151)**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
Grand Total (A+B+C)	**11,404,963**	**867,299**	**12,272,262**	**100.00**	**1,227,0163**	**2099**	**12,272,262**	**100.00**	**0.0000**

(ii) Shareholding of Promoters

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year as on April 1, 2019			No. of Shares held at the end of the year as on March 31, 2020			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Mrugesh Jaykrishna Family Trust-I	5,323,811	43.3808	0.0000	5,379,811	43.8372	0.0000	0.4564
2.	Gokul M. Jaykrishna Family Trust	2,752,009	22.4246	0.0000	2,752,009	22.4246	0.0000	0.0000
3.	Mr. Arjun Gokul Jaykrishna	0	0	0	19,487	0.1588	0.0000	0.1588
	Total	**8,075,820**	**65.8154**	**0.0000**	**8151307**	**66.4206**	**0.0000**	**0.6151**

(iii) Change in Promoters' Shareholding*

Sr. No.	Category of Shareholders	Date wise Increase / Decrease of the year as on April 1, 2019			Cumulative Shareholding during the year	
		Date	Increase / Decrease	% of total shares of the company	No. of shares	% of total shares of the company
*1.	**Mrugesh Jaykrishna Family Trust – I**					
	At the beginning of the year	01/04/2019	-	-	5,323,811	43.3808
		20/03/2020	9,811	0.0799	5,333,622	43.4608
		27/03/2020	40,189	0.3274	5,373,811	43.7883
		31/03/2020	6,000	0.0488	5,379,811	43.8372
	At the End of the year	31/03/2020	-	-	5,379,811	43.8372
2.	**Gokul M. Jaykrishna Family Trust**					
	At the beginning of the year	01/04/2019	-	-	2,752,009	22.4246
	At the End of the year	31/03/2020	-	-	2,752,009	22.4246
*3.	**Mr. Arjun Gokul Jaykrishna**					
	At the beginning of the year	01/04/2019	-	-	0	0.0000
		31/03/2020	19,487	0.1588	19,487	0.1588
	At the End of the year	31/03/2020	19,487	0.1588	19,487	0.1588

During the year under review, M/s. Mrugesh Jaykrishna Family Trust -1 and Mr. Arjun Gokul Jaykrishna has acquired 56,000 (046%) and 19,487 (0.16%) Equity Shares of the Company through the stock exchange respectively. The total promoter shareholding of the Company hence stands increased from 65.81 to 66.42%.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding at the beginning		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No of shares at the beginning (01/04/2019)/ end of the year (31/03/2020)	% of total shares of the Company				No of shares	% of total shares of the Company
1.	DIC Corporation	865,200	7.0500	01/04/2019	-	No Change	865,200	7.0500
		865,200	7.0500	31/03/2020				
2.	D. Srimathi	151,304	1.2329	01/04/2019	-	No Change	151,304	1.2329
		151,304	1.2329	31/03/2020				
3.	The Property Company Private Limited	8,484	0.0691	01/04/2019			8,484	0.0691
				12/04/2019	8	Transfer	8,492	0.0692
				26/04/2019	119	Transfer	8,611	0.0702
				03/05/2019	12	Transfer	8,623	0.0703
				10/05/2019	966	Transfer	9,589	0.0781
				17/05/2019	2,989	Transfer	12,578	0.1025

Sr. No.	Name	Shareholding at the beginning		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No of shares at the beginning (01/04/2019)/ end of the year (31/03/2020)	% of total shares of the Company				No of shares	% of total shares of the Company
				14/06/2019	1,670	Transfer	14,248	0.1161
				21/06/2019	1,064	Transfer	15,312	0.1248
				29/06/2019	58	Transfer	15,370	0.1252
				12/07/2019	866	Transfer	16,236	0.1323
				19/07/2019	668	Transfer	16,904	0.1377
				09/08/2019	646	Transfer	17,550	0.1430
				25/10/2019	(765)	Transfer	16,785	0.1368
				01/11/2019	(724)	Transfer	16,061	0.1309
				03/01/2020	(33)	Transfer	16,028	0.1306
				07/02/2020	3,039	Transfer	19,067	0.1554
				14/02/2020	25,541	Transfer	44,608	0.3635
				21/02/2020	632	Transfer	45,240	0.3686
				28/02/2020	(5,431)	Transfer	39,809	0.3244
				06/03/2020	(214)	Transfer	39,595	0.3226
				20/03/2020	(493)	Transfer	39,102	0.3186
				27/03/2020	7,811	Transfer	46,913	0.3823
				31/03/2020	10,931	Transfer	57,844	0.4713
		57,844	0.4713	31/03/2020				
4.	Rural Engineering Co. Pvt Limited	45,000	0.3667	01/04/2019	-	No Change	45,000	0.3667
		45,000	0.3667	31/03/2020				
5.	Kalyani P. Jain	37,587	0.3063	01/04/2019	-	No Change	37,587	0.3063
		37,587	0.3063	31/03/2020				
6.	Globe Commodities Ltd	19,400	0.1581	01/04/2019			19,400	0.1581
				10/05/2019	200	Transfer	19,600	0.1597
				31/05/2019	1,000	Transfer	20,600	0.1679
				11/10/2019	14,049	Transfer	34,649	0.2823
				18/10/2019	425	Transfer	35,074	0.2858
				25/10/2019	(303)	Transfer	34,771	0.2833
				01/11/2019	(130)	Transfer	34,641	0.2823
				08/11/2019	(16)	Transfer	34,625	0.2821
		34,625	0.2821	31/03/2020				
7.	Pravin Natvarlal Bhagwati	32,174	0.2622	01/04/2019	-	No Change	32,174	0.2622
		32,174	0.2622	31/03/2020				
8.	Jitendra Natwarlal Shah	30,106	0.2453	01/04/2019	-	No Change	30,106	0.2453
		30,106	0.2453	31/03/2020				
9.	Gymkhana Partners LP.	34,391	0.2802	01/04/2019			34,391	0.2802
				27/12/2019	(4,496)	Transfer	29,895	0.2436
		29,895	0.2436	31/03/2020				
10.	Globe Capital Market Limited	43,473	0.3542	01/04/2019			43,473	0.3542
				05/04/2019	18	Transfer	43,491	0.3544
				26/04/2019	(286)	Transfer	43,205	0.3521
				10/05/2019	20	Transfer	43,225	0.3522
				24/05/2019	1,155	Transfer	44,380	0.3616
				14/06/2019	(40)	Transfer	44,340	0.3613
				21/06/2019	10	Transfer	44,350	0.3614
				05/07/2019	10	Transfer	44,360	0.3615
				12/07/2019	15	Transfer	44,375	0.3616
				02/08/2019	(8)	Transfer	44,367	0.3615
				09/08/2019	(8,715)	Transfer	35,652	0.2905
				30/08/2019	2,155	Transfer	37,807	0.3081

Sr. No.	Name	Shareholding at the beginning		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No of shares at the beginning (01/04/2019)/ end of the year (31/03/2020)	% of total shares of the Company				No of shares	% of total shares of the Company
				13/09/2019	(5,500)	Transfer	32,287	0.2631
				20/09/2019	100	Transfer	32,387	0.2639
				27/09/2019	(100)	Transfer	32,287	0.2631
				25/10/2019	100	Transfer	32,387	0.2639
				08/11/2019	(2,100)	Transfer	30,287	0.2468
				29/11/2019	75	Transfer	30,362	0.2474
				06/12/2019	(75)	Transfer	30,287	0.2468
				31/12/2019	(915)	Transfer	29,372	0.2393
				03/01/2020	702	Transfer	30,074	0.2451
				10/01/2020	(2,002)	Transfer	28,072	0.2287
				17/01/2020	275	Transfer	28,347	0.2310
				24/01/2020	(275)	Transfer	28,072	0.2287
				31/01/2020	7,000	Transfer	35,072	0.2858
				07/02/2020	(7,000)	Transfer	28,072	0.2287
				20/03/2020	300	Transfer	28,372	0.2312
				27/03/2020	200	Transfer	28,572	0.2328
				31/03/2020	(300)	Transfer	28,272	0.2304
		28,272	0.2304	31/03/2020				

- The above information is based on weekly downloads of beneficiary position received from Depositories.
- The details of holding has been clubbed based on PAN.
- % of total shares of the Company is based on the paid up capital of the Company at the end of the year.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Date wise Increase / Decrease			Cumulative Shareholding during the year	
		Date	Increase / Decrease	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Mrs. Paru M. Jaykrishna**					
	At the beginning of the year	01/04/2019	-	-	0	0.0000
	At the End of the year	31/03/2020	-	-	0	0.0000
2.	**Mr. Gokul M. Jaykrishna**					
	At the beginning of the year	01/04/2019	-	-	0	0.0000
	At the End of the year	31/03/2020	-	-	0	0.0000
3.	**Mr. Munjal M. Jaykrishna**					
	At the beginning of the year	01/04/2019	-	-	0	0.0000
	At the End of the year	31/03/2020	-	-	0	0.0000
4.	**Mr. R. K. Sukhdevsinhji**					
	At the beginning of the year	01/04/2019	-	-	0	0.0000
	At the End of the year	31/03/2020	-	-	0	0.0000
5.	**Mr. Arvind Goenka**					
	At the beginning of the year	01/04/2019	-	-	0	0.0000
	At the End of the year	31/03/2020	-	-	0	0.0000
6.	**Dr. Pradeep Jha**					
	At the beginning of the year	01/04/2019	-	-	0	0.0000
	At the End of the year	31/03/2020	-	-	0	0.0000
7.	**Mr. Jayprakash M. Patel**					
	At the beginning of the year	01/04/2019	-	-	0	0.0000
	At the End of the year	31/03/2020	-	-	0	0.0000

Sr. No.	For Each of the Directors and KMP	Date wise Increase / Decrease			Cumulative Shareholding during the year	
		Date	Increase / Decrease	% of total shares of the company	No. of shares	% of total shares of the company
8.	**Mr. Arjun Gokul Jaykrishna**					
	At the beginning of the year	01/04/2019	19,487	0.1588	19,487	0.1588
	At the End of the year	31/03/2020	19,487	0.1588	19,487	0.1588
9.	**Mr. Utsav Pandwar**					
	At the beginning of the year	01/04/2019	-	-	0	0.0000
	At the End of the year	31/03/2020	-	-	0	0.0000
10.	**Mr. Saji V. Joseph**					
	At the beginning of the year	01/04/2019	-	-	0	0.0000
	At the End of the year	31/03/2020	-	-	0	0.0000

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	5,182.84	-	-	5,182.84
i. Principal Amount	5,182.84	-	-	5,182.84
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**5,182.84**	**-**	**-**	**5,182.84**
Change in Indebtedness during the financial year				
• Addition	6,980.20			6,980.20
• Reduction	10,241.93			10,241.93
Net Change	**(3,261.72)**	**-**	**-**	**(3,261.72)**
Indebtedness at the end of the financial year				
i. Principal Amount	1,921.12	-	-	1,921.12
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	–
Total (i+ii+iii)	**1,921.12**	**-**	**-**	**1,921.12**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mrs. Paru M. Jaykrishna (CMD)	Mr. Gokul M. Jaykrishna (JMD & CEO)	Mr. Arjun G. Jaykrishna (ED)	
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.60	76.80	16.74	134.14
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21.49	4.16	0.13	25.78
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-		
2.	Stock Option				
3.	Sweat Equity		-	-	-
4.	Commission		-	-	-
	- as % of profit				
	- others, specify…		-	-	-
5.	Others, please specify		-	-	-
	Total (A)	**62.09**	**80.96**	**16.87**	**159.92**
	Ceiling as per the Act	Rs. 256.21 lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).			

B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fees for attending the Board/ Committee Meetings	Commission paid	Other, please specify	
I	**Independent Directors**				
	Mr. R. K. Sukhdevsinhji	0.215	-	-	0.215
	Mr. Arvind Goenka	0.100	-	-	0.100
	Mr. Jayprakash M. Patel	0.465			0.465
	Dr. Pradeep Jha	0.585	-	-	0.585
	Total (I)				
II	**Other Non-Executive Director**	-	-	-	-
	Total (II)	**1.365**	**-**	**-**	**1.365**
	Total Managerial Remuneration (I+II)	**1.365**	**-**	**-**	**1.365**
	Overall Ceiling as per the Companies Act, 2013	Rs. 2.56 lakhs (being 1% of the net profits of the Company as per Section 196 of the Companies Act, 2013)			

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Chandravadan R. Raval General Manager (Accounts) & CFO*	Mr. Utsav Pandwar Chief Financial Officer*	Mr. Saji V. Joseph Company Secretary	
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.96	9.26	12.23	28.45
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-	- -
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission				
	- as % of profit			-	-
	- others, specify…			-	-
5.	Others, please specify		-	-	-
	Total	**6.96**	**9.26**	**12.23**	**28.45**

*Mr. Chandravadan R. Raval has resigned as Chief Financial Officer (CFO) of the Company with effect from October 14, 2019,
*Mr. Utsav Pandwar was appointed as Chief Financial Officer (CFO) of the Company with effect from October 14, 2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(₹ in Lakhs)

Type	Section of the Companies Act	Brief Description fees imposed	Details of Penalty /Punishment / Compounding	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty Punishment Compounding			NIL		
B. DIRECTORS					
Penalty Punishment Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding			NIL		

Annexure - "H" to The Directors' Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Asahi Songwon Colors Limited
Ahmedabad

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Asahi Songwon Colors Limited (hereinafter called the "Company") for the audit period covering the financial year ended on 31st March, 2020. 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 my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2020 ("Audit Period"), generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, 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, 2020, 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 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 (not applicable during the audit period);
d. The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014; (not applicable during the audit period)
e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable during the audit period)
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 (not applicable during the audit period)
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable during the audit period)

(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:

(ii) Indian Boilers Act, 1923 and rules made thereunder.
(iii) The Explosives Act, 1884 and rules made thereunder.
(iv) The Manufacture, storage and import of Hazardous Chemical Rules, 1989.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent mentioned below :-

All the members of the Nomination and Remuneration Committee were not non-executive during the period from 14th May, 2019 to 25th July, 2019 which were not in accordance with the Regulation 19 (1) and (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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. The changes 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.

The Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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.

I further report that the members at the Annual General Meeting held on 27th September, 2019, passed Special Resolution authorizing the Board of Directors to issue Non convertible debentures and/or other debt securities in one or more series/trenches aggregating upto Rs.500 Crores.

I further report that during the audit period there were no specific event/action having a major bearing on the Company' s affairs in pursuance to the above referred laws, rules, regulations, guidelines, etc referred to above more specifically related to:

(i) Public / Right / Preferential Issue of Shares/ debentures/ Sweat equity etc.
(ii) Redemption/ Buy back of securities.
(iii) Major decisions taken by the Members in pursuance to Section 180 of the Act.
(iv) Foreign technical collaboration.

Bipin L. Makwana
Company Secretary in Practice
Membership No. 15650
C. P. No. 5265
UDIN:A015650B000485231

Place: Ahmedabad
Date : July 21, 2020

Notes

1. Due to restricted movement amid covid-19 pandemic, I have conducted the assignment by examining the Secretarial records and other records etc. and some of them were received by way of electronic mode from the company and could not be verified from the original records. The Management has confirmed that the records submitted to me are true and correct.

2. This Report is limited to the Statutory Compliances on laws/ regulations listed in my report which have been complied with by the Company pertaining to financial year 2019-2020. I am not commenting on the statutory compliances whose due date is extended by Regulators from time to time Due to COVID-19 or still there is time line to comply with such compliances.

Annexure I to the Secretarial Audit Report for the Financial Year ended 31st March, 2020

To,
The Members,
Asahi Songwon Colors Limited
Ahmedbaad

My Report of even date is to be read along with this Letter:

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on 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 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. Wherever 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 responsibly of the management. My examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company not of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Bipin L. Makwana
Company Secretary in Practice
Membership No. 15650
C. P. No. 5265
UDIN:A015650B000485231

Place: Ahmedabad
Date : July 21, 2020

Annexure - "I" to The Directors' Report

Management Discussion And Analysis

OVERVIEW

From the spectrum of colors around us, pigment bearing color blue has a difference when it is used in ink, paints plastics, rubber and textiles. Your Company manufactures blue pigments. Your Company is engaged in the manufacture of Phthalo pigments (one of the largest categories of pigments manufactured in India) comprising of CPC blue crude and a range of blue pigments. The pigment business helps to provide vibrant and safe colors to the world. Almost all industrial sector need pigments with printing ink, paints, plastics, textile all being a growth market for pigment business.

About 40 percent of phthalocyainne pigments are used in the manufacturing of printing ink while rest finds application in paints, plastics, textiles and paper industries. Your Company's principal manufacturing facilities are at Padra near Vadodara in the State of Gujarat, manufacturing CPC Blue Crude and a range of Blue Pigments.

Financial Year 2019-2020 was an extremely challenging year for the global economy which was marked by multiple upheavals. The advanced as well as developing economy across the world witness slowdown. The escalation of tariff war between the US and China for major part of the year, climate related disasters, geo-political tension, intensify social unrest in several countries, stress in key emerging markets lead to significant pressure on global trade.

The global economic growth decelerated from 3.8% in 2018 to 2.9% in 2019 (Source : International Monetary Fund (IMF)). Globally, there were early signs of revival as the US-China dynamics improved and global trade flow got back in track, but towards the end of the financial year unprecedented impact was witnessed from the global spread of COVID-19, which caused turmoil across the global market bringing the business to standstill. The COVID-19 crisis has gripped the world on its rampage, destroying lives and devasting business and industry. There is no segment of business and industry or services that has not been adversely impacted by the crisis.

During the year under review, India economy too faced multiple headwinds registering a slower growth as compared to the previous year. The decline was primarily due to plummeting domestic automobile sales, decline in investment in construction and infrastructure sector, during up of lending from non-banking financial institution and contraction in exports all contributed to slow growth. India economic growth was estimated to be lower at 1.2% in 2020, a further decline of 4.1% (Source: UN-World Economic Situation Report). In the second half of the financial year, India began to show signs of uptick in business activities back by Government of India by way of corporate tax rate cuts, ease in manufacturing policies to boost the Made in India campaign. However, those were shot leaved as COVID-19 pandemic has derailed the prospects of higher economic growth in short term. The slowdown echoed in the deterioration both in Global and Indian pigment sales. However, your Company was able to sustain its performance.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Pigment address coloring needs of wide range of end user industries like ink, paints, plastics, cosmetics, glass and textile sector. The pigment industry is globally growing at around 4-5 % and is linked to economic development and growth of the world and country. Pigment industry is divided into organic and inorganic pigments based on their chemical composition, whereas organic pigments consists of high performance pigments, AZO pigments (red, yellow and orange) and Phthalocyanines (Phthlo) pigments (blue and green). China has emerged as the global leader in the AZO pigments while India has emerged as a global hub for Phthlo pigments on account of growing access of international technologies, quality and strong environmental compliances.

Asia-Pacific represents the largest and the fastest-growing regional market for pigments worldwide. Today, 80% of pigments are produced in China and India. China has continued o dominate the market but as the Chinese firms become more expensive due to the changing laws to protect, develop and expand indigenous industry. This will create opportunities for India being cost competitive, environment conscious and innovative with a focus on development and the customer will flourish in long run.

OPPORTUNITIES, THREATS, RISK & CONCERNS

Risk of global slowdown as a result of the pandemic and rising trade tensions in the customer countries may increase risk to revenue growth of the Company. Our product cater to requirements of diverse downstream industries like paints, printing inks, plastics with robust quality standards, good relationship and environment friendly production process we remains preferred customer.

The Company has to address the issue of clean and green environment. There are contionous environmental head winds in many parts of the world, especially in Asia. There has been tightening of pollution control norms in India particularly related to water and industrial waste treatment. The Company has to address the issues of REACH compliance. The Company has been investing continuously in meeting the relevant statutory and environmental compliances. Safety and environmental standards are periodically reviewed and upgraded. The Company has a state of the art emissions and effluent management system.

Violate change in oil and crude prices due to unfavourable macro –economic scenario may have negative impact and major chuck of the revenue of the Company comes from the foreign countries, hence earning are subject to fluctuation due to exchange rate movements. Though the Company has a natural hedge, if there is any adverse fluctuation in the foreign currencies, it may affect the overall performance of the Company. However, the Company has consistent policy to mitigate the currency variation risks.

