Ref: ASCL/SEC/2021-22/32

September 7, 2021

1. To,
The General Manager
Department of Corporate Services
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P. J. Tower
Dalal Street, Fort
Mumbai – 400 001
BSE Scrip Code: 532853

2. To,
The General Manager (Listing)
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Plot No. C/1, G Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051
NSE Trading Symbol: ASAHISONG

SUB: 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 2020-21.

You are requested to take the same on your records.

Thanking you,

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

SAJI V. JOSEPH
Company Secretary and Compliance Officer

AsahiSongwon

Consolidating the
core

Creating the new

ANNUAL REPORT 2021

Read inside

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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 .

40.26% y-o-y
EBITDA MARGIN
17%

39.87% y-o-y
EBITDA
₹48.13 crore

44.32% y-o-y
PROFIT AFTER TAX (PAT)
₹32.94 crore

0.25% y-o-y
REVENUE FROM OPERATIONS
₹282.94 crore

iew Annual and
uarterly financials
ttps://www.asahisongwon.com/
nancials

For a business to be successful, two things are crucial – a strong foundation and the will to innovate and expand.

This holds true for us at Asahi Songwon Colors Limited (ASCL), too.

Our blue pigments business has remained our foundation. We offer a whole range of blue pigments to customers world over and are known for our quality, technology and global benchmarked production processes. This forms the 'core' of our business.

Consolidating the **core**

Creating the new

The next step was to strengthen our core. We made regular investments towards making our business sustainable. We ramped up operations while reducing costs and focused on diversification of end user industries.

After the foundation was made strong, we decided to venture into the azo pigments business and set up a new plant in Dahej to cater to potential demand. Since this is a new business for us, we innovate to develop a variety of products in this segment. This, for us, is 'creating the new'.

With our feet firmly on the ground we are taking steady strides towards becoming a global leader in the pigments industry, offering a full range of colours in organic pigments.

CORPORATE OVERVIEW

About ASCL

Asahi Songwon Colors Limited (ASCL) is a leading player in the Indian pigment industry and is striving towards becoming a globally recognised pigment manufacturer. We are headquartered in Ahmedabad and manufacture phthalocyanine pigments, azo pigments and derivative products at our state- of-the-art plants at Padra and Dahej (Vadodara, Gujarat).

What are pigments?

Pigments are colourants that are insoluble in water. They find application in various areas such as inks, paints, platsics, textiles, rubber, and paper.

We began by manufacturing blue pigments and last year, started the manufacture of red and yellow azo pigments as well. Since our inception, we have invested in strengthening our manufacturing prowess. We entered into a technical collaboration with Clariant and DIC Japan to manufacture CPC blue crude. Today, we are one of the largest manufacturers of CPC blue crude globally and our technology to manufacture CPC blue crude remains the best globally. Through forward integration, we also began producing beta and alpha blue pigments and are gradually enhancing our capacities in their production.

We are an ambitious organisation and are well poised to leverage opportunities on the back of our deep technical expertise, experience, strong decision making and skilled workforce.

VISION

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

Certification
ISO 9001:2015

Certification
ISO 14001:2015

2
manufacturing facilities

550+
people

Zero
customer returns in the last three decades

40+
customers served

Zero
bad debts in the last three decades

3 decades
manufacturing expertise

AsahiSongwon

80%
repeat customers

AA- / A+
long-term / short-term Crisil rating

18 yrs
collaboration with Clariant

20+ countries
export presence

Strong
technical capabilities

About ASCL continued

OFFERINGS

Phthalocyanine pigments

Bulk pigments
- CPC Blue Crude
- Pigment Beta Blue 15.3

High-end pigments
- Pigment Alpha Blue 15.0
- Pigment Alpha Blue 15.1
- Pigment Beta Blue 15.4

Azo pigments

Bulk pigments
- Pigment Yellow 12
- Pigment Yellow 13
- Pigment Yellow 14
- Pigment Red 2
- Pigment Red 48.2
- Pigment Red 53.1
- Pigment Red 57.1
- Pigment Orange 5

High-end pigments
- Pigment Yellow 17
- Pigment Yellow 74
- Pigment Yellow 83
- Pigment Yellow 151
- Pigment Red 112
- Pigment Red 146
- Pigment Red 170
- Pigment Orange 34

END USER INDUSTRIES

Ink · Coating & Paints · Plastic · Textile · Rubber · Paper

ESTEEMED CUSTOMERS

CLARIANT
18 years of collaboration

BASF
We create chemistry
Repeat business since last 10 years

TTC excellence in colour 1919

multicel

Color & Comfort
SunChemical
Supply agreement since the last 15 years

SIEGWERK
Repeat business since last 9 years

KELAN

SERVOCHEM

Purpose

Mission

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

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

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

To be the market leader in the pigment industry globally

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

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.

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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 utlisation, managing cost, and addressing a larger share of the customer wallet.

To be the preferred supplier of finished pigments to MNCs worldwide with a higher pigments capacity

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

To be the largest supplier of blue crude in the world

Journey towards excellence

Our journey began with big aspirations and small steps. We gradually strengthened our balance sheet and established a robust business model, which allowed us to climb the ladder of success. Over 31 years of our operations, we have learned and grown to become one of India's leading and most trusted pigment manufacturer with a strong global presence.

31 years of operations

1990
- Incorporated in 1990

HUMBLE BEGINNINGS

1993
- Commenced the manufacturing of green pigment

2003
- Entered into technical collaboration with Clariant for manufacture of CPC blue crude

2007
- Entered into a technical collaboration and supply agreement with DIC Japan
- Went public and successfully raised **₹33.50 crore** from IPO

2008
- Enhanced capacities of CPC blue crude from **3,000 TPA** to **7,000 TPA** and set up new capacity of **1,200 TPA** for beta blue as forward integration

2010
- Enhanced beta blue capacity from **1,200 TPA** to **2,040 TPA**

2014
- Demerged the green pigment segment

STRENGTH-ENING OUR POSITIONING

2016
- Undertook debottlenecking of CPC blue crude capacity to **10,200 TPA**
- Set up capacity of **600 TPA** for alpha blue as forward integration

2018
- Enhanced beta blue capacity to **3,600 TPA**

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POISED FOR GROWTH

2019 onwards
- Entered into a joint venture (JV) with Tennants Textile Colors Limited (TTC) UK for manufacturing red and yellow (azo) pigments at Dahej
- Set up the infrastructure necessary to enhance this capacity to **10,000 TPA**
- Undertook plans to enhance alpha blue capacity to **840 TPA**

2019 onwards
- Set up **2,400 