The Company is having a well structured risk management system under the guidance of experienced Board of Directors. The Audit Committee monitors the implementation of the risk mitigation plans.

Rising population coupled with increasing purchasing power in developed markets and with high growth in end user industry has boosted the demand for pigments. As per Grand View Research, the global Dyes and Pigments Industry was valued at US$ 33.2 billion in 2019 and is expected to grow at 5% CAGR from 2020 to 2027. The pigment industry growth is driven by increasing demand from various applications such as packaging inks, textiles, paints and coatings, construction, and plastics. As per Ken Research, India's Pigments market is pegged at INR 20,000 crore by 2022 and is poised to achieve 5.5% CAGR in 2017-22.

Your Company has sustainable business model, well integrated manufacturing base and plants located in chemical hub of Gujarat, relatively most stable and peaceful state with robust infrastructure. The Company has strong pool of product basket. The product reach and distribution too, are well diversified geographically with presence in almost every continent, empowering consistency in products off take all throughout the year. There lies a huge opportunity for Indian players to tap the radical changes happening in the Chinese Chemical Industry and grow their exports in pigment emulsions in major countries including the US, Germany, China, Brazil, Italy and others.

OUTLOOK AND STRATEGY

The domestic demand for pigments is low in India as end user industries are slowly starting their activities. Globally there are challenges, but we believe with our long term business relationship with our existing customers will enhance business.

The Company will continue with its efforts to increase the utilisation of its installed capacities, which will be crucial to achieve an improvement in the operational results. Priority will be on the quality of the products. The disciplined focus will be cost reductions, operating efficiencies and diligent cash deployment in value creating opportunities.

With addition of AZO pigments in the product basket, the Company is well position to meet the future challenges. For the Company, next few months will be challenging, but there will be an emergence of massive new opportunities, we are well positioned to sustain the storm and exploit the opportunities.

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.

FINANCIAL PERFORMANCE

Despite various uncertainties and the challenging business environment, the Company was able to sustain its business operations.

Results of Operations

During the year under review, the Company on Standalone basis earned a total income of Rs. 28,364 lakhs compared to Rs.29,362 lakhs in the previous year a decrease of 3.40%.

The profit after tax (PAT) stood at Rs 2,282 lakhs (Previous year Rs. 1,830 lakhs) an increase of 25%.

During the year under review, the total exports contributed to Rs. 17,972 lakhs compared to Rs. 18,873 lakhs during the previous year.

Details of significant ratio changes (Standalone basis)

Ratio	2019-2020	2018-2019
Return on Operating Capital Employed (RoCE)%	**11.48**	13.52
Return on Net Worth (RoNW)%	**11.32**	9.45
Basis EPS (Rs/Share)	**18.60**	14.91
Debtors Turnover (Days)	**71.00**	84.00
Inventory Turnover (Days)	**59.00**	61.00
Interest Coverage Ratio	**8.31**	7.17
Current Ratio	**2.04**	1.84
Debt Equity Ratio	**0.11**	0.32

HUMAN RESOURCES DEVELOPMENT

Overall industrial relations climate 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.

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

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.

Report On Corporate Governance

The Corporate Governance Report relating for the year ended March 31, 2020 has been issued in compliance with the requirements of Regulation 34(3) read with Clause of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of the Report of the Directors to the Members of the Company.

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 endevour 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 perquisite 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 SEBI (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, 2020, the Board of Directors of your Company represents optimum combination of Executive and Non-Executive Directors with one 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 Board meets at least five times a year. In addition to the above, the Board also meets as and when necessary to address specific issued concerning to business of your Company. During the financial year 2019-2020, the time gap between two Board Meetings did not exceed one hundred and twenty days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All Statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (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 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, 2020, the total strength of the Board of Directors of the Company was eight (8) members including three executive directors and Five non executive directors and four 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.

Board Diversity

Your Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board. Pursuant to SEBI (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, 2020, Mr. R. K. Sukhdevsinhji, Mr. Arvind Goenka, Mr. Jayprakash M. Patel and Dr. Pradeep Jha 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 SEBI (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 SEBI (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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the Companies Act, 2013.

As on March 31, 2020, 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, 2020	% holding as on March 31, 2020
1.	Mrs. Paru M. Jaykrishna*	Promoter	Executive Chairperson and Managing Director	-	-
2.	Mr. Gokul M. Jaykrishna *		Executive Joint Managing Director & CEO	-	-
3.	Mr. Arjun G. Jaykrishna*		Executive Director	19,487	0.16
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	-	-

* Mrs. Paru M. Jaykrishna is not holding any Equity Shares of the Company in individual capacity but holds 5,379,811 (43.84%) Equity Shares as trustees(s) of Mrugesh Jaykrishna Family Trust – I.

* Mr. Gokul M. Jaykrishna is not holding any Equity Shares of the Company in individual capacity but holds 2,752,009 (22.42 %) Equity Shares as trustees(s) of Gokul M. Jaykrishna Family Trust.

* Appointed as Additional Director & Whole time director designated as Executive Director of the Company with effect from October 14, 2019

* Appointed as Director of the Company with effect from August 12, 2019

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:

a) 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.

b) Monitoring the effectiveness of the company's governance practices and making changes as needed.

c) Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning.

d) Aligning key executive and Board remuneration with the longer term interests of the company and its shareholders.

e) Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

f) Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

g) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.

h) Overseeing the process of disclosure and communications.

i) Monitoring and reviewing Board Evaluation framework.

The notice of Board Meeting is given well in advance to all the Directors. The meetings are usually held at the company's at the

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

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

Support and Role of Company Secretary

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

Invitees & proceedings

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

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

Name of the Director	Category	Attendance at the Meeting held on					No of Meetings Attended	Attendance at the Last Annual General Meeting
		14.05.2019	12.08.2019	14.10.2019	30.01.2020	25.02.2020		
Mrs. Paru M. Jaykrishna	CMD	✓	✓	✓	✓	✓	5	Yes
Mr. H.K. Khan	ID	Ceased to be director with effect from 20/04/2019 due to his death						NA
Mr. R. K. Sukhdevsinhji	ID	LOA			✓	✓	2	No
Mr. Arvind Goenka	ID	LOA				✓	1	No
Mr. Jayprakash M. Patel	ID		✓	✓	✓	✓	4	Yes
Mr. Gaurang N. Shah	ID	✓	✓	Resigned 12.08.2019			2	NA
Dr. Pradeep Jha	ID	✓	✓	✓	✓	✓	5	Yes
Mr. Gokul M. Jaykrishna	MD & CEO	✓	✓	✓	✓	✓	5	Yes
Mr. Munjal M. Jaykrishna	NED	✓	✓	✓	✓	✓	5	No
Mr. Arjun G. Jaykrishna	ED	Appointed as Additional Director and Executive Director with effect from 14.10.2019		✓	✓	✓	3	NA

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

2.3 Details of Attendance of each director at the meeting of Board of Directors

Name	Designation	No of Directorship in listed entities including this listed entity listed entity	No of Independent Directorship in listed entities including this listed entity	Number of memberships in Audit/ Stakeholder Committee(s) including this	
Mrs. Paru M. Jaykrishna	Chairperson and Managing Director	2	-	-	1
Mr. R. K. Sukhdevsinhji	Independent Director	2	2	-	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. Gokul M. Jaykrishna	Jt. Managing Director	2	-	-	-
Mr. Munjal M. Jaykrishna	Non Executive – Non Independent Director	2	-	-	-
Mr. Arjun G. Jaykrishna	Executive Director	1	-	-	-

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

During the financial year 2019-2020, Five (5) 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.

2.5 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 SEBI (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.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 Familiarisation Programme

Your Company has put in place a well structured familaristion 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.

2.11 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 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	Mrs. Paru M. Jaykrishna CMD	Mr. Gokul M. Jaykrishna Jt. MD & CEO	Mr. Munjal M. Jaykrishna NED	Mr. Arvind Goenka ID	Mr. Jayprakash M. Patel ID	Mr. R. K. Sukhdevsinhji ID	Dr. Pradeep Jha ID	Mr. Arjun G. Jaykrishna ED
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	✓	✓	✓	✓	✓	✓	✓	✓

2.12 Reappointment of Director liable to retire by rotation

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

2.13 Change/Appointment/Reappointment in Independent Directors

Mr. H. K. Khan ceased to be a director of the Company with effect from April 20, 2019 on account of his death. The Board of Directors of the Company express their deep condolences and pay tribute to late Mr. H. K. Khan.

Mr. Gaurang N. Shah has resigned as independent director and member from all committees of the Board due to his work and other travel commitments with effect from August 12, 2019. Further, Mr. Gaurang N. Shah had provided confirmation that there was no such material reason other than those provided under his resignation letter. The Board placed on record its deep appreciation for the contribution made by Mr. Gaurang N. Shah during his tenure as Independent Director of the Company.

Shareholders at the 29th Annual General Meeting held on September 27, 2019 approved the appointments of Mr. Jayprakash M. Patel as an Independent Director of the Company, for a period of 5 years commencing from August 12, 2019. Mr. R. K. Sukhdevsinhji, Mr. Arvind Goenka and Dr. Pradeep Jha were appointed as Independent Directors of the Company for their 2nd term of 5 (five) consecutive years with the approval of shareholders' by way of special resolutions at 29th Annual General Meeting of the Company held on September 27, 2019.

Mr. Arjun G. Jaykrishna was appointed as an Additional Director and Whole Time Director designated as Executive Director w.e. f October 14, 2019. His brief resume is annexed to the notice of the Annual General Meeting

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2.14 Directors Profile

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

2.15 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 SEBI (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 2019-2020.

2.16 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 2019-2020. Annual Declaration by the Chairperson and Managing Director to this effect is annexed at the end of this report.

2.17 Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on February 25, 2020, 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, 2020 there are Four (4) committees of the Board.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility (CSR) Committee
4. Stakeholders Relationship 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 SEBI (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 SEBI (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 SEBI (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 rupees 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 Rs. 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 SEBI (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, 2020, 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				
		14.05.2019	12.08.2019	14.10.2019	30.01.2020	25.02.2020
1.	Dr. Pradeep Jha	✓	✓	✓	✓	✓
2.	Mr. R. K. Sukhdevsinhji	×	×	×	✓	✓
3.	Mr. Gaurang N. Shah*	✓	✓	Resigned with effect from 12.08.2019		
4.	Mr. Jayprakash M. Patel*	-	×	✓	✓	✓

* Mr. Gaurang N. Shah has resigned as Independent Director and member of the audit committee with effect from August 12, 2019.

* Mr. Jayprakash M. Patel, the Director of the Company was inducted as member of the Audit Committee with effect from August12, 2019.

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 SEBI (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 SEBI (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, 2020, 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			
		14.05.2019	12.08.2019	14.10.2019	30.01.2020
1.	Dr. Pradeep Jha	✓	✓	✓	✓
2.	Mr. R. K. Sukhdevsinhji*	-	-	×	✓
3.	Mr. Gaurang N. Shah*	✓	✓	Resigned with effect from 12.08.2020	
4.	Mr. Jayprakash M. Patel*	-	×	✓	✓

* Mr. H. K. Khan ceased to be director on account of his death on April 20, 2019. In his place Mr. Gokul M. Jaykrishna, the Director of the Company was temporarily inducted as member of the Nomination and Remuneration Committee with effect from May 14, 2019.

* On July 26, 2019 Board of Directors through a circular resolution reconstituted the Nomination and Remuneration Committee by inducting Mr. R. K. Sukhdevsinhji, the Director of the Company as member of the Nomination and Remuneration Committee in place of Mr. Gokul M. Jaykrishna.

* Mr. Gaurang N. Shah has resigned as Independent Director and member of the Nomination and Remuneration Committee with effect from August 12, 2019.

* Mr. Jayprakash M. Patel, the Director of the Company was inducted as member of the Nomination and Remuneration Committee with effect from August12, 2019.

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. 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.

G. 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 Whole-time Directors are as below:

Whole – Time Director	Business relationship with the Company	Remuneration during the year 2019-2020 (inclusive of Perquisites and Commission) (Rs. in Lakhs)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	62.09
Mr. Gokul M. Jaykrishna	Joint Managing Director & CEO	80.96
Mr. Arjun G. Jaykrishna	Executive Director	16.87
Total		**159.92**

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.

H. 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, 2020, 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			
		14.05.2019	12.08.2019	14.10.2019	30.01.2020
1.	Mrs. Paru M. Jaykrishna	✓	✓	✓	✓
2.	Dr. Pradeep Jha	✓	✓	✓	✓
3.	Mr. Gaurang N. Shah*	✓	✓	Resigned with effect from 12/08/2019	
4.	Mr. Jayprakash M. Patel*	-	×	✓	✓

*Mr. Gaurang N. Shah has resigned as Independent Director and member of the Corporate Social Responsibility committee with effect from August 12, 2019.

*Mr. Jayprakash M. Patel, the Director of the Company was inducted as member of the Corporate Social Responsibility Committee with effect from August12, 2019.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

A. Terms of Reference

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

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

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

B. Composition of the Committee

As on March 31, 2020, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Dr. Pradeep Jha, Chairman of the Stakeholder Relationship Committee was present at 29th Annual General Meeting held on September 27, 2019.

C. Secretary

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

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

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			
		14.05.2019	12.08.2019	14.10.2019	30.01.2020
1.	Dr. Pradeep Jha	✓	✓	✓	✓
2.	Mrs. Paru M. Jaykrishna	✓	✓	✓	✓
3.	Mr. Gaurang N. Shah*	✓	✓	Resigned with effect from 12/08/2019	
4.	Mr. Jayprakash M. Patel*	-	×	✓	✓

*Mr. Gaurang N. Shah has resigned as Independent Director and member of the Stakeholder Relationship Committee with effect from August 12, 2019.
*Mr. Jayprakash M. Patel, the Director of the Company was inducted as member of the Stakeholders Relationship Committee with effect from August 12, 2019.

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	:	27
Number of compliant s resolved during the year	:	27
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.

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
2016-17	September 12, 2017	10.30 a.m.	At the Registered Office at "Asahi House", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej – Shilaj Road, Thaltej, Ahmedabad – 380059
2017-18	September 28, 2018	4.00 p.m.	At AMA Seminar Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad – 380015
2018-19	September 27, 2019	11.30 a.m.	At AMA Seminar Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad – 380015

4.2 Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the financial year 2019-2020.

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

At the 26th Annual General Meeting held on September 26, 2016 the following Special Resolutions were passed:

i. Resolution in respect of reappointment of Mrs. Paru M. Jaykrishna (DIN : 00671721), the Chairperson and Managing Director.

At the 27th Annual General Meeting held on September 12, 2017 the following Special Resolutions were passed:

i. Private Placement of Non-Convertible Debenture and/or other debt securities.

At the 28th Annual General Meeting held on September 28, 2018 the following Special Resolutions were passed:

i. Approval for continuation of current term of Mr. H. K. Khan (DIN: 00029713) as an Independent Director of the Company.

ii. Approval for continuation of current term of Mr. R. K. Sukhdevsinhji (DIN: 00372612) as an Independent Director of the Company.

iii. Private Placement of Non-Convertible Debenture and/or other debt securities.

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

i. Reappointment of Mr. Rajkumar Sukhdevsinhji (DIN: 00372612) as an Independent Director of the Company.

ii. Reappointment of Mr. Arvind Goenka (DIN: 00135653) as an Independent Director of the Company.

iii. Reappointment of Dr. Pradeepbhai Jasubhai Jha (DIN: 01539732) as an Independent Director of the Company.

iv Appointment of Mr. Jayprakash Maneklal Patel (DIN00256790) as an Independent Director of the Company.

v. Payment of Managerial Remuneration under Section 197 of the Companies Act, 2013.

vi. Payment of Remuneration to Executive Directors who are promoters or member of Promoter Group.

vii. Private Placement of Non-Convertible Debentures and/or other debt securities.

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

No postal ballot was conducted during the financial year 2019-2020.

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 SEBI (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 SEBI (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 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.

v. The Company intimates to the Stock Exchanges all the price sensitive matter which in its opinion are material and of relevance to the shareholders.

vi. Corporate presentations made to institution investors or to analyst are posted on the Company's website.

vii. Chairperson's communiqué: Printed copy of the Chairperson's speech is distributed to all the shareholders at the Annual General Meeting.

viii. The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including material information having a bearing on the performance / operations of the listed entity or other electronically on BSE's online Portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited.

ix. **SEBI Complaints Redress System (SCORES)**

The investor complaints are processed in a centralised web-based complaints redress system.

The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

x. All disclosures made to the stock exchanges as statutorily required are also available on the Company's website.

xii. Extensive Business Reporting Language (XBRL): XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyse such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) had mandated certain companies to file their Annual Accounts vide this mode. The company has filed its Annual Accounts on MCA through XBRL.

xiii. Ministry of Corporate Affairs: The Company has periodically filed all the necessary documents with the MCA.

6. GENERAL SHAREHOLDER'S INFORMATION

i. 30th Annual General Meeting

Day, Date, Time & Venue	Wednesday, 30th September, 2020 through Video conferencing (VC) or Other Audio Visual Means (OAVM)

ii. Tentative Financial Year Calendar (2020-2021)	Financial Year of the Company	April 1, 2020 to March 31, 2021
	First Quarter Results	On or before August 14, 2020
	Second Quarter Results	On or before November 14, 2020
	Third Quarter Results	On or before February 14, 2021
	Audited Results for the year 2020-2021	On or before May 29, 2021
	30th Annual General Meeting	August/ September, 2021

iii. Dividend	The Board of Directors in their meeting held on February 25, 2020 declared a interim dividend of Rupee 3.00 (30%) per equity share which has been already paid to the members.
iv. Date of Book Closure Closure of Register of Members and Share Transfer Books	September 24, 2020 to September 30, 2020 (both days inclusive) on account of Annual General Meeting .

v. Electronic Voting	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 SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015 members have been provided the facility to exercise their right to vote at the 30th 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, 2020 to 5.00 p.m. IST September 29, 2020, both days inclusive.
vi. Scrutiniser for electronic voting	Mr. Bipin L. Makwana, Practicing Company Secretary (Membership No. ACS15650) has been appointed as the Scrutinizer to scrutinizer the electronic voting process in a fair and transparent manner and to give his report to the Chairperson.
vii. a. Dividend payment date	Within 30 days from the date of declaration.
b. Dividend Policy	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.
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)	The Equity Shares of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). **Name and Address of Stock Exchange** **BSE Limited** P. J. Towers, Dalal Street, Fort, Mumbai - 400 001 **National Stock Exchange of India Ltd** Exchange Plaza, 5th Floor Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051 The Annual Listing Fees for the Financial Year 2020-2021 have been paid to the above stock exchange within the stipulated time.
ix. Stock Code/Symbol	BSE Scrip Code 532853 NSE Scrip Code ASAHISONG
x. Type of Security **Number of paid up shares**	Equity Shares 12,272,262 equity shares of Rs.10/- each fully paid
Market lot of shares	1 Equity Share
xi. Corporate identification Number (CIN) of the Company	The Company's CIN, allotted to the by the Ministry of Corporate Affairs, Government of India is L24222GJ1990PLC014789.
xii. International Securities Identification Number (ISIN)	The Company's scrip form part of Securities Exchange Board of India (SEBI) compulsory demat segment bearing ISIN No. INE228I01012. The name address of depositories are: **National Securities Depository Limited** Trade World, 4th Floor, "A" Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. **Central Depository Services (India) Limited** Marathon Futurex, 25th Floor, N. M. Joshi Marg, Lower Parel (East), Mumbai – 400 013. The Annual Custodial fees for the financial year 2020-21 have been paid to Central Depository Services (India) Limited (CDSL).

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

The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2019-20 on BSE Limited and National Stock Exchange of India Limited are given below:

Month	BSE	BSE Limited			National Stock Exchange of India Limited		
		High (Rs.)	Low (Rs.)	Volume (No of Shares)	High (Rs.)	Low (Rs.)	Volume (No of Shares)
April, 2019	39,031.55	169.50	150.00	4,039	168.90	149.00	52,557
May, 2019	39,714.20	174.00	122.25	11,705	174.90	125.00	138,993
June, 2019	39,394.64	164.00	136.05	5,013	165.00	134.50	48,357
July, 2019	37,481.12	143.40	117.80	10,080	144.60	117.00	55,569
August, 2019	37,332.79	130.00	105.00	20,675	135.00	104.00	76,473
September, 2019	38,667.33	143.00	111.05	18,273	147.00	113.00	100,074
October, 2019	40,129.05	180.30	125.50	38,979	178.00	126.00	198,827
November, 2019	40,793.81	158.95	138.00	15,482	160.00	137.75	72,186
December, 2019	41,253.74	162.25	128.35	26,449	138.00	62.70	453,641
January, 2020	40,723.49	171.00	134.50	68,909	170.00	133.10	561,526
February, 2020	38,297.29	149.05	125.50	55,691	149.70	125.05	307,666
March, 2020	29,468.49	135.55	63.05	85,148	138.00	62.70	453,641

xiv. Performance of the Company' Equity Share vis-a-visa BSE Sensex during 2019-2020

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, 2019 to March 31, 2020. 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 Website: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
Website : www.linkintime.co.in

xv. 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 Automated Clearing House (ACH)

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. 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' "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.

d) 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.

xvi. Corporate Benefits to Shareholders

a) Dividend declared for the last five years

Financial Year	Dividend %	Total Dividend (Rs.)
2019-2020	30	368,16,786
2018-2019	30	36,816,786
2017-2018	30	36,816,786
2016-2017	30	36,816,786
2015-2016	20	24,544,524

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 enchased 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
2012-2013 Final	27/09/2013	01/11/2020
2013-2014 Final	26/09/2014	31/10/2021
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

b) 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 SEBI (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 SEBI (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

xvii. Distribution of shareholding

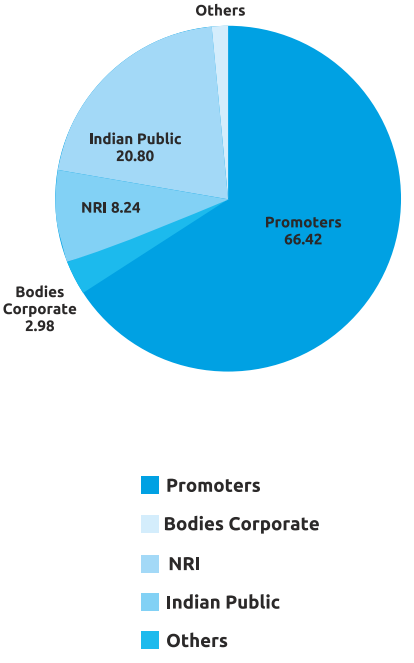
The distribution of shareholding as on March 31, 2020 is as under:

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	5,631	85.64	708,810	5.78
501-1000	468	7.12	370,761	3.02
1001-2000	234	3.56	345,246	2.81
2001-3000	76	1.16	191,821	1.56
3001-4000	35	0.53	123,761	1.01
4001-5000	15	0.23	69,300	0.56
5001-10000	72	1.10	52,658	4.26
10001 and above	44	0.67	9,939,905	80.99
Total	**6,575**	**100.00**	**12,272,262**	**100.00**

b. Shareholding Pattern as on March 31, 2020 (Category wise)

Sr. No.	Category	Number of Holders	Number of Shares	% of Shareholding
A.	**Promoters**			
1.	**Indian Promoters**			
a.	Individuals	1	19,487	0.16
b.	Bodies Corporate	-	-	-
c.	Private Family Trust	2	8,131,820	66.26
2.	**Foreign Promoters**	**-**		
	Total Promoters Holding	**3**	**8,151,307**	**66.42**
B.	**Non Promoters**			
1.	**Institutional Investors**			
a.	Mutual Funds	-	-	-
b.	Banks, Financial Institutions, Insurance Companies	1	7	0.00
c.	Foreign Portfolio Investors	1	29,895	0.24
	Sub Total	**2**	**29,902**	**0.24**
2.	**Non Institutional Investors**			
a.	Bodies Corporate	116	365,412	2.98
b.	NBFC registered with Reserve Bank of India	1	4,000	0.03
c.	Indian Public	5,807	2,550,998	20.80
d.	NRIs/OCBs/Foreign Company	173	1,010,315	8.24
e.	HUF	270	143,580	1.17
f.	IEPF	1	1,669	0.01
g.	Clearing Members	32	15,079	0.12
	Sub Total	**6,400**	**4,091,053**	**33.34**
	Grand Total	**6,405**	**12,272,262**	**100.00**



List of Top Ten Shareholders other than Promoters as on March 31, 2020

Sr. No.	Name of the Shareholder	No of Shares held	% of Total Holding
1.	DIC Corporation	865,200	7.05
2.	D. Srimathi	151,304	1.23
3.	The Property Company Private Limited	57,844	0.47
4.	Rural Engineering Co. Pvt Ltd	45,000	0.36
5.	Kalyani P. Jain	37,587	0.31
6.	Globe Commodities Ltd	34,625	0.28
7.	Pravin Natvarlal Bhagwati	32,174	0.26
8.	Jitendra Natwarlal Shah	30,106	0.25
9.	Gymkhana Partners LP.	29,895	0.24
10.	Globe Capital Market Limited	28,272	0.23

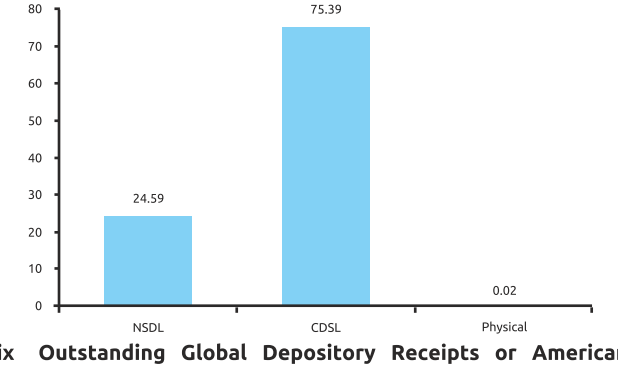
xviii. Dematerialization of Shares and Liquidity

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, 2020. 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, 2020

Particulars	As on March 31, 2020		As on March 31, 2019	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
NSDL	3,01,77,67	24.59	2,115,392	17.23
CDSL	92,52,396	75.39	9,289,571	75.70
Shares in Physical Form	2,099	0.02	867,299	7.07
Total	12,272,262	100.00	12,272,262	100.00

Dematerailastion of Shares



xix 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, 2020, 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, 2020, stands at Rs. 122,722,620 Comprising of 12,272,262 Equity Shares of Rs. 10/- each. There was no change in the issued and paid-up share capital during the year.

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

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

xxi 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, 2020.

During the year, CARE has reaffirmed the "CARE AA-; Stable (Double A Minus; 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.

CARE has reaffirmed "CARE A1+ (A One Plus) indicating very strong degree of safety regarding timely payment of financial obligations for Commercial Paper to be issued carved out of the sanctioned working capital limits of the Company. As at March 31, 2020, outstanding commercial paper was Nil.

xxii. Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013, Mr. Bipin L. Makwana, Practicing Company Secretaries, Ahmedabad has conducted a Secretarial Audit of the Company for the financial year 2019-2020. The Audit Report is annexed to the Board's Report.

xxiii. Location of the Manufacturing facilities

Pigment Blue Plant

437-440, Village : Dhudwad,

ECP Channel Road, Padra,

Vadodara, Gujarat – 391 450.

xxiv. 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
Email: 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
Website : www.linkintime.co.in

xxv. Designated exclusive email-id for Investor servicing:

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 SEBI (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 2019-20, 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 2019-20, 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 SEBI (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 19 (1) and 19 (2) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 for the Quarter June 30, 2019 and September 30, 2019. The Company has paid penalty to the National Stock Exchange of India Limited as per their Invoice.The Company has reconstituted Nomination and Remuneration Committee with effect from July 26, 2019 and complied with the Regulations.

Penalty was levied by Adjudicating Officer appointed by SEBI for Non Compliances in respect of Provisions of Regulation 11 (1) and Regulation 11(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, on various dates during the year 1997, 1998, 2000, 2004 and 2005 by Directors viz.1) Mrs. Paru M. Jaykrishna, 2) Mr. Munjal M. Jaykrishna and 3) Mr. Gokul M. Jaykrishna in respect of acquisition of 20% Shares of M/s. AksharChem (India) Ltd., by them through letter of offer in April, 2011. SEBI has imposed of Rs.8,00,000 (Rupees Eight Lacs Only) penalty Jointly and severally on directors viz 1) Mrs. Paru M. Jaykrishna 2)Mr. Munjal M. Jaykrishna 3) Mr. Gokul M. Jaykrishna, which was paid by them.

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, 2020.

e. Details of compliance with mandatory requirements and adoption of the non mandatory requirements

The Company has fully complied with the mandatory requirements of SEBI (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.

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.

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.

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 SEBI (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

j. Web link on Archival Policy

In Compliance with Regulation 30(8) of SEBI (LODR) 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

k. Web link on Policy for preservation of Documents

In Compliance with Regulation 9 of SEBI (LODR) 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

l. Web link on Policy Determining Materiality of Events

In Compliance with Regulations 30 of SEBI (LODR) 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

III Total fees paid to the Statutory Auditors

Total fees for all services paid by your Company to the Statutory Auditors is Rs. 4.08 Lakh for the financial year 2019-2020.

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

i. Commodity Price Risks and Foreign Exchange Risk and Hedging Activities

The Company is subject to commodity price risks due to fluctuation in prices of crude oil. 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.

j. 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.

k. Non-Compliance of any Requirements of Corporate Governance

As on March 31, 2020, 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 SEBI (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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, during the year under review, penalty was levied by National Stock Exchange of India Limited and BSE Limited for Non-compliance to Regulation 19 (1) and 19 (2) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 for the Quarter June 30, 2019 and September 30, 2019. The Company has paid penalty to the National Stock Exchange of India Limited as per their Invoice.

l. Certification from Company Secretary in Practice

The Company has obtained a certificate from Mr. Bipin L. Makwana, Company Secretaries in Practice, Ahmedabad, in compliance with the provisions of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V Para C clause (10)(i) of the SEBI (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, 2020. Certificate obtained from the Practising Company Secretary, forms part of this Report.

m. 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.

n. 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.

o. Subsidiary Companies

Details of holding/ Details of Holding/ Subsidiary/ Associates Companies (as on 31st March 2020):

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

Regulation 16 of the Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company does not have any unlisted material subsidiary incorporated in India or Out of India.

The subsidiaries of the Company function independently with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the minutes of Board Meetings of subsidiaries are placed before the Board of the Company for its review on a quarterly basis and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board. Pursuant to the explanation under Regulation 16(1)(c) of the Listing Regulations, the Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website of the Company.

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

NON MANDATORY REQURIEMENT

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 SEBI (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 2018-19 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, 2020.

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 06.09.2010 and SEBI Directive no. D&CC/.FITTC/CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and also submitted to the Stock Exchanges where the shares of the Company are listed.

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 SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. Prevention of Insider Trading

The Company has in place a Code of Conduct – Insider Trading to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading (Regulations), 2015. The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Management, staff and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of the Company and cautioning them of the consequences of violations. The Company has placed the revised Code as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 in website of the Company.

14. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance

The Certificate from Mr. Bipin L. Makwana, 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, 2020.

For and on behalf of the Board of Directors

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

Place: Ahmedabad
Date: July 21, 2020

CERTIFICATE BY CEO AND CFO

PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGUALATIONS, 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 (CFO) 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, 2020 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, 2020 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, 2020;
   b. that there have been no significant changes in accounting policies during the year ended March 31, 2020 and that the same have been disclosed in the notes to the financial statements; and
   c. that there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For and behalf of Board
Asahi Songwon Colors Limited

Place :Ahmedabad
Date: June 23, 2020

Utsav Pandwar
Chief Financial Officer

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

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

In terms of requirements under Regulation 26(3) of the SEBI (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, 2020.

For and behalf of Board
Asahi Songwon Colors Limited

Place: Ahmedabad
Date: July 21, 2020

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members,

Asahi Songwon Colors Limited

I have examined the compliance of conditions of Corporate Governance by Asahi Songwon Colors Limited ("the Company"), for the year ended on March 31, 2020, 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 SEBI (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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2020 except in respect of the matters specified below:

All the members of the Nomination and Remuneration Committee are not non-executive directors during the period from 14th May, 2019 to 25th July, 2019 which were not in accordance with the Regulation 19 (1) and (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Company has reconstituted Nomination and Remuneration Committee w.e.f 26/07/2019 and complied with the regulations.

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.

Bipin L. Makwana
Company Secretary in Practice
Membership No. 15650
C. P. No. 5265
UDIN:A015650B000485240

Place: Ahmedabad
Date: July 21, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

Asahi Songwon Colors Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Asahi Songwon Colors Limited having CIN -L24222GJ1990PLC014789 and having registered office at "Asahi House", 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 SEBI (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) 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, 2020 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	Mr. Hamidullah Kabir Khan	00029713	28/11/2006	20/04/2019
8	Mr. Gaurang Navinchandra Shah	00024424	01/09/2007	12/08/2019
9	Dr. Pradeepbhai Jasubhai Jha	01539732	26/08/1997	-
10	Mr. Arjun Gokul Jaykrishna	08548676	14/10/2019	-

*According to the information provided by the Management, The Adjudicating officer appointed by SEBI had imposed penalty vide order dtd. 24/12/2019, amounting to Rs.8 Lacs in aggregate for Non Compliances in respect of Provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 on various dates during the year 1997, 1998, 2000, 2004 and 2005 by Directors viz. 1) Mrs. Paru M. Jaykrishna, 2) Mr. Munjal M. Jaykrishna and 3) Mr. Gokul M. Jaykrishna in respect of acquisition of 20% Shares of M/s. AksharChem (India) Ltd., by them through letter of offer in April, 2011 and the aforesaid directors have paid penalty as per the order dated 24/12/2019 issued by adjudicating officer and the matter is disposed off now.

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 31st March, 2020.

Bipin L. Makwana
Company Secretary in Practice
Membership No. 15650
C. P. No. 5265
UDIN:A015650B000537204

Place: Ahmedabad
Date: July 21, 2020

Independent Auditor's Report

To the Membersof
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 31,2020, 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 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 31,2020, 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.

Emphasis of Matter

We draw attention to Note 50 of the standalone financial statements, which describes that the potential impact of COVID-19 pandemic on the operations and financial statements of the company is dependent on future developments, which are uncertain.

Our opinion is not modified in respect of the above matter.

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 financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
Property, Plant & Equipment (Refer Note No- 3 & 4) The value of property, plant & equipment and capital work-in-progress amounted to Rs. 13,111.53 Lakhs (i.e. 47.45% of total assets) at the Balance Sheet Date March 31, 2020. 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 : - the decision to capitalize or expense costs; - review of estimated useful lives of assets - the timeliness of transfers to property, plant & equipment from capital work-in-progress.	We tested controls in place over the property, plant& 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.
Non Current Investments (Refer Note No- 5) The company has equity investments in subsidiary and other companies. The company carries its investments inequity shares of a listed company at fair value and equity investments in subsidiaries at cost.As at March 31, 2020, total investments amounted to Rs. 2730.16 lakhs and represent 9.88% of total assets. The fair value exercise involves the use of estimates and judgement specifically in respect of unquoted Equity Shares, which are carried at amortized cost. Other investments in equity shares of company carried at fair value through Other Comprehensive Income (FVOCI) were listed on stock exchanges and hence quoted market prices were readily available for fair valuation.	Our audit procedures included updating our understanding of the processes employed by the company for accounting for and valuing their investment portfolio. We reviewed the valuation methods used and discussed with the management regarding the reasonableness of the basis and assumptions used in respect of valuation of unquoted investments. We cross-checked valuation of quoted investments with market rates at the year end.

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
Non Current Investments (Refer Note No- 5) For investments carried at cost where an indication of impairment exists, the carrying value of investment is assessed for impairment and where applicable an impairment provision is recognised, if required, to its recoverable amount.	We tested controls in place over the property, plant& 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.
Physical Verification of Inventories The company's inventories include raw materials, work in progress, finished goods and stores & spares. The company has adequate inventory records and internal control systems over inventory movements. The company has established procedures to carry out physical inventory during the year and at the year-end. However, due to various restrictions imposed under COVID 19 outbreak, physical verification could not be carried out at the year-end, but the same was carried out subsequent to the year-end. At the time of such subsequent verification, it was impracticable for us as auditors to physically attend the inventory counting and hence, alternative audit procedures were performed.	**Principal Audit Procedures** We have carried out alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories which include the followings: - Evaluated the control design in respect of physical inventory verification process and verified whether such controls have operated effectively during verification process. - Obtained sufficient and appropriate audit evidences of existence and condition of physical inventories as carried out by the management during the year and subsequent to the year-end. - Rollback procedures were applied to the inventories verified by the company at subsequent of the year-end to arrive inventories at the year-end.

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).The Other Information is expected to be made available to us after the date of this auditors report.

Our opinion on the standalone financial statements does not cover the Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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 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 polices 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, 2016 (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 31,2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2020 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 financial statements – Refer Note 39 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.

For, **Mahendra N. Shah & Co.,**
Chartered Accountants
ICAI Firm Registration Number: 105775W

Chirag M. Shah
Partner
Membership Number :045706
UDIN : 20045706AAAAEC1295

Date: June 23, 2020
Place: Ahmedabad

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

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, 2020:

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) The company has regular programme of physical verification of by which all Fixed Assets are verified in phased manner over period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
   (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of company.
2. According to information and explanation given to us, the physical verification of inventory has been conducted at reasonable intervals during the year. No material discrepancies were noticed on such physical verification.
3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of Investment. The Company has not granted loan given guarantee or provided security as provided in the section 185 and I86 of the Companies Act, 2013.
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.
7. According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of account, and records :
   (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
   (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 (Rs. In Lakhs)	Period to which the amount relates
Income Tax Act	Income Tax	The Commissioner of Income Tax (Appeals)	27.04	Asst Year 2012-13
Income Tax Act	Income Tax	The Commissioner of Income Tax (Appeals)	31.63	Asst Year 2017-18

8. According to the information and explanations given by the management, the Company has not defaulted in repayment of loan or borrowing to financial institution, bank, government or dues to debenture holders.
9. According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and the term loans during the year.
10. According to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the company by its officers or employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
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 Standalone Financial Statements as required by the applicable Indian accounting standards.
14. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For, **Mahendra N. Shah & Co.,**
Chartered Accountants
ICAI Firm Registration Number: 105775W

Chirag M. Shah
Partner
Membership Number :045706
UDIN : 20045706AAAAEC1295

Date: June 23, 2020
Place: Ahmedabad

ANNEXURE 'B'

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, 2020 in conjunction with our audit of the 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 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 controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 Company's internal financial controls system over financial reporting.

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, 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2020, based on the internal control over financial reporting 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.

For, **Mahendra N. Shah & Co.,**
Chartered Accountants
ICAI Firm Registration Number: 105775W

Chirag M. Shah
Partner
Membership Number :045706
UDIN : 20045706AAAAEC1295

Date: June 23, 2020
Place: Ahmedabad

Standalone Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1) Non-current Assets			
(a) Property, Plant and Equipment	3	12,907.37	15,004.66
(b) Capital work-in-progress	4	204.16	148.00
(c) Financial Assets			
(i) Investments	5	2,730.16	1,417.49
(ii) Loans	6	25.27	123.64
(iii) Others	7	4.47	4.57
(d) Other Non Current assets	8	287.69	10.15
Total Non-current Assets		**16,159.12**	**16,708.51**
2) Current Assets			
(a) Inventories	9	2,920.52	6,224.50
(b) Financial Assets			
(i) Trade receivables	10	5,498.88	5,485.07
(ii) Cash and Cash equivalents	11	39.06	17.53
(iii) Bank balances other than (ii) above	12	153.00	278.00
(iv) Loans	13	4.80	6.26
(v) Others	14	18.59	23.81
(c) Current Tax Assets (Net)	15	151.46	504.37
(d) Other Current Assets	16	1,248.29	1,658.12
Total Current Assets		**10,034.60**	**14,197.66**
3) Assets Held for Sale	3.1	1,435.90	-
TOTAL ASSETS		**27,629.62**	**30,906.17**
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity Share capital	17	1,227.23	1,227.23
(b) Other Equity	18	18,931.06	18,132.26
Total Equity		**20,158.29**	**19,359.49**
2) Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	1,251.83	1,772.84
(b) Provisions	20	226.77	204.80
(c) Deferred tax liabilities (Net)	21	1,079.91	1,871.02
(d) Other Non-Current liabilities	22	0.20	0.20
Total Non Current Liabilities		**2,558.71**	**3,848.86**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	377.96	3,901.14
(ii) Trade payables	24		
Total outstanding dues of Micro and Small Enterprises		32.73	339.29
Total outstanding dues of other than Micro and Small Enterprises		2,364.54	2,779.03
(iii) Other Financial Liabilities	25	525.47	523.87
(b) Other Current Liabilities	26	1,591.26	136.59
(c) Provisions	27	20.66	17.90
Total Current Liabilities		**4,912.62**	**7,697.82**
TOTAL EQUITY AND LIABILITIES		**27,629.62**	**30,906.17**
Significant Accounting Policies	2		
The accompanying notes form an integral part of financial statements			

As per our report of even date attached.

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

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
Date: 23-06-2020

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Utsav Pandwar
Chief Financial Officer

Saji V. Joseph
Company Secretary

Paru M. Jaykrishna
Chairperson & Mg. Director
DIN: 00671721

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

Standalone Statement of Profit & Loss for the year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
I.	Revenue from operations	28	**28,363.98**	29,362.04
II.	Other income	29	**78.42**	4.24
III.	**Total Income (I + II)**		**28,442.40**	**29,366.28**
IV.	**Expenses:**			
	Cost of Materials consumed	30	**14,431.68**	19,883.18
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	**3,049.06**	(2,363.10)
	Purchase of Stock in Trade		**45.02**	-
	Employee benefits expense	32	**942.30**	941.12
	Finance cost	33	**359.74**	517.27
	Depreciation and amortization expense	34	**831.69**	816.12
	Other Expenses	35	**6,456.07**	6,947.39
	Total expenses (IV)		**26,115.56**	26,741.98
V.	**Profit before Exceptional items and tax expenses (III - IV)**		**2,326.84**	2,624.30
VI.	Exceptional items		**-**	-
VII.	**Profit before tax expenses (V - VI)**		**2,326.84**	2,624.30
VIII.	**Tax expense:**			
	Current tax		**635.00**	693.00
	Deferred tax		**(590.65)**	101.80
IX.	**Profit for the year (VII - VIII)**		**2,282.49**	1,829.50
X.	**Other Comprehensive Income**	36		
	(i) Items that will not be reclassified to profit or loss		**(723.83)**	(292.64)
	Income Tax relating to Items that will not be reclassified to profit or loss		**182.19**	102.31
	(ii) Items that will be reclassified to profit or loss		**(72.64)**	-
	Income Tax relating to Items that will be reclassified to profit or loss		**18.28**	-
	Other Comprehensive Income for the year		**(596.00)**	(190.33)
XI.	**Total Comprehensive Income for the year**		**1,686.49**	1,639.17
XII.	**Earnings per equity share: (face value of Rs. 10/- each)**	37		
	Basic		**18.60**	14.91
	Diluted		**18.60**	14.91
Significant Accounting Policies		2		
The accompanying notes form an integral part of financial statements				

As per our report of even date attached.

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

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
Date: 23-06-2020

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Utsav Pandwar
Chief Financial Officer

Saji V. Joseph
Company Secretary

Paru M. Jaykrishna
Chairperson & Mg. Director
DIN: 00671721

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

Statement of Changes In Equity

(₹ in Lakhs)

A. Equity Share Capital

Note	Amount
As at April 01, 2018	1,227.23
Issued during the year	-
As at March 31, 2019	**1,227.23**
Issued during the year	-
As at March 31, 2020	**1,227.23**

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Other Components of Equity		Total
	Securities Premium	General Reserve	Retained Earning	Equity Instruments through Other Comprehensive Income	Effective portion of gain or loss on cash flow hedges	
Balance as at April 01, 2018	1,507.17	2,787.00	12,649.82	-	(7.05)	16,936.94
Profit for the year	-	-	1,829.50	-	-	1,829.50
Other Comprehensive Income	-	-	8.39	(198.72)	-	(190.33)
Total comprehensive income for the year	**-**	**-**	**1,837.89**	**(198.72)**	**-**	**1,639.17**
Dividend paid (Including Tax thereon)	-	-	(443.84)	-	-	(443.84)
Balance as at March 31, 2019	**1,507.17**	**2,787.00**	**14,043.87**	**(198.72)**	**(7.05)**	**18,132.26**
Balance as at April 01, 2019	**1,507.17**	**2,787.00**	**14,043.87**		**(7.05)**	**18,132.26**
Profit for the year	-	-	2,282.49	-	-	2,282.49
Other Comprehensive Income	-	-	(3.93)	(519.43)	(72.64)	(596.00)
Total comprehensive income for the year	-	-	2,278.56	(519.43)	(72.64)	1,686.49
Dividend paid (Including Tax thereon)	-	-	(887.69)	-	-	(887.69)
Balance as at March 31, 2020	**1,507.17**	**2,787.00**	**15,434.74**	**(519.43)**	**(79.69)**	**18,931.06**

As per our report of even date attached.

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

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
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Jt. Managing Director & CEO
DIN: 00671652

Cash Flow Statement for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A. Cash Flow from Operating Activities				
Profit Before Tax		**2,326.84**		2,624.29
Adjustments for :				
Depreciation and Amortisation Expense	**831.69**		816.12	
Finance Cost	**359.74**		517.27	
Loss on sale of Property, Plant and Equipment	**-**		77.21	
Interest Income	**(22.17)**		(25.61)	
Profit / (Loss) from sale of Current Investment	**10.44**		-	
Dividend Income	**(3.52)**	**1,176.18**	(3.32)	1,381.67
Operating Profit Before Working Capital Changes		**3,503.02**		4,005.96
Working Capital Changes				
Adjustments for				
(Increase)/Decrease Trade receivables	**(13.81)**		2,464.04	
Changes in MTM Gain / Loss	**(72.64)**		-	
(Increase)/Decrease Inventories	**3,303.98**		(2,588.26)	
Increase/ (Decrease) Trade payables	**758.81**		(778.76)	
Changes in Loans, Current and Financial Liability	**233.51**	**4,209.85**	310.54	(592.44)
Net Cash Flow Generated from Operating Activities		**7,712.87**		3,413.52
Direct taxes paid (Net)	**(282.09)**		(707.08)	
		(282.09)		(707.08)
Net Cash Flow from Operating Activities		**7,430.78**		2,706.45
B. Cash Flow from Investing Activities				
Purchase of Property, Plant & Equipment	**(226.46)**		(475.64)	
Proceeds from sale of Property, Plant & Equipment	**-**		36.94	
Consideratin for Acquisition of Control in Subsidiary	**(1,457.10)**		-	
Purchase of Non Current Investments	**(1,908.38)**		(517.75)	
Sale of Non Current Investments	**1,322.47**		693.68	
Margin money deposit (placed) / matured	**125.00**		(53.00)	
Interest and Other Income	**25.69**		28.93	
Net Cash Flow from (used in) Investing Activities		**(2,118.78)**		(286.84)

Cash Flow Statement for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
C. Cash Flow from Financing Activities				
Availment of long term borrowings	-		364.41	
Repayment of long term borrowings	**(519.30)**		(616.31)	
Availment/(Repayment) Short term borrowings	**(3,523.18)**		(1,205.66)	
Payment of Dividend (including Dividend Distribution Tax)	**(887.69)**		(443.85)	
Unclaimed dividend paid	**(0.56)**		(1.16)	
Interest Paid	**(359.74)**		(517.27)	
Net Cash Flow from (used in) Financing Activities		**(5,290.47)**		(2,419.84)
Net increase / (decrease) in cash and cash equivalents		**21.53**		(0.23)
Cash and cash equivalent at the beginning of the year		**17.53**		17.76
Cash and cash equivalent at the end of the year		**39.06**		17.53
Notes to Cash Flow Statement:				
1. Reconciliation of cash and cash equivalent with the Balance Sheet				
Cash and cash equivalent as per balance Sheet: (refer Note - 11)		**39.06**		17.53
		39.06		17.53
2. Components of cash and cash equivalents:				
Cash on hand		**8.67**		8.94
In current accounts		**30.39**		8.59
		39.06		17.53

3. Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.
4. 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.

As per our report of even date attached.

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

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
Date: 23-06-2020

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Utsav Pandwar
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Chairperson & Mg. Director
DIN: 00671721

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

Accounting Policies (Contd.)

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, 2020 present the financial position of the Company.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorized for issue on June 23, 2020.

2. Significant Accounting Policies.

2.1 Basis of Preparation of Financial Statements

The principal accounting polices 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 INR and all values are rounded to the nearest Lakh (INR 1,00,000) as per the requirement of Schedule III, unless otherwise stated.

2.2 Use of Estimates

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 stimates. 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.

2.2.1 Critical accounting estimates

a. 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

Accounting Policies (Contd.)

and internal factors including historical experience, relative efficiency and operating costs and change in technology.

b. Income 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.

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 lessaccumulated 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 arsing 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

Accounting Policies (Contd.)

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

(i) Under Ind AS 116 Leases:
Effective from April 1, 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on April 1, 2019 using the modified retrospective method on the date of initial application i.e. April 1, 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease are recognized payments associated with these leases as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct

Accounting Policies (Contd.)

costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be amortised over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method

(i) Under Ind AS 17 Leases:
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:
Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowing or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from lessor) are charged to profit or loss on straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor:
Lease income from operating leases where the Company is a lessor is recognised in other income on straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Deposits provided to Lessor:
The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors.

Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of deposit is recognised as lease prepayments. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

Subsequent to initial recognition, the security deposit is measured at amortised cost using the effective interest method with carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognised as interest income. The lease repayment is amortised on straight-line basis over the lease term as lease rentals expense.

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.

Accounting Policies (Contd.)

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

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

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

Accounting Policies (Contd.)

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.

c) Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

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

Accounting Policies (Contd.)

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 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 after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.14 Revenue Recognition (IND AS 18)

Effective April 1, 2018, the Company has applied Ind AS 115 "Revenue from Contracts with Customers", which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 "Revenue". The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc.

Sale of Goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customers and there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue from sales excludes GST. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services

Revenue from rendering of services is recognized as per the terms of the contract with customers when related services are performed and when the outcome of the transactions involving rendering of services can be estimated reliably.

Dividend Income

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest Income

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

2.15 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.

Accounting Policies (Contd.)

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

2.16 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.

2.17 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.

2.18 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.

2.19 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.

Accounting Policies (Contd.)

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.

2.20 Recognition of dividend income, interest income or expense

Dividend income is recognized in profit or loss on the date on which the company's right to receive payment is established.

Interest income or expense is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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

Accounting Policies (Contd.)

- 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.

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.

Notes Forming Part of the Standalone Financial Statements

3. PROPERTY, PLANT AND EQUIPMENTS

(₹ in Lakhs)

Particular	Land	Leasehold Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Amount as on April 1, 2018	406.56	3.70	1,296.07	13,610.51	90.95	311.80	63.31	15,782.90
Additions	2.67	3,464.25	55.71	1,730.60	2.17	20.09	10.95	5,286.44
Deduction & Adjustment	-	-	-	249.47	-	9.89	-	259.36
Balance as at March 31, 2019	409.23	3,467.95	1,351.78	15,091.64	93.12	322.00	74.26	20,809.98
Additions	-	5.33	-	132.29	0.18	30.10	2.40	170.30
Deduction & Adjustment	-	1,435.90	-	-	-	-	-	1,435.90
Balance as at March 31, 2020	**409.23**	**2,037.38**	**1,351.78**	**15,223.93**	**93.30**	**352.10**	**76.66**	**19,544.38**
Accumulated Depreciation								
Balance as at April 1, 2018	-	-	424.47	4,571.18	39.64	75.12	38.04	5,148.45
Deduction & Adjustment	-	-	-	-	-	-	-	-
Depreciaton for the period	-	-	51.14	711.58	7.44	37.64	8.32	816.12
Deduction on Disposal	-	-	-	(153.97)	-	(5.28)	-	(159.25)
Balance as at March 31, 2019	-	-	475.61	5,128.79	47.08	107.48	46.36	5,805.32
Deduction & Adjustment	-	-	-	-	-	-	-	
Depreciaton for the period	-	-	48.51	728.45	7.31	38.79	8.63	831.69
Deduction on Disposal	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**-**	**-**	**524.12**	**5,857.24**	**54.39**	**146.27**	**54.99**	**6,637.01**
Net carrying amount								
Balance as at March 31, 2019	409.23	3,467.95	876.17	9,962.85	46.04	214.52	27.90	15,004.66
Balance as at March 31, 2020	**409.23**	**2,037.38**	**827.66**	**9,366.69**	**38.91**	**205.83**	**21.67**	**12,907.37**

3.1 ASSETS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Leasehold Land - Dahej, Gujarat	**1,435.90**	-
Total	**1,435.90**	-

Note: During the year the company had Identyfied leas hold land of Rs. 1435.90 Lakhs which has been moved from leas hold land asset held for sale. The Company expect to dispose of this land over the course of next 12 months.

4. CAPITAL WORK IN PROGESSS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Tangible Assets	**204.16**	148.00
Total	**204.16**	148.00

5. NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particular	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs.	No. of Shares	Rs.
Investment in Equity Instruments at Fair Value through Other Comprehensive income				
Quoted, Fully Paid up				
Equity Shares of Rs. 10/- each of Sun Pharma Advance Research Company Limited	**1,40,000**	**135.10**	1,40,000	268.80
Equity Shares of Rs. 10/- each of Eclerx Services Limited	**12,367**	**45.35**	12,890	148.42
Equity Shares of Rs. 5/- each of Godrej Properties Limited	**70,000**	**421.93**	70,000	570.05
Equity Shares of Rs. 5/- each of Gokaldas Exports Limited	**1,00,000**	**32.50**	1,00,000	93.30
Equity Shares of Rs. 1/- each of NOCIL Limited	**15,000**	**9.87**	15,000	22.07
Equity Shares of Rs. 10/- each of Ujjivan Finacial Services Limited	**40,000**	**59.42**	40,000	139.18
Equity Shares of Rs. 10/- each of Can Fin Homes Limited	**21,950**	**61.22**	36,000	125.48

Notes Forming Part of the Standalone Financial Statements

5. NON CURRENT INVESTMENTS (Contd.)

(₹ in Lakhs)

Particular	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity Shares of Rs. 2/- each of Federal Bank Limited	1,00,000	41.05	-	-
Equity Shares of Rs. 10/- each of Ujjivan Small Bank Finance Limited	1,00,000	27.40	-	
Equity Shares of Rs. 10/- The Anup Engineering Limited	45,627	142.10	-	-
Equity Shares of Rs. 1/- each of Marico Limited	30,000	82.46	-	-
Equity Shares of Rs. 1/- each of Godrej Consumer Products Limited	4,000	20.83	-	-
Equity Shares of Rs. 1/- each of H G Infra Engineering Limited	20,000	34.25	-	-
Equity Shares of Rs. 1/- each of HDFC Bank Limited	2,000	17.24	-	-
Equity Shares of Rs. 1/- each of HDFC Life Insurance Company Limited	15,000	66.24	-	-
Equity Shares of Rs. 1/- each of Housing Development Finance Corporation Limited	1,000	16.30	-	-
Equity Shares of Rs. 2/- each of Bharat Heavy Electricals Limited	45,000	9.36	-	-
Total of Quoted Equity Instruments	**7,61,944**	**1,222.62**	**4,13,890**	**1,367.30**
Unquoted Equity instruments (Valued At Cost)				
Shares of Rs. 10/- each of Swadesh Essfil Private Limited @ premium of Rs. 573.94 per share	3,425	20.00	3,425	20.00
Investments in Subsidiary Company				
Shares of Rs. 10/- each of Asahi Tennants Color Pvt Ltd	1,45,71,000	1,457.10	-	-
Total of Unquoted Equity Instruments	**1,45,74,425**	**1,477.10**	**3,425**	**20.00**
Unquoted Debentures and Preference Shares (Valued at Cost)				
Compulsory Convertible Debentures of Rs. 100/- each of Smart Institute Private Limited	30,000	30.00	30,000	30.00
Equity Shares of Bhadreshwar Vidyut Private Ltd. of Rs. 10/- each at discounted value of Rs.0.19 per Share	2,31,000	0.44	98,000	0.19
Total of Unquoted Instruments	**2,61,000**	**30.44**	**1,28,000**	**30.19**
Total Non Current Investments	**1,55,97,369**	**2,730.16**	**5,45,315**	**1,417.49**

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate amount of quoted investments	1,222.62	1,367.30
Aggregate market value of quoted investments	1,222.62	1,367.30
Aggregate amount of unquoted investments	1,507.54	50.19

6. NON CURRENT LOANS

Unsecured, Considered good

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Security Deposits	25.27	123.64
Total	**25.27**	123.64

7. Other Non Current Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Earmarked balance for Unpaid Dividend	4.47	4.57
Total	4.47	4.57

Notes Forming Part of the Standalone Financial Statements

8. OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Advances to Capital Goods Suppliers	**287.69**	10.15
Total	**287.69**	10.15

9. INVENTORIES (At lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Raw materials	**1,317.25**	1,510.50
b. Work in progress	**83.24**	181.61
c. Finished goods	**988.28**	3,146.65
d. Finished Goods in Transit	**225.63**	1,017.96
e. Stores and spares	**270.27**	344.63
f. Fuel & Oil	**35.85**	23.15
Total	**2,920.52**	6,224.50

10. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered good	**5,498.88**	5,485.07
Total	**5,498.88**	5,485.07

11. CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Banks in Current accounts	**30.39**	8.94
Cash on hand	**8.67**	8.59
Total	**39.06**	17.53

12. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Term Deposits with Bank as Margin Money against Letters of Credit, Bank Guarantees and Collateral Security	**153.00**	278.00
Total	**153.00**	278.00

13. CURRENT LOANS

Unsecured, Considered good

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans to Employees	**4.80**	6.26
Total	**4.80**	6.26

Notes Forming Part of the Standalone Financial Statements

14. OTHERS CURRENT FINANCIALS ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on deposits	**18.59**	23.81
Unpaid Dividends	**-**	-
Total	**18.59**	23.81

15. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance payment of tax (Net)	**151.46**	504.37
Total	**151.46**	504.37

16. OTHERS CURRENT ASSETS (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with government authorities	**1,064.84**	1,543.25
Inter Corporate Deposits	**-**	25.00
Prepaid expenses	**62.56**	49.49
Advances Other than Capital Advances	**120.89**	40.38
Total	**1,248.29**	1,658.12

17. SHARE CAPITAL

(₹ in Lakhs)

Particular	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs.	No. of Shares	Rs.
Authorised:				
Equity Shares of Rs. 10 each	**1,65,00,000**	**1,650.00**	1,65,00,000	1,650.00
Issued & Subscribed and Fully Paid Up				
Equity Shares of Rs. 10 each	**1,22,72,262**	**1,227.23**	1,22,72,262	1,227.23
Total	**1,22,72,262**	**1,227.23**	1,22,72,262	1,227.23

17.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(₹ in Lakhs)

Particular	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity Shares				
At the beginning of the period	**1,22,72,262**	**1,227.23**	1,22,72,262	1,227.23
Add : Issued during the period	**-**	**-**	-	-
Outstanding at the end of the period	**1,22,72,262**	**1,227.23**	1,22,72,262	1,227.23

17.2 Terms / rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 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.

17.3 Shares held by holding / ultimate holding company / or their subsidiaries / associates: Not Applicable

Notes Forming Part of the Standalone Financial Statements

17.4 Details of shares in the Company held by each shareholder holding in the company more than 5 percent shares. (₹ in Lakhs)

Particular	As at March 31, 2020		As at March 31, 2019	
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding
Mrugesh Jaykrishna Family Trust - 1	**53,79,811**	**43.84**	53,23,811	43.38
Gokul M. Jaykrishna Family Trust	**27,52,009**	**22.42**	27,52,009	22.42
DIC Corporation	**8,65,200**	**7.05**	8,65,200	7.05
	89,97,020	**73.31**	89,41,020	72.85

17.5 Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash: NIL

17.6 Aggregate number and class of shares allotted as fully paid by way of Bonus Shares: NIL

17.7 Aggregate number and class of shares bought back: NIL

17.8 Securities which are convertible into Equity Shares: NIL

17.9 Aggregate Value of Calls unpaid by directors and officiers: NIL

18. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium		
Balance as per last year	**1,507.17**	1,507.17
Add: Appropriations From Current year's Profit	**-**	-
Balance at the end of the Year	**1,507.17**	1,507.17
General Reserve		
Balance as per last year	**2,787.00**	2,787.00
Add: Appropriations From Current year's Profit	**-**	-
Balance at the end of the Year	**2,787.00**	2,787.00
Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	**13,838.10**	12,642.77
Add: Profit after tax for the Year	**2,282.49**	1,829.50
Re-measerement of Defined Benefit Plan	**(3.93)**	8.39
Mark to Market Forex gain (Loss)	**(72.64)**	-
Loss on Investments - Fair Value through OCI	**(719.90)**	(301.03)
Income Tax that will not be reclassified to Profit and Loss	**200.47**	102.31
Amount available for Approriation	**15,524.59**	14,281.94
Less:Appropriations		
Dividend	**736.33**	368.16
Dividend Disribution Tax	**151.36**	75.68
Total Appropriation	**887.69**	443.84
Balance at the end of the Year	**14,636.90**	13,838.10
Total	**18,931.06**	18,132.26

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.

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.

Notes Forming Part of the Standalone Financial Statements

19. NON CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
a. Term Loans from Banks		
From State Bank of India	**-**	-
Net of Repayable in one year considered as Current Borowwings (Refer Note: 25)		
From Federal Bank Ltd.	**1,250.00**	1,750.00
Net of Repayable in one year considered as Current Borowwings (Refer Note: 25)	**-**	-
b. Other		
Vehicle Loan	**1.83**	22.84
Net of Repayable in one year considered as Current Borowwings (Refer Note: 25)		
Total	**1,251.83**	1,772.84

I.a Indian Rupee Term loan from Banks(Other than Vehicle Loans) 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.

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 Vehicle loans are secured by hypothecation of concerned vehicles.

I.c **Term of Repayment.**

i Term loan from State Bank of India amounting to Rs. Nil (Previous Year Rs. Nil)

ii Term Loan from Federal Bank Ltd. Rs. 175,000,000/- (Previous year Rs. 225,000,000/-), Repayable in 14 equal Instalments of Rs. 12,500,000/-.

iii Vehicle loans are repayable in equal monthly installment over the terms of 13 installments (Previous Year 25 installments.)

iv There was no default in repayment of loan or interest.

20. NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provisions for employees benefits		
Provision for Gratuity	**226.77**	204.80
Total	**226.77**	204.80

20. NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Deferred Tax Liabilities		
Opening Balance	**1,959.02**	1,950.02
Accumulated depreciation	**(616.37)**	196.86
Other comprehensive income from investments	**(200.47)**	(187.86)
	1,142.18	1,959.02
b. Deferred Tax Assets		
Opening Balance	**88.00**	78.48
Defined benefit plan for employees	**(25.73)**	9.52
	62.27	88.00
Liabilities (Net)	**1,079.91**	1,871.02

Notes Forming Part of the Standalone Financial Statements

22. OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits from customers	**0.20**	0.20
Other Non Current Liabilities	**0.20**	0.20

23. CURRENT BORROWING

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans *		
Loans repayable on demand from bank		
From State Bank of India		
Working Capital Loans	**377.96**	2,701.14
From Federal Bank Ltd		
Working Capital Loans	**-**	1,200.00
Total	**377.96**	3,901.14

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.
- First Charge by way of Hypothecation of Wind Mill with all it's accessories purchased out of Bank Finance situated at 308 / P Moti Sindholi, Kutch, Gujarat.
- Lien of TDR worth of Rs. 25 Lakhs.

24. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payable		
Dues to Micro and Small Enterprises	**32.73**	339.29
Dues to other than Micro and Small Enterprises	**2,364.54**	2,779.03
Total	**2,397.27**	3,118.32

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

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Principal amount remaining unpaid to any supplier as at the end of accounting year	**32.73**	339.29
b. Interest due and remaining unapid 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	**-**	-
Total	**32.73**	339.29

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.

Notes Forming Part of the Standalone Financial Statements

25. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Unpaid Dividends #	**4.47**	4.57
b. Current maturities of long term borrowings (Refer Note: 19)	**521.00**	519.30
Total	**525.47**	523.87

The Company has transferred Rs. 56,062/-(Previous Year Rs. 116,314/-) to the Investors Education and Protection Fund (IEPF) during the year.

26. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Other payables		
Advances from customers	**1,463.32**	0.51
Statutory liabilities	**36.03**	34.24
Payable for fixed assets	**35.57**	43.32
Other Current liabilities and payables	**56.34**	58.52
Total	**1,591.26**	136.59

27. CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity (Refer Note: 20)	**20.66**	17.90
Total	**20.66**	17.90

28. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Reveune from Sale of Products		
a. Export Sales	**17,971.67**	18,872.94
b. Domestic Sales	**9,428.46**	9,690.72
Total Sale of Products	**27,400.13**	28,563.66
c. Other operating revenues		
Export incentives	**332.46**	373.39
Interest Income on FDR	**22.17**	25.61
Other Operating Income	**609.22**	399.38
Total - Other Operating revenues	**963.85**	798.38
Total	**28,363.98**	29,362.04

29. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Dividend Income	**3.52**	3.32
b. Others	**74.90**	0.92
Total	**78.42**	4.24

Notes Forming Part of the Standalone Financial Statements

30. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Raw Materials		
Opening Stock	**1,337.08**	1,191.04
Add : Purchases	**13,848.28**	19,682.61
	15,185.36	20,873.65
Less : Closing Stock	**1,092.48**	1,337.08
Cost of Raw Material Consumed	**14,092.88**	19,536.57
b. Packing Material		
Opening Stock	**100.51**	86.37
Add : Purchases	**294.53**	360.75
	395.04	447.12
Less : Closing Stock	**56.24**	100.51
Cost of Packing Material Consumed	**338.80**	346.61
Cost of Total material consumed	**14,431.68**	19,883.18

31. CHANGES IN INVENTORIES OF FINISHED GOODS,STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Inventories at the end of the year		
Finished goods	**1,213.91**	4,164.60
Work-in-progress	**83.24**	181.61
Total	**1,297.15**	4,346.21
b. Inventories at the beginning of the year		
Finished goods	**4,164.60**	1,705.93
Work-in-progress	**181.61**	277.18
Total	**4,346.21**	1,983.11
Net (Increase) / decrease	**3,049.06**	(2,363.10)

32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Salaries, Wages & Bonus *	**712.33**	705.06
b. Contribution to Provident and other funds	**37.69**	37.56
c. Staff welfare expenses	**32.36**	38.81
d. Directors Remuneration including perquisites and commission	**159.92**	159.69
Total	**942.30**	941.12

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

Notes Forming Part of the Standalone Financial Statements

33. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Interest		
Term Loans *	**141.66**	152.83
Working Capitals	**172.24**	284.58
b. Other Financial Costs		
Bank and other charges	**45.84**	79.86
Total	**359.74**	517.27

* Interest on long-term borrowings, Rs Nil/- (Previous year Rs. 4,159,611/-) is capitalised being the interest pertaining to the erection and construction period.

34. DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation and amortization for the year on tangible assets	**831.69**	816.12
Depreciation and amortization relating to continuing operations	**831.69**	816.12

35. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	**3225.95**	3677.87
Consumption of Stores and Spare parts	**301.59**	332.46
Pollution Treatment Expenses	**488.07**	537.47
Repairs to Machinery	**164.13**	224.82
Repairs to Building	**18.56**	42.29
Repairs to Other Assets	**9.67**	17.35
Manufacturing & Labour Charges	**887.09**	833.09
Freight and forwarding Expenses	**674.20**	446.42
Other Selling and Distribution Expenses	**85.75**	224.98
Rent	**34.97**	33.34
Rates & Taxes (excluding taxes on income)	**6.48**	3.30
Insurance	**28.18**	15.60
Travelling, Conveyance & Vehicle Expenses	**53.49**	43.64
Directors Travelling Expenses	**121.96**	116.10
Auditors Remuneration *	**4.08**	2.82
Directors Sitting Fees	**1.52**	0.33
Legal & Professional Expenses	**87.12**	77.81
General Charges	**68.07**	60.58
Research and Development Expenses (Refer Note: 41)	**94.97**	110.00
Donation	**5.48**	-
Expenditure towards Corporate Social Responsibility activities	**67.70**	69.91
Inter Corporate Deposit written off	**27.04**	-
Loss on sales of Property , Plant & Equipments	**-**	77.21
Total	**6,456.07**	6,947.39

Notes Forming Part of the Standalone Financial Statements

35.1 *Payment to Auditors

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit fees	**2.75**	2.50
Out of pocket expenses	**0.05**	0.01
Others (Certification work)	**1.28**	0.31
Total	**4.08**	2.82

36. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Items that will not be reclassified to Profit and Loss		
Other comprehensive Income / (Expense) FVOCI	**(719.90)**	(301.03)
Re-measerement of Defined Benefit Plan	**(3.93)**	8.39
Income Tax relating to Items that will not be reclassified to profit or loss	**182.19**	102.31
Items that will be reclassified to profit or loss		
Mark to Market Forex gain (Loss)	**(72.64)**	-
Income Tax that will be reclassified to Profit and Loss	**18.28**	-
	(596.00)	(190.33)

37. EARNING PER SHARE

(₹ in Lakhs)

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:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) for the year	**2,282.49**	1,829.50
Net Profit / (Loss) attributable to Equity Shareholders	**2,282.49**	1,829.50
Profit / (Loss) after taxation before Extra Ordinary Items	**2,282.49**	1,829.50
Number of Equity Shares for Basic EPS	**1,22,72,262**	1,22,72,262
Number of Equity Shares for Diluted EPS	**1,22,72,262**	1,22,72,262
Nominal Value Per Share	**10**	10
Basic Earning Per Share	**18.60**	14.91
Diluted Earning Per Share	**18.60**	14.91

38. INCOME TAXES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. The major components of income tax expense for the year as under:		
Current tax		
In respect of current year	**635.00**	693.00
Deferred tax		
In respect of Accumulated Depreciation	**(616.37)**	196.87
In respect of Other comprehensive income from investments	**-**	(85.55)
In respect of defined benefit plan for emloyees	**25.72**	(9.52)
Total deferred tax	**(590.65)**	101.80
Total tax expenes charged to statement of Profit and Loss	**44.35**	794.80

Notes Forming Part of the Standalone Financial Statements

38. INCOME TAXES (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
B. RECONCILIATION OF EFFECTIVE TAX RATE		
Applicable Tax Rate *	**25.168%**	34.944%
Profit before tax	**2,326.84**	2,624.29
Income not considered for tax purpose	**(596.00)**	(1,985.81)
Expenses not allowed for tax purpose	**783.68**	1,343.83
Tax payable at lower rate	**-**	-
Net Taxable income for the year	**2,514.52**	1,982.31
Effective Tax for the year	**632.85**	692.70
Effective tax at lower rate	**-**	-
Total current tax calculated for the year	**632.85**	692.70
Excess provision	**2.15**	0.30
Effective current tax rate for the year	**27.20%**	26.40%

* The Company has adopted option available under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, tax expenses, deferred tax assets / liabilities have been recomputed and impact of this has been recognised in the quarter ended on December 31, 2019 and also in current quarter and year ended March 31, 2020.

39. CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Contingent Liabilities		
In respect of Income tax	**58.68**	-
Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year	**549.95**	1,020.89

40. CAPITAL COMMITMENT

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Capital Commitment		
Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods / Capital work in progress	**350.00**	8.72

41. RESEARCH AND DEVELOPEMENT

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Capital Goods		
Machinery and Equipments for Research Laboratory	**-**	7.51
Total Capital Expenditure	**-**	7.51
Revenue Expenses		
Salaries & Wages	**77.94**	97.71
Laboratory Chemicals and other goods	**15.58**	9.27
Stationery	**-**	0.05
Conusmable stores	**0.31**	0.91
Travelling Expenses	**-**	0.34
Conveyance Expenses	**-**	0.45
Testing Expenses	**0.55**	-
Seminar for R & D	**-**	-
Sampling Expenses	**0.58**	0.81
Electricity Expenses	**-**	0.47
Total Revenue Expenditure	**94.97**	110.00
Total Expenditure towards R & D	**94.97**	117.51

Notes Forming Part of the Standalone Financial Statements

42. Employees Benefits

(₹ in Lakhs)

In compliance with the Accounting Standard on "Employee Benefits" (AS 19) notified by Companies (Accounting Standards) Rules, 2006, the following disclosures have been made:

1 **Defined Contribution Plan: The Company has recognized the following amount as an expense:**		
	March 31, 2020	**March 31, 2019**
Contribution to Provident and other Funds	**37.69**	37.55

2 **Defined Benefit Plan Table Showing Change in the Present Value of Projected Benefit Obligation**		
	March 31, 2020	**March 31, 2019**
Present Value of Benefit Obligation at the Beginning of the Period	**222.70**	206.90
Interest Cost	**17.00**	16.24
Current Service Cost	**13.13**	8.83
Past Service Cost	**-**	-
Liability Transferred In/ Acquisitions	**-**	-
(Liability Transferred Out/ Divestments)	**(0.90)**	-
(Gains)/ Losses on Curtailment	**-**	-
(Liabilities Extinguished on Settlement)	**-**	-
(Benefit Paid Directly by the Employer)	**(8.43)**	(0.88)
(Benefit Paid From the Fund)	**-**	-
The Effect Of Changes in Foreign Exchange Rates	**-**	-
"Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions"	**(0.01)**	-
"Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions"	**14.52**	0.85
Actuarial (Gains)/Losses on Obligations - Due to Experience	**(10.58)**	(9.24)
Present Value of Benefit Obligation at the End of the Period	**247.43**	222.70
Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	**(247.43)**	(222.70)
Fair Value of Plan Assets at the end of the Period	**-**	-
Funded Status (Surplus/ (Deficit))	**(247.43)**	(222.70)
Net (Liability)/Asset Recognized in the Balance Sheet	**(247.43)**	(222.70)
Net Interest Cost for Current Period		
Present Value of Benefit Obligation at the Beginning of the Period	**222.70**	206.90
(Fair Value of Plan Assets at the Beginning of the Period)	**-**	-
Net Liability/(Asset) at the Beginning	**206.90**	206.90
Interest Cost	**17.00**	16.24
(Interest Income)	**-**	-
Net Interest Cost for Current Period	**17.00**	16.24
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	**13.13**	8.83
Net Interest Cost	**17.00**	16.24
Past Service Cost	**-**	-
(Expected Contributions by the Employees)	**-**	-
(Gains)/Losses on Curtailments And Settlements	**-**	-
Transfer In / (Out)	**(0.90)**	-
Expenses Recognized	**29.23**	25.07

Notes Forming Part of the Standalone Financial Statements

42. Employees Benefits (Contd.)

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	**3.93**	(8.39)
Return on Plan Assets, Excluding Interest Income	**-**	-
Change in Asset Ceiling	**-**	-
Net (Income)/Expense For the Period Recognized in OCI	**3.93**	(8.39)
Balance Sheet Reconciliation		
Opening Net Liability	**222.70**	206.90
Expenses Recognized in Statement of Profit or Loss	**29.23**	25.07
Expenses Recognized in OCI	**3.93**	(8.39)
Net Liability/(Asset) Transfer In	**-**	-
Net (Liability)/Asset Transfer Out	**-**	-
(Benefit Paid Directly by the Employer)	**(8.43)**	(0.88)
(Employer's Contribution)	**-**	-
Net Liability/(Asset) Recognized in the Balance Sheet	**247.43**	222.70
Other Details		
No of Active Members	**140**	146
Per Month Salary For Active Members	**33.69**	29.49
Weighted Average Duration of the Projected Benefit Obligation	**9**	8
Average Expected Future Service	**15**	16
Projected Benefit Obligation	**247.43**	222.70
Prescribed Contribution For Next Year (12 Months)	**-**	-
Net Interest Cost for Next Year		
Present Value of Benefit Obligation at the End of the Period	**247.43**	222.70
(Fair Value of Plan Assets at the End of the Period)	**-**	-
Net Liability/(Asset) at the End of the Period	**247.43**	222.70
Interest Cost	**16.36**	17.35
(Interest Income)	**-**	-
Net Interest Cost for Next Year	**16.36**	17.35
Expenses Recognized in the Statement of Profit or Loss for Next Year		
Current Service Cost	**17.73**	13.13
Net Interest Cost	**16.36**	17.35
(Expected Contributions by the Employees)	**-**	-
Expenses Recognized	**34.09**	30.48
Maturity Analysis of the Benefit Payments: From the Employer		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	**20.66**	17.90
2nd Following Year	**113.13**	10.16
3rd Following Year	**6.72**	18.00
4th Following Year	**9.31**	102.79
5th Following Year	**6.04**	5.83
Sum of Years 6 To 10	**147.00**	24.67

Notes Forming Part of the Standalone Financial Statements

43. 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.

44. 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
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 G. Jaykrishna - Executive Director
Mr. Utsav Pandwar - Chief Financial Officer
Mr. Saji V Joseph - Company Secretary

c) Relative of Key Managerial Personnel

Mr. Mrugesh Jaykrishna

2. Details of Transactions during the year (₹ in Lakhs)

		March 31, 2020	March 31, 2019
A.	**Enterprises own or significantly influenced by key managerial personnel or their relatives**		
1	Asahi Tennants Color Private Limited		
	Subscription of Investments	**1,457.10**	**-**
	Sales of Goods / Services	**29.17**	**-**
	Reimbursment of Expenses	**8.11**	**-**
2	**Aksharchem (India) Ltd**		
	Purchase of Goods	**45.03**	3.15
	Sales of Goods / Services	**45.10**	345.50
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	**6.00**	6.00
6	**Skyjet Aviation Pvt Ltd.**		
	Air Tickets booking services	**45.06**	39.30
B	**Key Managerial Personnel and their relatives**		
1	**Mrs. Paru M. Jaykrishna**		
	Remuneration	**40.60**	81.10
	Perquisites	**21.49**	**-**
	Provident Fund Contribution	**5.04**	7.92
2	**Mr. Gokul M. Jaykrishna**		
	Remuneration	**76.80**	76.80
	Perquisites	**4.16**	1.79
	Provident Fund Contribution	**5.76**	5.76

Notes Forming Part of the Standalone Financial Statements

44. RELATED PARTY DISCLOSURES AND THEIR RELATIVES (Contd.)

2. Details of Transactions during the year (₹ in Lakhs)

		March 31, 2020	March 31, 2019
3	**Mr. Arjun G. Jaykrishna**		
	Remuneration	**16.74**	-
	Perquisites	**0.13**	-
	Salary and allowances	**5.80**	2.22
4	**Mr. Mrugesh Jaykrishna**		
	Consultancy Charges	**29.31**	24.84
5	**Mr. Utsav Pandwar (w.e.f 14.10.2019)**		
	Salary and allowances	**9.54**	-
6	**Mr. Chandravadan R. Raval (Till 13.10.2019)**		
	Salary and allowances	**6.96**	13.20
7	**Mr. Saji V Joseph**		
	Salary and allowances	**12.99**	12.23
C	**Outstaning payables / (receivables) to / from Related parties and key Managerial persons**		
1	Aksharchem (India) Ltd,	**17.62**	(44.96)
2	Skyways	**0.14**	0.14
3	Skyjet Aviation Pvt Ltd.	**0.21**	1.85
4	Hunter Wealth Management LLP	**0.60**	-
5	Gokul M. Jaykrishna HUF	**0.90**	0.45
6	Mr. Gokul M. Jaykrishna	**3.15**	3.04
7	Mr. Mrugesh Jaykrishna	**2.24**	1.86
8	Mr. Arjun G. Jaykrishna	**2.20**	2.22
9	Mr. Chandravadan R. Raval (Till 13.10.2019)	**-**	1.45
10	Mr. Utsav Pandwar	**0.98**	-
11	Mr. Saji V Joseph	**0.79**	1.06

45. 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: Rs. 66.59 Lakhs (Previous year Rs. 69.35 Lakhs)

b. Amount spent and utilized during the year on: (₹ in Lakhs)

Sr.	Particular	As at March 31, 2020			As at March 31, 2019		
		In Cash (Charged to P & L)	Yet to be paid in Cash	Total	In Cash (Appropriated to P & L)	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	-	-	-	-	-	-
(ii)	On purpose other than (i) above						
	a) Contribution to various Trust, NGOs, Societies and Agencies	**66.46**	-	**66.46**	69.92	-	69.92
	b) Expenditure on Administrative Overheads for CSR	-	-	-	-	-	-
		66.46	-	**66.46**	69.92	-	69.92

Notes Forming Part of the Standalone Financial Statements

46. 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, 2020	March 31, 2019
Borrowings (Note No: 19 & 23)	**2,150.79**	5,673.98
Less : cash and cash equivalents (Note No: 11)	**(39.06)**	(17.53)
Net Debt	**2,111.73**	5,656.45
Other Equity	**20,158.29**	19,359.49
Total Other Equity and net debt	**22,270.02**	25,015.94
Gearing Ratio	**0.09**	0.23

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, 2020, 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, 2020 and March 31, 2019.

47. DIVIDEND

Interim Dividend

The Company has declared and paid an Interim Dividend of Rs. 3.00 (30.00%) per equity shares of face value of Rs. 10/- each for the financila year 2019-2020, pursuant to it's Board Metting held on February 25, 2020.

48. 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.

48.1 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 Rs. 39.06/- at March 31, 2020 (March 31, 2019: (Rs.17.53/-)). The cash and cash equivalents are held with bank and cash on hand.

Notes Forming Part of the Standalone Financial Statements

48.2 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.

48.3 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.

48.4 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 it 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)

Particulars	Change in basis points	Impact on PAT	
		As at March 31, 2020	As at March 31, 2019
Working Capital Facilities from Bank	0.5%	**1.41**	12.69
	-0.5%	**(1.41)**	(12.69)

48.5 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, 2020	March 31, 2019
Trade Receivables		
Rupees	**3,534.05**	1,115.50
Trade Payables		
Rupees	**316.47**	300.35
Net Exposure in Rupees	**3,217.58**	815.15

Forward Exchange Contracts:
Forward Contracts outstanding / PCFC Outstanding

Particulars	Currency	As at March 31, 2020	As at March 31, 2019	Cross Currency
Net Exposure	US $	**42,36,959**	11,75,352	Rupees

Risk over uncovered foreign currency:

Particulars	Currency	As at March 31, 2020	As at March 31, 2019	Cross Currency
Exposure covered	US $	**39,50,204**	-	Rupees
Un hedged Exposure	US $	**2,86,755**	11,75,352	Rupees
Un hedged Exposure	INR	**216.96**	812.87	
Risk over uncovered exposure @ 5% +/- Forex Rate fluctuation	INR	**8.12**	26.44	

Notes Forming Part of the Standalone Financial Statements

48.6 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 PAT	
		2019-2020	2018-2019
Equity Shares (Quoted)	3%	**27.45**	27.66
Equity Shares (Quoted)	-3%	**(27.45)**	(27.66)

48.7 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.

Sensitivity Analysis

The table below summarises the impact of increase/decrease in prices of Phthalic Anhydride and Cuprous Chloride Rs. 1 per kg on profit for the period.

(₹ in Lakhs)

Particulars	Impact on PAT	
	2019-2020	2018-2019
Rs. 1 Decrease in Price of Phthalic Anhydried	**69.84**	73.15
Rs. 1 Increase in Price of Phthalic Anhydried	**(69.84)**	(73.15)
Rs. 1 Decrease in Price of Cuprous Chloride	**11.83**	12.34
Rs. 1 Increase in Price of Cuprous Chloride	**(11.83)**	(12.34)

49. FINANCIAL INSTRUMENTS - FAIR VALUES & RISK MANAGEMENT

49.1 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: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

49.2 Figures as at March 31, 2019

(₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	50.19	-	50.19
Non Current Loans	123.64	-	123.64

Notes Forming Part of the Standalone Financial Statements

49.2 Figures as at March 31, 2019 (Contd.)

(₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Trade Receivables	5,485.07	-	5,485.07
Cash and Cash Equivalents	17.53	-	17.53
Bank Balances Other than Cash and Cash Equivalents	278.00	-	278.00
Other Current Financial Assets	1,681.93	-	1,681.93
TOTAL	**7,636.36**	**-**	**7,636.36**
Financial assets at fair value through profit or loss:			
Investments (Current)	-	-	-
Investments (Non-Current)	1,367.30	1,367.30	-
TOTAL	**1,367.30**	**1,367.30**	**-**
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	1,772.84	-	1,772.84
Borrowings (Current)	3,901.14	-	3,901.14
Trade Payables	3,118.32	-	3,118.32
Other financial liabilities	523.87	-	523.87
TOTAL	**9,316.17**	**-**	**9,316.17**

III. Figures as at March 31, 2020

(₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	1,507.54	-	1,507.54
Non Current Loans	25.27	-	25.27
Bank Deposits (Non-Current)	-	-	-
Trade Receivables	5,498.88	-	5,498.88
Cash and Cash Equivalents	39.06	-	39.06
Bank Balances Other than Cash and Cash Equivalents	153.00	-	153.00
Other Current Financial Assets	1,266.88	-	1,266.88
TOTAL	**8,490.63**	**-**	**8,490.63**
Financial assets at fair value through profit or loss:			
Investments (Current)	-	-	-
Investments (Non-Current)	1,222.62	1,222.62	-
TOTAL	**1,222.62**	**1,222.62**	**-**
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	1,251.83	-	1,251.83
Borrowings (Current)	377.96	-	377.96
Trade Payables	2,397.27	-	2,397.27
Other financial liabilities	525.47	-	525.47
TOTAL	**4,552.53**	**-**	**4,552.53**

50. IMPACT OF COVID-19 PANDEMIC

The Company has assessed the probable impact of covid 19 pandemic. It has considered internal and external information available up to the date of approval of these financial results and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables, inventories, other financial and non-financial assets for possible impact on these financial results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any material impact on these financial results. However, the assessment of Impact of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic condition.

The figures of the previous period have been regrouped / reclassified, wherever necessary, so as to be in conformity with the figures of the current period's classification / disclosure.

As per our report of even date attached.

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

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
Date: 23-06-2020

Utsav Pandwar
Chief Financial Officer

Saji V. Joseph
Company Secretary

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Paru M. Jaykrishna
Chairperson & Mg. Director
DIN: 00671721

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

Independent Auditor's Report

To the Members of
Asahi Songwon Colors Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We We have audited the accompanying consolidated financial statements of **Asahi Songwon Colors Limited** (the '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, 2020, 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 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 Company as at March 31,2020, and their consolidated profit, their consolidated total comprehensive income, the changes in equity and its cash flows for the year then 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 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 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.

Emphasis of Matter

Attention is drawn to Note No. 51 of accompanying consolidated financial statements, with regard to impact on operations of the company due to COVID 19 pandemic outbreak and lockdown which is dependent on future developments, which are uncertain.

Our opinion is not modified in respect of the above matters.

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 opinionthereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	AUDITOR'S RESPONSE
Property, Plant & Equipment (Refer Note No- 3 & 4) The value of property, plant & equipment and capital work-in-progress amounted to Rs. 14,033.74 Lakhs (i.e. 50.79% of total assets) at the Balance Sheet Date March 31, 2020. 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 : - the decision to capitalize or expense costs; - review of estimated useful lives of assets - the timeliness of transfers to property, plant & equipment from capital work-in-progress.	We tested controls in place over the property, plant & 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.
Non Current Investments (Refer Note No- 5) The company carries its investments Equity Shares in listed and unlisted company at fair value.As at March 31, 2020, total investments amounted to Rs. 1273.06 Lakhs and represent 4.58% of total assets. The fair value exercise involves the use of estimates and judgement specifically in respect of unquoted Equity Shares, which are carried at amortized cost. Other investments in equity shares of company carried at fair value through Other Comprehensive Income (FVOCI) were listed on stock exchanges and hence quoted market prices were readily available for fair valuation	Our audit procedures included updating our understanding of the processes employed by the company for accounting for and valuing their investment portfolio. We reviewed the valuation methods used and discussed with the management regarding the reasonableness of the basis and assumptions used in respect of valuation of unquoted investments. We cross-checked valuation of quoted investments with market rates at the year end.

KEY AUDIT MATTER	AUDITOR'S RESPONSE
Physical Verification of Inventories The Group's inventories include raw materials, work in progress, finished goods and stores & spares. The Group has adequate inventory records and internal control systems over inventory movements. The Group has established procedures to carry out physical inventory during the year and at the year-end. However, due to various restrictions imposed under COVID 19 outbreak, physical verification could not be carried out at the year-end, but the same was carried out subsequent to the year-end. At the time of such subsequent verification, it was impracticable for us as auditors to physically attend the inventory counting and hence, alternative audit procedures were performed.	**Principal Audit Procedures** We have carried out alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories which include the followings: - Evaluated the control design in respect of physical inventory verification process and verified whether such controls have operated effectively during verification process. - Obtained sufficient and appropriate audit evidences of existence and condition of physical inventories as carried out by the management during the year and subsequent to the year-end. - Rollback procedures were applied to the inventories verified by the group at subsequent of the year-end to arrive inventories at the year-end.

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 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 associate company audited by the other auditor, to the extent to it relates to associate 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 its relates to the associate 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 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, changes in equity and cash flows of the Company 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 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 respective Board of Directors of the companies included in the Group and of its subsidiary are also responsible for overseeing the financial reporting process of the Group and of its subsidiary.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements: -

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting polices 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 and its subsidiary 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 Company 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 statements/financial information of the Company and its subsidiary to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities 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 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

The consolidated financial statements also include the share of net gain of Rs. 8.19 Lakh for the year ended March 31, 2020, as considered in the consolidated financial statements in respect of a subsidiary company, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amount sand 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 auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 201.

(e) On the basis of the written representations received from the directors as on t March 31,2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2020 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 A"** 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.– Refer Note 40 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 Company and its subsidiary companies incorporated in India.

For, **Mahendra N. Shah & Co.,**
Chartered Accountants
ICAI Firm Registration Number: 105775W

Chirag M. Shah
Partner
Membership Number :045706
UDIN : 20045706AAAAED1223

Date: June 23, 2020
Place: Ahmedabad

ANNEXURE 'A'

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, 2020 in conjunction with our audit of the 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 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 controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 Company's internal financial controls system over financial reporting.

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, 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2020, based on the internal control over financial reporting 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.

For, **Mahendra N. Shah & Co.,**
Chartered Accountants
ICAI Firm Registration Number: 105775W

Chirag M. Shah
Partner
Membership Number :045706
UDIN : 20045706AAAAED1223

Date: June 23, 2020
Place: Ahmedabad

Consolidated Balance Sheet as at MARCH 31, 2020

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1) Non-current Assets			
(a) Property, Plant and Equipment	3	12,911.57	15,004.66
(b) Capital work-in-progress	4	1,122.17	148.00
(c) Financial Assets			
(i) Investments	5	1,273.06	1,417.49
(ii) Loans	6	25.37	123.64
(iii) Others	7	4.47	4.57
(d) Other Non Current assets	8	709.30	10.15
Total Non-current Assets		**16,045.94**	**16,708.51**
2) Current Assets			
(a) Inventories	9	2,920.52	6,224.50
(b) Financial Assets			
(i) Trade receivables	10	5,498.88	5,485.07
(ii) Cash and Cash equivalents	11	248.27	17.53
(iii) Bank balances other than (ii) above	12	153.00	278.00
(iv) Loans	13	4.80	6.26
(v) Others	14	19.32	23.81
(c) Current Tax Assets (Net)	15	151.46	504.37
(d) Other Current Assets	16	1,302.78	1,658.12
Total Current Assets		**10,299.03**	**14,197.66**
3) Assets Held for Sale	3.1	1,435.90	-
TOTAL ASSETS		**27,780.87**	**30,906.17**
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity Share capital	17	1,227.23	1,227.23
(b) Other Equity	18	18,935.23	18,132.26
(c) Minority Interest	19	1,404.02	-
Total Equity		**21,566.48**	**19,359.49**
2) Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	1,251.83	1,772.84
(b) Provisions	21	226.77	204.80
(c) Deferred tax liabilities (Net)	22	1,079.77	1,871.02
(d) Other Non-Current liabilities	23	0.20	0.20
Total Non Current Liabilities		**2,558.57**	**3,848.86**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	377.96	3,901.14
(ii) Trade payables	25		
Total outstanding dues of Micro and Small Enterprises		32.73	339.29
Total outstanding dues of other than Micro and Small Enterprises		2,364.54	2,779.03
(iii) Other Financial Liabilities	26	525.47	523.87
(b) Other Current Liabilities	27	333.23	136.59
(c) Provisions	28	21.89	17.90
Total Current Liabilities		**3,655.82**	**7,697.82**
TOTAL EQUITY AND LIABILITIES		**27,780.87**	**30,906.17**
Significant Accounting Policies	2		
The accompanying notes form an integral part of financial statements			

As per our report of even date attached.

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

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
Date: 23-06-2020

Utsav Pandwar
Chief Financial Officer

Saji V. Joseph
Company Secretary

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Paru M. Jaykrishna
Chairperson & Mg. Director
DIN: 00671721

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

Consolidated Statement of Profit & Loss for the year ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
I.	Revenue from operations	29	**28,363.98**	29,362.04
II.	Other income	30	**78.42**	4.24
III.	**Total Income (I + II)**		**28,442.40**	**29,366.28**
IV.	**Expenses:**			
	Cost of Materials consumed	31	**14,431.68**	19,883.18
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	**3,049.06**	(2,363.10)
	Purchase of Stock in Trade		**45.02**	-
	Employee benefits expense	33	**942.30**	941.12
	Finance cost	34	**359.79**	517.27
	Depreciation and amortization expense	35	**831.69**	816.12
	Other Expenses	36	**6,456.07**	6,947.39
	Total expenses (IV)		**26,115.61**	26,741.98
V.	**Profit before Exceptional items and tax expenses (III - IV)**		**2,326.79**	2,624.30
VI.	Exceptional items		**-**	-
VII.	**Profit before tax expenses (V - VI)**		**2,326.79**	2,624.30
VIII.	**Tax expense:**			
	Current tax		**636.61**	693.00
	Deferred tax		**(592.45)**	101.80
IX.	**Profit for the year (VII - VIII)**		**2,282.63**	1,829.50
X.	**Other Comprehensive Income**	37		
	(i) Items that will not be reclassified to profit or loss		**(714.13)**	(292.64)
	Income Tax relating to Items that will not be reclassified to profit or loss		**180.54**	102.31
	(ii) Items that will be reclassified to profit or loss		**(72.64)**	-
	Income Tax relating to Items that will be reclassified to profit or loss		**18.28**	-
	Other Comprehensive Income for the year		**(587.95)**	(190.33)
XI.	**Total Comprehensive Income for the year**		**1,694.68**	1,639.17
XII.	**Profit for the year attributable to:**			
	Owners of the Company		**2,282.56**	-
	Non Controlling Interest		**0.07**	-
XIII.	**Other Comprehensive Income (Net of Tax) attributable to:**			
	Owners of the Company		**(591.89)**	-
	Non Controlling Interest		**3.94**	-
XIV.	**Total Comprehensive Income (Net of Tax) attributable to:**			
	Owners of the Company		**1,690.67**	-
	Non Controlling Interest		**4.01**	-
XII.	**Earnings per equity share: (face value of Rs. 10/- each)**	38		
	Basic		**18.60**	14.91
	Diluted		**18.60**	14.91
	Significant Accounting Policies	2		
	The accompanying notes form an integral part of financial statements			

As per our report of even date attached.

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

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
Date: 23-06-2020

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Utsav Pandwar
Chief Financial Officer

Saji V. Joseph
Company Secretary

Paru M. Jaykrishna
Chairperson & Mg. Director
DIN: 00671721

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

Statement Of Changes In Equity

(₹ in Lakhs)

A. Equity Share Capital

Note	Amount
As at April 01, 2018	1,227.23
Issued during the year	-
As at March 31, 2019	**1,227.23**
Issued during the year	-
As at March 31, 2020	**1,227.23**

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Other Components of Equity		Total
	Securities Premium	General Reserve	Retained Earning	Equity Instruments through Other Comprehensive Income	Effective portion of gain or loss on cash flow hedges	
Balance as at April 01, 2018	1,507.17	2,787.00	12,649.82	-	(7.05)	16,936.94
Profit for the year	-	-	1,829.50	-	-	1,829.50
Other Comprehensive Income	-	-	8.39	(198.72)	-	(190.33)
Total comprehensive income for the year	**-**	**-**	**1,837.89**	**(198.72)**	**-**	**1,639.17**
Dividend paid (Including Tax thereon)	-	-	(443.84)	-	-	(443.84)
Balance as at March 31, 2019	**1,507.17**	**2,787.00**	**14,043.88**	**(198.72)**	**(7.05)**	**18,132.26**
Balance as at April 01, 2019	**1,507.17**	**2,787.00**	**14,043.88**	**-**	**(7.05)**	**18,132.26**
Profit for the year	-	-	**2,282.47**	**-**	**-**	**2,282.47**
Other Comprehensive Income	-	-	**(3.93)**	**(587.89)**	**-**	**(591.82)**
Total comprehensive income for the year	**-**	**-**	**2,278.54**	**(587.89)**	**-**	**1,690.65**
Dividend paid (Including Tax thereon)	-	-	(887.69)	-	-	(887.69)
Balance as at March 31, 2020	**1,507.17**	**2,787.00**	**15,434.72**	**(587.89)**	**(7.05)**	**18,935.23**

As per our report of even date attached.

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

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
Date: 23-06-2020

Utsav Pandwar
Chief Financial Officer

Saji V. Joseph
Company Secretary

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Paru M. Jaykrishna
Chairperson & Mg. Director
DIN: 00671721

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

Cash Flow Statement for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A. Cash Flow from Operating Activities				
Profit Before Tax		**2,326.79**		2,624.29
Adjustments for :				
Depreciation and Amortisation Expense	**831.69**		816.12	
Finance Cost	**359.79**		517.27	
Loss on sale of Property, Plant and Equipment	**-**		77.21	
Interest Income	**(22.17)**		(25.61)	
Profit / (Loss) from sale of Current Investment	**10.44**		-	
Dividend Income	**(3.52)**	**1,176.23**	(3.32)	1,381.67
Operating Profit Before Working Capital Changes		**3,503.02**		4,005.96
Working Capital Changes				
Adjustments for				
(Increase)/Decrease Trade receivables	**(13.81)**		2,464.04	
Changes in MTM Gain / Loss	**(72.64)**		-	
(Increase)/Decrease Inventories	**3,303.98**		(2,588.26)	
Increase/ (Decrease) Trade payables	**(498.05)**		(778.76)	
Changes in Loans, Current and Financial Liability	**(243.42)**	**2,476.07**	310.54	(592.44)
Net Cash Flow Generated from Operating Activities		**5,979.09**		3,413.52
Direct taxes paid (Net)	**(281.86)**		(707.08)	
		(281.86)		(707.08)
Net Cash Flow from Operating Activities		**5,697.23**		2,706.45
B. Cash Flow from Investing Activities				
Purchase of Property, Plant & Equipment	**(1,148.67)**		(475.64)	
Proceeds from sale of Property, Plant & Equipment	**-**	**-**	36.94	
Consideratin for Acquisition of Control in Subsidiary	**-**		**-**	
Purchase of Non Current Investments	**(1,908.38)**		(517.75)	
Sale of Non Current Investments	**1,330.40**		693.68	
Margin money deposit (placed) / matured	**125.00**		(53.00)	
Interest and Other Income	**25.69**		28.93	
Net Cash Flow from (used in) Investing Activities		**(1,575.96)**		(286.84)

Cash Flow Statement for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
C. Cash Flow from Financing Activities				
Availment of long term borrowings	-		364.41	
Repayment of long term borrowings	**(519.30)**		(616.31)	
Availment/(Repayment) Short term borrowings	**(3,523.18)**		(1,205.66)	
Proceeds from Issue of Share Capital	**1,400.00**		-	
Payment of Dividend (including Dividend Distribution Tax)	**(887.69)**		(443.85)	
Unclaimed dividend paid	**(0.56)**		(1.16)	
Interest Paid	**(359.79)**		(517.27)	
Net Cash Flow from (used in) Financing Activities		**(3,890.52)**		(2,419.84)
Net increase / (decrease) in cash and cash equivalents		**230.74**		(0.23)
Cash and cash equivalent at the beginning of the year		**17.53**		17.76
Cash and cash equivalent at the end of the year		**248.27**		17.53
Notes to Cash Flow Statement:				
1. Reconciliation of cash and cash equivalent with the Balance Sheet				
Cash and cash equivalent as per balance Sheet: (refer Note - 11)		**248.27**		17.53
		248.27		17.53
2. Components of cash and cash equivalents:				
Cash on hand		**10.50**		8.94
In current accounts		**237.77**		8.59
		248.27		17.53

3. Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.
4. 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.

As per our report of even date attached.

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

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
Date: 23-06-2020

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Utsav Pandwar
Chief Financial Officer

Saji V. Joseph
Company Secretary

Paru M. Jaykrishna
Chairperson & Mg. Director
DIN: 00671721

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

Accounting Policies

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, 2020.

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, 2020 present the financial position of the Group.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorized for issue on June 23, 2020.

2. Significant Accounting Policies.

2.1 Basis of Preparation of Consolidated Financial Statements

The principal accounting polices 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;

Accounting Policies (Contd.)

- 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 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, 2020
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,

Accounting Policies (Contd.)

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 INR and all values are rounded to the nearest Lakh (INR 1,00,000) as per the requirement of Schedule III, unless otherwise stated.

2.2 Use of Estimates

The preparation of consolidated 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.

2.2.1 Critical accounting estimates

a. Useful lives and residual values of Property, plant and equipment represent a material portion of the Group'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. Income taxes

The Group'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 Group. 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.

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.

Accounting Policies (Contd.)

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 arsing 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.

Accounting Policies (Contd.)

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

(i) Under Ind AS 116 Leases:
Effective from April 1, 2019, the Group adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on April 1, 2019 using the modified retrospective method on the date of initial application i.e. April 1, 2019.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease are recognized payments associated with these leases as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be amortised over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method

(i) Under Ind AS 17 Leases:
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:
Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowing or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from lessor) are charged to profit

Accounting Policies (Contd.)

or loss on straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor:
Lease income from operating leases where the Group is a lessor is recognised in other income on straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Deposits provided to Lessor:
The Group is generally required to pay refundable security deposits in order to obtain property leases from various lessors.

Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of deposit is recognised as lease prepayments. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

Subsequent to initial recognition, the security deposit is measured at amortised cost using the effective interest method with carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognised as interest income. The lease repayment is amortised on straight-line basis over the lease term as lease rentals expense.

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.

Accounting Policies (Contd.)

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

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

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.

c) Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence, it is presented as Deferred Tax Asset.

Accounting Policies (Contd.)

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 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 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 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.

Accounting Policies (Contd.)

2.14 Revenue Recognition (IND AS 18)

Effective April 1, 2018, the Group has applied Ind AS 115 "Revenue from Contracts with Customers", which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 "Revenue". The impact of the adoption of the standard on the consolidated financial statements of the Group is insignificant.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc.

Sale of Goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customers and there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue from sales excludes GST. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services

Revenue from rendering of services is recognized as per the terms of the contract with customers when related services are performed and when the outcome of the transactions involving rendering of services can be estimated reliably.

Dividend Income

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest Income

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

2.15 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

2.16 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.

2.17 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

Accounting Policies (Contd.)

preparing and presenting the consolidated financial statements of the Group as a whole.

2.18 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.

2.19 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.

2.20 Recognition of dividend income, interest income or expense

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

Accounting Policies (Contd.)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis..

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

Accounting Policies (Contd.)

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.

Notes Forming Part of the Consolidated Financial Statements

3. PROPERTY, PLANT AND EQUIPMENTS

(₹ in Lakhs)

Particular	Land	Leasehold Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Amount as on April 1, 2018	406.56	3.70	1,296.07	13,610.52	90.94	311.80	63.32	15,782.91
Additions	2.67	3,464.25	55.71	1,730.60	2.17	20.09	10.95	5,286.44
Deduction & Adjustment	-	-	-	249.47	-	9.89	-	259.36
Balance as at March 31, 2019	409.23	3,467.95	1,351.78	15,091.65	93.11	322.00	74.27	20,809.99
Additions	-	5.34	-	132.29	0.17	33.92	2.78	174.50
Deduction & Adjustment	-	1,435.90	-	-	-	-	-	1,435.90
Balance as at March 31, 2020	**409.23**	**2,037.39**	**1,351.78**	**15,223.94**	**93.28**	**355.92**	**77.05**	**19,548.59**
Accumulated Depreciation								-
Balance as at April 1, 2018	-	-	424.48	4,571.18	39.64	75.13	38.04	5,148.47
Deduction & Adjustment	-	-	-	-	-	-	-	-
Depreciaton for the period	-	-	51.14	711.57	7.44	37.64	8.32	816.11
Deduction on Disposal	-	-	-	(153.97)	-	(5.28)	-	(159.25)
Balance as at March 31, 2019	-	-	475.62	5,128.78	47.08	107.49	46.36	5,805.33
Deduction & Adjustment	-	-	-	-	-	-	-	
Depreciaton for the period	-	-	48.51	728.45	7.31	38.79	8.63	831.69
Deduction on Disposal	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**-**	**-**	**524.13**	**5,857.23**	**54.39**	**146.28**	**54.99**	**6,637.02**
Net carrying amount								
Balance as at March 31, 2019	409.23	3,467.95	876.16	9,962.87	46.03	214.51	27.91	15,004.66
Balance as at March 31, 2020	**409.23**	**2,037.39**	**827.65**	**9,366.71**	**38.89**	**209.64**	**22.09**	**12,911.57**

3.1 ASSETS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Leasehold Land - Dahej, Gujarat	**1,435.90**	-
Total	**1,435.90**	**-**

Note: During the year the company had Identyfied leas hold land of Rs. 1435.90 Lakhs which has been moved from leas hold land asset held for sale. The Company expect to dispose of this land over the course of next 12 months.

4. CAPITAL WORK IN PROGESSS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Tangible Assets	**204.16**	148.00
Tangible Assets - Dahej Project	**918.01**	-
Total	**1,122.17**	148.00

5. NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particular	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs.	No. of Shares	Rs.
Investment in Equity Instruments at Fair Value through Other Comprehensive income				
Quoted, Fully Paid up				
Equity Shares of Rs. 10/- each of Sun Pharma Advance Research Company Limited	**1,40,000**	**135.10**	1,40,000	268.80
Equity Shares of Rs. 10/- each of Eclerx Services Limited	**12,367**	**45.35**	12,890	148.42
Equity Shares of Rs. 5/- each of Godrej Properties Limited	**70,000**	**421.92**	70,000	570.05
Equity Shares of Rs. 5/- each of Gokaldas Exports Limited	**1,00,000**	**32.50**	1,00,000	93.30
Equity Shares of Rs. 1/- each of NOCIL Limited	**15,000**	**9.87**	15,000	22.07
Equity Shares of Rs. 10/- each of Ujjivan Finacial Services Limited	**40,000**	**59.42**	40,000	139.18
Equity Shares of Rs. 10/- each of Can Fin Homes Limited	**21,950**	**61.22**	36,000	125.48

Notes Forming Part of the Consolidated Financial Statements

5. NON CURRENT INVESTMENTS (Contd.)

(₹ in Lakhs)

Particular	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity Shares of Rs. 2/- each of Federal Bank Limited	1,00,000	41.05	-	-
Equity Shares of Rs. 10/- each of Ujjivan Small Bank Finance Limited	1,00,000	27.40	-	-
Equity Shares of Rs. 10/- The Anup Engineering Limited	45,627	142.11	-	-
Equity Shares of Rs. 1/- each of Marico Limited	30,000	82.46	-	-
Equity Shares of Rs. 1/- each of Godrej Consumer Products Limited	4,000	20.83	-	-
Equity Shares of Rs. 1/- each of H G Infra Engineering Limited	20,000	34.25	-	-
Equity Shares of Rs. 1/- each of HDFC Bank Limited	2,000	17.24	-	-
Equity Shares of Rs. 1/- each of HDFC Life Insurance Company Limited	15,000	66.24	-	-
Equity Shares of Rs. 1/- each of Housing Development Finance Corporation Limited	1,000	16.30	-	-
Equity Shares of Rs. 2/- each of Bharat Heavy Electricals Limited	45,000	9.36	-	-
Total of Quoted Equity Instruments	**7,61,944**	**1,222.62**	**4,13,890**	**1,367.30**
Unquoted Equity instruments (Valued At Cost)				
Shares of Rs. 10/- each of Swadesh Essfil Private Limited @ premium of Rs. 573.94 per share	3,425	20.00	3,425	20.00
Total of Unquoted Equity Instruments	**3,425**	**20.00**	3,425	20.00
Unquoted Debentures and Preference Shares (Valued at Cost)				
Compulsory Convertible Debentures of Rs. 100/- each of Smart Institute Private Limited	30,000	30.00	30,000	30.00
Equity Shares of Bhadreshwar Vidyut Private Ltd. of Rs. 10/- each at discounted value of Rs.0.19 per Share	2,31,000	0.44	98,000	0.19
Total of Unquoted Instruments	**2,61,000**	**30.44**	**1,28,000**	**30.19**
Total Non Current Investments	**10,26,369**	**1,273.06**	**5,45,315**	**1,417.49**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate amount of quoted investments	**1,222.62**	1,367.30
Aggregate market value of quoted investments	**1,222.62**	1,367.30
Aggregate amount of unquoted investments	**50.44**	50.19

6. NON CURRENT LOANS

Unsecured, Considered good

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Security Deposits	**25.37**	123.64
Total	**25.37**	123.64

7. Other Non Current Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Earmarked balance for Unpaid Dividend	**4.47**	4.57
Total	**4.47**	4.57

Notes Forming Part of the Consolidated Financial Statements

8. OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Advances to Capital Goods Suppliers	**709.30**	10.15
Total	**709.30**	10.15

9. INVENTORIES (At lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Raw materials	**1,317.25**	1,510.50
b. Work in progress	**83.24**	181.61
c. Finished goods	**988.28**	3,146.65
d. Finished Goods in Transit	**225.63**	1,017.96
e. Stores and spares	**270.27**	344.63
f. Fuel & Oil	**35.85**	23.15
Total	**2,920.52**	6,224.50

10. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered good	**5,498.88**	5,485.07
Total	**5,498.88**	5,485.07

11. CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Banks in Current accounts	**237.77**	8.94
Cash on hand	**10.50**	8.59
Total	**248.27**	17.53

12. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Term Deposits with Bank as Margin Money against Letters of Credit, Bank Guarantees and Collateral Security	**153.00**	278.00
Total	**153.00**	278.00

13. CURRENT LOANS

Unsecured, Considered good

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans to Employees	**4.80**	6.26
Total	**4.80**	6.26

Notes Forming Part of the Consolidated Financial Statements

14. OTHERS CURRENT FINANCIALS ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on deposits	**19.32**	23.81
Unpaid Dividends	**-**	-
Total	**19.32**	23.81

15. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance payment of tax (Net)	**151.46**	504.37
Total	**151.46**	504.37

16. OTHERS CURRENT ASSETS (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with government authorities	**1,079.94**	1,543.25
Inter Corporate Deposits	**-**	25.00
Prepaid expenses	**62.72**	49.49
Misc. Expenses Assets	**39.23**	-
Advances Other than Capital Advances	**120.89**	40.38
Total	**1,302.78**	1,658.12

17. SHARE CAPITAL

(₹ in Lakhs)

Particular	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs.	No. of Shares	Rs.
Authorised:				
Equity Shares of Rs. 10 each	**1,65,00,000**	**1,650.00**	1,65,00,000	1,650.00
Issued & Subscribed and Fully Paid Up				
Equity Shares of Rs. 10 each	**1,22,72,262**	**1,227.23**	1,22,72,262	1,227.23
Total	**1,22,72,262**	**1,227.23**	1,22,72,262	1,227.23

17.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(₹ in Lakhs)

Particular	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity Shares				
At the beginning of the period	**1,22,72,262**	**1,227.23**	1,22,72,262	1,227.23
Add : Issued during the period	**-**	**-**	-	-
Outstanding at the end of the period	**1,22,72,262**	**1,227.23**	1,22,72,262	1,227.23

17.2 Terms / rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 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.

17.3 Shares held by holding / ultimate holding company / or their subsidiaries / associates: Not Applicable

Notes Forming Part of the Consolidated Financial Statements

17.4 Details of shares in the Company held by each shareholder holding in the company more than 5 percent shares. (₹ in Lakhs)

Particular	As at March 31, 2020		As at March 31, 2019	
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding
Mrugesh Jaykrishna Family Trust - 1	**53,79,811**	**43.84**	53,23,811	43.38
Gokul M. Jaykrishna Family Trust	**27,52,009**	**22.42**	27,52,009	22.42
DIC Corporation	**8,65,200**	**7.05**	8,65,200	7.05
	89,97,020	**73.31**	89,41,020	72.85

17.5 Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash: NIL

17.6 Aggregate number and class of shares allotted as fully paid by way of Bonus Shares: NIL

17.7 Aggregate number and class of shares bought back: NIL

17.8 Securities which are convertible into Equity Shares: NIL

17.9 Aggregate Value of Calls unpaid by directors and officiers: NIL

18. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium		
Balance as per last year	**1,507.17**	1,507.17
Add: Appropriations From Current year's Profit	**-**	-
Balance at the end of the Year	**1,507.17**	1,507.17
General Reserve		
Balance as per last year	**2,787.00**	2,787.00
Add: Appropriations From Current year's Profit	**-**	-
Balance at the end of the Year	**2,787.00**	2,787.00
Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	**13,838.10**	12,642.77
Add: Profit after tax for the Year	**2,282.47**	1,829.50
Re-measerement of Defined Benefit Plan	**(3.93)**	8.39
Mark to Market Forex gain (Loss)	**(72.64)**	-
Loss on Investments - Fair Value through OCI	**(719.90)**	(301.03)
Other Comprehensive Income of Subsidiary Company	**4.18**	-
Income Tax that will not be reclassified to Profit and Loss	**200.47**	102.31
Amount available for Approriation	**15,528.75**	14,281.94
Less:Appropriations		
Dividend	**736.34**	368.17
Dividend Disribution Tax	**151.35**	75.68
Total Appropriation	**887.69**	443.85
Balance at the end of the Year	**14,641.06**	13,838.09
Total	**18,935.23**	18,132.26

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.

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.

Notes Forming Part of the Consolidated Financial Statements

19. MINORITY INTEREST

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Share Capital	**1,400.00**	-
Profit Attributable to Minority Interest	**4.02**	-
Balance at the end of the Year	**1,404.02**	-

20. NON CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
a. Term Loans from Banks		
From State Bank of India	-	-
Net of Repayable in one year considered as Current Borowwings (Refer Note: 26)		
From Federal Bank Ltd.	**1,250.00**	1,750.00
Net of Repayable in one year considered as Current Borowwings (Refer Note: 26)		
b. Other		
Vehicle Loan	**1.83**	22.84
Net of Repayable in one year considered as Current Borowwings (Refer Note: 26)		
Total	**1,251.83**	1,772.84

I.a Indian Rupee Term loan from Banks(Other than Vehicle Loans) 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.

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 Vehicle loans are secured by hypothecation of concerned vehicles.

I.c **Term of Repayment.**

i Term loan from State Bank of India amounting to Rs. Nil (Previous Year Rs. Nil)

ii Term Loan from Federal Bank Ltd. Rs. 175,000,000/- (Previous year Rs. 225,000,000/-), Repayable in 14 equal Instalments of Rs. 12,500,000/-.

iii Vehicle loans are repayable in equal monthly installment over the terms of 13 installments (Previous Year 25 installments)

iv There was no default in repayment of loan or interest.

21. NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provisions for employees benefits		
Provision for Gratuity	**226.77**	204.80
Total	**226.77**	204.80

Notes Forming Part of the Consolidated Financial Statements

22. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Deferred Tax Liabilities		
Opening Balance	**1,959.02**	1,950.02
Accumulated depreciation	**(616.31)**	196.86
Other comprehensive income from investments	**(200.46)**	(187.86)
	1,142.25	1,959.02
b. Deferred Tax Assets		
Opening Balance	**88.00**	78.48
Defined benefit plan for employees	**(25.52)**	9.52
	62.48	88.00
Liabilities (Net)	**1,079.77**	1,871.02

23. OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits from customers	**0.20**	0.20
Other Non Current Liabilities	**0.20**	0.20

24. CURRENT BORROWING

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans *		
Loans repayable on demand from bank		
From State Bank of India		
Working Capital Loans	**377.96**	2,701.14
From Federal Bank Ltd		
Working Capital Loans	**-**	1,200.00
Total	**377.96**	3,901.14

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.
- First Charge by way of Hypothecation of Wind Mill with all it's accessories purchased out of Bank Finance situated at 308 / P Moti Sindholi, Kutch, Gujarat.
- Lien of TDR worth of Rs. 25 Lakhs.

25. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payable		
Dues to Micro and Small Enterprises	**32.73**	339.29
Dues to other than Micro and Small Enterprises	**2,364.54**	2,779.03
Total	**2,397.27**	3,118.32

Notes Forming Part of the Consolidated Financial Statements

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

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Principal amount remaining unpaid to any supplier as at the end of accounting year	**32.73**	339.29
b. Interest due and remaining unapid 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	**-**	-
Total	**32.73**	339.29

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

26. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Unpaid Dividends #	**4.47**	4.57
b. Current maturities of long term borrowings (Refer Note: 20)	**521.00**	519.30
Total	**525.47**	523.87

The Company has transferred Rs. 56,062/-(Previous Year Rs. 116,314/-) to the Investors Education and Protection Fund (IEPF) during the year.

27. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Other payables		
Advances from customers	**80.32**	0.51
Statutory liabilities	**58.44**	34.24
Payable for fixed assets	**126.79**	43.32
Other Current liabilities and payables	**67.68**	58.52
Total	**333.23**	136.59

28. CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity (Refer Note: 21)	**21.83**	17.90
Provision for Income Tax	**0.06**	-
Total	**21.89**	17.90

Notes Forming Part of the Consolidated Financial Statements

29. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Reveune from Sale of Products		
a. Export Sales	**17,971.67**	18,872.94
b. Domestic Sales	**9,428.46**	9,690.72
Total Sale of Products	**27,400.13**	28,563.66
c. Other operating revenues		
Export incentives	**332.46**	373.39
Interest Income on FDR	**22.17**	25.61
Other Operating Income	**609.22**	399.38
Total - Other Operating revenues	**963.85**	798.38
Total	**28,363.98**	29,362.04

30. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Dividend Income	**3.52**	3.32
b. Others	**74.90**	0.92
Total	**78.42**	4.24

31. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Raw Materials		
Opening Stock	**1,337.08**	1,191.04
Add : Purchases	**13,848.28**	19,682.61
	15,185.36	20,873.65
Less : Closing Stock	**1,092.48**	1,337.08
Cost of Raw Material Consumed	**14,092.88**	19,536.57
b. Packing Material		
Opening Stock	**100.51**	86.37
Add : Purchases	**294.53**	360.75
	395.04	447.12
Less : Closing Stock	**56.24**	100.51
Cost of Packing Material Consumed	**338.80**	346.61
Cost of Total material consumed	**14,431.68**	19,883.18

Notes Forming Part of the Consolidated Financial Statements

32. CHANGES IN INVENTORIES OF FINISHED GOODS,STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Inventories at the end of the year		
Finished goods	**1,213.91**	4,164.60
Work-in-progress	**83.24**	181.61
Total	**1,297.15**	4,346.21
b. Inventories at the beginning of the year		
Finished goods	**4,164.60**	1,705.93
Work-in-progress	**181.61**	277.18
Total	**4,346.21**	1,983.11
Net (Increase) / decrease	**3,049.06**	(2,363.10)

33. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Salaries, Wages & Bonus *	**712.33**	705.06
b. Contribution to Provident and other funds	**37.69**	37.55
c. Staff welfare expenses	**32.36**	38.81
d. Directors Remuneration including perquisites and commission	**159.92**	159.69
Total	**942.30**	941.12

* 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, 2020	Year ended March 31, 2019
a. Interest		
Term Loans *	**141.66**	152.82
Working Capitals	**172.24**	284.58
b. Other Financial Costs		
Bank and other charges	**45.89**	79.86
Total	**359.74**	517.27

* Interest on long-term borrowings, Rs Nil/- (Previous year Rs. 4,159,611/-) is capitalised being the interest pertaining to the erection and construction period.

35. DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation and amortization for the year on tangible assets	**831.69**	816.12
Depreciation and amortization relating to continuing operations	**831.69**	816.12

Notes Forming Part of the Consolidated Financial Statements

36. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	**3225.95**	3677.87
Consumption of Stores and Spare parts	**301.59**	332.46
Pollution Treatment Expenses	**488.07**	537.47
Repairs to Machinery	**164.13**	224.82
Repairs to Building	**18.56**	42.29
Repairs to Other Assets	**9.67**	17.36
Manufacturing & Labour Charges	**887.09**	833.09
Freight and forwarding Expenses	**674.20**	446.42
Other Selling and Distribution Expenses	**85.75**	224.98
Rent	**34.97**	33.34
Rates & Taxes (excluding taxes on income)	**6.48**	3.30
Insurance	**28.18**	15.60
Travelling, Conveyance & Vehicle Expenses	**53.50**	43.64
Directors Travelling Expenses	**121.95**	116.10
Auditors Remuneration *	**4.08**	2.81
Directors Sitting Fees	**1.52**	0.33
Legal & Professional Expenses	**87.12**	77.81
General Charges	**68.07**	60.58
Research and Development Expenses (Refer Note: 41)	**94.97**	110.00
Donation	**5.47**	-
Expenditure towards Corporate Social Responsibility activities	**67.71**	69.91
Inter Corporate Deposit written off	**27.04**	-
Loss on sales of Property , Plant & Equipments	**-**	77.21
Total	**6,456.07**	6,947.39

36.1 *Payment to Auditors

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit fees	**2.75**	2.50
Out of pocket expenses	**0.05**	0.01
Others (Certification work)	**1.28**	0.31
Total	**4.08**	2.82

37. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Items that will not be reclassified to Profit and Loss		
Equity Instrument through FVOCI	**(710.20)**	(301.03)
Re-measerement of Defined Benefit Plan	**(3.93)**	8.39
Income Tax relating to Items that will not be reclassified to profit or loss	**180.54**	102.31
Items that will be reclassified to profit or loss		
Mark to Market Forex gain (Loss)	**(72.64)**	-
Income Tax that will be reclassified to Profit and Loss	**18.28**	-
	(587.95)	(190.33)

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:

Particulars	Year ended March 31, 2020 Rs.	Year ended March 31, 2019 Rs.
Profit/(Loss) for the year	**2,282.63**	1,829.50
Net Profit / (Loss) attributable to Equity Shareholders	**2,282.63**	1,829.50
Profit / (Loss) after taxation before Extra Ordinary Items	**2,282.63**	1,829.50
Number of Equity Shares for Basic EPS	**1,22,72,262**	1,22,72,262
Number of Equity Shares for Diluted EPS	**1,22,72,262**	1,22,72,262
Nominal Value Per Share	**10**	10
Basic Earning Per Share	**18.60**	14.91
Diluted Earning Per Share	**18.60**	14.91

Notes Forming Part of the Consolidated Financial Statements

39. INCOME TAXES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. The major components of income tax expense for the year as under:		
Current tax		
In respect of current year	**636.61**	693.00
Deferred tax		
In respect of Accumulated Depreciation	**(618.18)**	196.87
In respect of Other comprehensive income from investments	**-**	(85.55)
In respect of defined benefit plan for emloyees	**25.72**	(9.55)
Total deferred tax	**(592.45)**	101.80
Total tax expenes charged to statement of Profit and Loss	**44.15**	**794.80**

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
B. RECONCILIATION OF EFFECTIVE TAX RATE		
Applicable Tax Rate *	**25.168%**	34.944%
Profit before tax	**2,326.79**	2,624.29
Income not considered for tax purpose	**(595.99)**	(1985.81)
Expenses not allowed for tax purpose	**783.68**	1343.83
Tax payable at lower rate	**-**	-
Net Taxable income for the year	**2514.00**	1982.31
Effective Tax for the year	**632.86**	692.70
Effective tax at lower rate	**-**	-
Total current tax calculated for the year	**632.86**	692.70
Excess provision	**3.75**	0.30
Effective current tax rate for the year	**27.20%**	26.40%

* The Company has adopted option available under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, tax expenses, deferred tax assets / liabilities have been recomputed and impact of this has been recognised in the quarter ended on December 31, 2019 and also in current quarter and year ended March 31, 2020.

40. CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Contingent Liabilities		
In respect of Income tax	**58.68**	-
Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year	**549.95**	1,020.89

41. CAPITAL COMMITMENT

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Capital Commitment		
Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods / Capital work in progress	**3,486.19**	8.72

Notes Forming Part of the Consolidated Financial Statements

42. RESEARCH AND DEVELOPEMENT

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Capital Goods		
Machinery and Equipments for Research Laboratory	-	7.51
Total Capital Expenditure	-	7.51
Revenue Expenses		
Salaries & Wages	**77.94**	97.71
Laboratory Chemicals and other goods	**15.58**	9.27
Stationery	-	0.05
Conusmable stores	**0.31**	0.91
Travelling Expenses	-	0.34
Conveyance Expenses	-	0.45
Testing Expenses	**0.55**	-
Seminar for R & D	-	-
Sampling Expenses	**0.58**	0.81
Electricity Expenses	-	0.47
Total Revenue Expenditure	**94.97**	110.00
Total Expenditure towards R & D	**94.97**	117.51

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:

(₹ in Lakhs)

1 Defined Contribution Plan:
The Company has recognized the following amount as an expense:

	March 31, 2020	March 31, 2019
Contribution to Provident and other Funds	**38.25**	37.55

2 Defined Benefit Plan
Table Showing Change in the Present Value of Projected Benefit Obligation

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
Present Value of Benefit Obligation at the Beginning of the Period	**222.70**	206.90
Interest Cost	**17.00**	16.24
Current Service Cost	**13.13**	8.83
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	**(0.90)**	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	**(8.43)**	(0.88)
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
"Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions"	**(0.01)**	-
"Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions"	**14.52**	0.85
Actuarial (Gains)/Losses on Obligations - Due to Experience	**(10.58)**	(9.24)
Present Value of Benefit Obligation at the End of the Period	**247.43**	222.70

Notes Forming Part of the Consolidated Financial Statements

42. Employees Benefits (Contd.)

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	**(247.43)**	(222.70)
Fair Value of Plan Assets at the end of the Period	**-**	-
Funded Status (Surplus/ (Deficit))	**(247.43)**	(222.70)
Net (Liability)/Asset Recognized in the Balance Sheet	**(247.43)**	(222.70)
Net Interest Cost for Current Period		
Present Value of Benefit Obligation at the Beginning of the Period	**222.70**	206.90
(Fair Value of Plan Assets at the Beginning of the Period)	**-**	-
Net Liability/(Asset) at the Beginning	**206.90**	206.90
Interest Cost	**17.00**	16.24
(Interest Income)	**-**	-
Net Interest Cost for Current Period	**17.00**	16.24
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	**13.13**	8.83
Net Interest Cost	**17.00**	16.24
Past Service Cost	**-**	-
(Expected Contributions by the Employees)	**-**	-
(Gains)/Losses on Curtailments And Settlements	**-**	-
Transfer In / (Out)	**(0.90)**	-
Expenses Recognized	**29.23**	25.07
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	**5.10**	(8.39)
Return on Plan Assets, Excluding Interest Income	**-**	-
Change in Asset Ceiling	**-**	-
Net (Income)/Expense For the Period Recognized in OCI	**5.10**	(8.39)
Balance Sheet Reconciliation		
Opening Net Liability	**222.70**	206.90
Expenses Recognized in Statement of Profit or Loss	**29.23**	25.07
Expenses Recognized in OCI	**5.10**	(8.39)
Net Liability/(Asset) Transfer In	**-**	-
Net (Liability)/Asset Transfer Out	**-**	-
(Benefit Paid Directly by the Employer)	**(8.43)**	(0.88)
(Employer's Contribution)	**-**	-
Net Liability/(Asset) Recognized in the Balance Sheet	**248.60**	222.70
Other Details		
No of Active Members	**152**	146
Per Month Salary For Active Members	**39.69**	29.49
Weighted Average Duration of the Projected Benefit Obligation	**9**	8
Average Expected Future Service	**15**	16
Projected Benefit Obligation	**246.26**	222.70
Prescribed Contribution For Next Year (12 Months)	**-**	-

Notes Forming Part of the Consolidated Financial Statements

42. Employees Benefits (Contd.) (₹ in Lakhs)

	March 31, 2020	March 31, 2019
Net Interest Cost for Next Year		
Present Value of Benefit Obligation at the End of the Period	**248.60**	222.70
(Fair Value of Plan Assets at the End of the Period)	**-**	-
Net Liability/(Asset) at the End of the Period	**248.60**	222.70
Interest Cost	**16.36**	17.35
(Interest Income)	**-**	-
Net Interest Cost for Next Year	**16.36**	17.35
Expenses Recognized in the Statement of Profit or Loss for Next Year		
Current Service Cost	**17.73**	13.13
Net Interest Cost	**16.36**	17.35
(Expected Contributions by the Employees)	**-**	-
Expenses Recognized	**34.09**	30.48
Maturity Analysis of the Benefit Payments: From the Employer		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	**20.66**	17.90
2nd Following Year	**113.13**	10.16
3rd Following Year	**6.72**	18.00
4th Following Year	**9.31**	102.79
5th Following Year	**6.04**	5.83
Sum of Years 6 To 10	**147.00**	24.67

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
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 G. Jaykrishna - Executive Director
Mr. Utsav Pandwar - Chief Financial Officer
Mr. Saji V Joseph - Company Secretary

c) Relative of Key Managerial Personnel
Mr. Mrugesh Jaykrishna

Notes Forming Part of the Consolidated Financial Statements

2. Details of Transactions during the year (₹ in Lakhs)

		March 31, 2020	March 31, 2019
A.	**Enterprises own or significantly influenced by key managerial personnel or their relatives**		
1	**Aksharchem (India) Ltd**		
	Purchase of Goods	**45.03**	3.15
	Sales of Goods / Services	**45.10**	340.50
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	**6.00**	6.00
5	**Skyjet Aviation Pvt Ltd.**		
	Air Tickets booking services	**45.06**	39.30
B	**Key Managerial Personnel and their relatives**		
1	**Mrs. Paru M. Jaykrishna**		
	Remuneration	**40.60**	81.10
	Perquisites	**21.49**	-
	Provident Fund Contribution	**5.04**	7.92
2	**Mr. Gokul M. Jaykrishna**		
	Remuneration	**88.13**	76.80
	Perquisites	**4.16**	1.79
	Provident Fund Contribution	**5.76**	5.76
3	**Mr. Arjun G. Jaykrishna**		
	Remuneration	**25.81**	-
	Perquisites	**0.13**	-
	Salary and allowances	**5.80**	2.22
4	**Mr. Mrugesh Jaykrishna**		
	Consultancy Charges	**29.31**	24.84
5	**Mr. Utsav Pandwar (w.e.f 14.10.2019)**		
	Salary and allowances	**13.97**	-
6	**Mr. Chandravadan R. Raval (Till 13.10.2019)**		
	Salary and allowances	**6.96**	13.20
7	**Mr. Saji V Joseph**		
	Salary and allowances	**12.99**	12.23
C	**Outstaning payables / (receivables) to / from Related parties and key Managerial persons**		
1	Aksharchem (India) Ltd,	**17.62**	(44.96)
2	Skyways	**0.14**	0.14
3	Skyjet Aviation Pvt Ltd.	**0.21**	1.85
4	Hunter Wealth Management LLP	**0.60**	-
5	Gokul M. Jaykrishna HUF	**0.90**	0.45
6	Mr. Gokul M. Jaykrishna	**4.77**	3.04
7	Mr. Mrugesh Jaykrishna	**2.24**	1.86
8	Mr. Arjun G. Jaykrishna	**3.49**	2.22
9	Mr. Chandravadan R. Raval (Till 13.10.2019)	**-**	1.45
10	Mr. Utsav Pandwar	**1.75**	-
11	Mr. Saji V Joseph	**0.79**	1.06

Notes Forming Part of the Consolidated Financial Statements

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: Rs. 66.59 Lacs (Previous year Rs. 69.35 Lacs)
b. Amount spent and utilized during the year on:

(₹ in Lakhs)

Sr.	Particular	Current Year			Previous Year		
		In Cash (Charged to P & L)	Yet to be paid in Cash	Total	In Cash (Appropriated to P & L)	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	-	-	-	-	-	-
(ii)	On purpose other than (i) above						
	a) Contribution to various Trust, NGOs, Societies and Agencies	**66.46**	-	**66.46**	69.92	-	69.92
	b) Expenditure on Administrative Overheads for CSR	-	-	-	-	-	-
		66.46	-	**66.46**	69.92	-	69.92

47 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, 2020	March 31, 2019
Borrowings (Note No: 20 & 24)	**2,150.79**	5,673.98
Less : cash and cash equivalents (Note No: 11)	**(248.27)**	(17.53)
Net Debt	**1,902.52**	5,656.45
Other Equity	**21,566.48**	19,359.49
Total Other Equity and net debt	**23,469.00**	24,972.93
Gearing Ratio	**0.08**	0.23

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, 2020, 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, 2020 and March 31, 2019.

48. DIVIDEND

Interim Dividend

The Group has declared and paid an Interim Dividend of Rs. 3.00 (30.00%) per equity shares of face value of Rs. 10/- each for the financial year 2019-2020, pursuant to it's Board Metting held on February 25, 2020.

49. 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 company'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 company'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.

Notes Forming Part of the Consolidated Financial Statements

49.1 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 Rs. 39.06/- at March 31, 2020 (March 31, 2019: Rs.17.53/-). The cash and cash equivalents are held with bank and cash on hand.

49.2 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.

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 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.

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 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 it 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)

Particulars	Change in basis points	Impact on PAT	
		As at March 31, 2020	As at March 31, 2019
Working Capital Facilities from Bank	0.5%	**1.41**	12.76
	-0.5%	**(1.41)**	(12.76)

49.5 Foreign Currency Risk

The group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and functional currency. The functional currency of the group is INR. The currencies in which these transactions are primarily denominated are US dollars.

The group Forex risk management policy is to hedge currency exchange fluctuation and mitigate currency volatility and risks and to avoid uncertainties in cash flows. All foreign currency exposures – financial assets and liabilities and firm commitments (imports) & probable forecast transactions (exports) which are off-balance sheet exposures are covered under Forex risk management policy.

Hedging of trade exposures viz., imports and exports are generally hedged on net exposures basis. The group mostly uses forward exchange contracts to hedge its currency risks mostly with the maturity of less than one year from the reporting date. The group does not use derivative financial instruments for trading or speculative purposes.

Outstanding foreign exchange exposure

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Trade Receivables		
Rupees	**3,534.05**	1,115.50
Trade Payables		
Rupees	**316.47**	300.35
Net Exposure in Rupees	**3,217.58**	815.15

Notes Forming Part of the Consolidated Financial Statements

Forward Exchange Contracts:
Forward Contracts outstanding / PCFC Outstanding

Particulars	Currency	As at March 31, 2020	As at March 31, 2019	Cross Currency
Net Exposure	US $	**42,36,959**	11,75,352	Rupees

Risk over uncovered foreign currency:

Particulars	Currency	As at March 31, 2020	As at March 31, 2019	Cross Currency
Exposure covered	US $	**39,50,204**	11,75,352	Rupees
Un hedged Exposure	US $	**2,86,755**	-	Rupees
Un hedged Exposure	INR	**216.96**	812.87	
Risk over uncovered exposure @ 5% +/- Forex Rate fluctuation	INR	**8.12**	26.44	

49.6 Price Risk

Investment Price Risk

The group'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 group diversifies its portfolio.

Sensitivity Analysis

The table below summarises the impact of increase/decrease of the index on the group's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 3% or decreased by 3% with all other variables held constant.

(₹ in Lakhs)

Particulars	Movement in Rate	Impact on PAT	
		2019-2020	2018-2019
Equity Shares (Quoted)	3%	**27.45**	27.66
Equity Shares (Quoted)	-3%	**(27.45)**	(27.66)

49.7 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.

Sensitivity Analysis

The table below summarises the impact of increase/decrease in prices of Phthalic Anhydride and Cuprous Chloride Rs. 1 per kg on profit for the period.

(₹ in Lakhs)

Particulars	Impact on PAT	
	2019-2020	2018-2019
Rs. 1 Decrease in Price of Phthalic Anhydried	**69.84**	73.15
Rs. 1 Increase in Price of Phthalic Anhydried	**(69.84)**	(73.15)
Rs. 1 Decrease in Price of Cuprous Chloride	**11.83**	12.34
Rs. 1 Increase in Price of Cuprous Chloride	**(11.83)**	(12.34)

50. FINANCIAL INSTRUMENTS - FAIR VALUES & RISK MANAGEMENT

50.1 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.

Notes Forming Part of the Consolidated Financial Statements

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: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

50.2 Figures as at March 31, 2019

(₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	50.19	-	50.19
Non Current Loans	123.64	-	123.64
Trade Receivables	5,485.07	-	5,485.07
Cash and Cash Equivalents	17.53	-	17.53
Bank Balances Other than Cash and Cash Equivalents	278.00	-	278.00
Other Current Financial Assets	1,681.93	-	1,681.93
TOTAL	**7,636.36**	**-**	**7,636.36**
Financial assets at fair value through profit or loss:			
Investments (Current)	-	-	-
Investments (Non-Current)	1,367.30	1,367.30	-
TOTAL	**1,367.30**	**1,367.30**	**-**
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	1,772.84	-	1,772.84
Borrowings (Current)	3,901.14	-	3,901.14
Trade Payables	3,118.32	-	3,118.32
Other financial liabilities	523.87	-	523.87
TOTAL	**9,316.17**	**-**	**9,316.17**

III. Figures as at March 31, 2020

(₹ in Lakhs)

Particulars	Carrying Amount	Fair value	
		Level 1	Level 2
Financial assets at amortised cost:			
Investments (Non-Current)	50.44	-	50.44
Non Current Loans	25.37	-	25.37
Bank Deposits (Non-Current)	-	-	-
Trade Receivables	5,498.88	-	5,498.88
Cash and Cash Equivalents	248.27	-	248.27
Bank Balances Other than Cash and Cash Equivalents	153.00	-	153.00
Other Current Financial Assets	1,322.10	-	1,322.10
TOTAL	**7,298.06**	**-**	**7,298.06**
Financial assets at fair value through profit or loss:			
Investments (Current)	-	-	-
Investments (Non-Current)	1,222.62	1,222.62	-
TOTAL	**1,222.62**	**1,222.62**	**-**
Financial liabilities at amortised cost:			
Borrowings (Non-Current)	1,251.83	-	1,251.83
Borrowings (Current)	377.96	-	377.96
Trade Payables	2,397.27	-	2,397.27
Other financial liabilities	525.47	-	525.47
TOTAL	**4,552.53**	**-**	**4,552.53**

Notes Forming Part of the Consolidated Financial Statements

51. IMPACT OF COVID-19 PANDEMIC

The Company has assessed the probable impact of covid 19 pandemic. It has considered internal and external information available up to the date of approval of these financial results and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables, inventories, other financial and non-financial assets for possible impact on these financial results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any material impact on these financial results. However, the assessment of Impact of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic condition.

The figures of the previous period have been regrouped / reclassified, wherever necessary, so as to be in conformity with the figures of the current period's classification / disclosure.

As per our report of even date attached.

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

Chirag M. Shah
Partner
Membership No. 045706

Place : Ahmedabad
Date: 23-06-2020

Utsav Pandwar
Chief Financial Officer

Saji V. Joseph
Company Secretary

For and on behalf of the Board of Directors
Asahi Songwon Colors Ltd

Paru M. Jaykrishna
Chairperson & Mg. Director
DIN: 00671721

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

NOTES

Corporate Information

Board of Directors

Mrs. Paru M. Jaykrishna, Chairperson & Mg. Director
Mr. R. K. Sukhdevsinhji
Mr. Arvind Goenka
Mr. Jayprakash M. Patel
Dr. Pradeep Jha
Mr. Gokul M. Jaykrishna, Jt. Managing Director & CEO
Mr. Munjal M. Jaykrishna
Mr. Arjun G. Jaykrishna, Executive Director

Chief Financial Officer

Mr. Utsav Pandwar

Company Secretary

Mr. Saji V. Joseph

Auditors

Mahendra N. Shah & Co.

Bankers

State Bank of India
Federal 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)

ASAHI SONGWON COLORS LIMITED

"Asahi House"
13, Aaryans Corporate Park
Nr. Shilaj Railway Crossing, Thaltej – Shilaj Road
Thaltej, Ahmedabad – 380 059, India
(CIN: L24222GJ1990PLC014789)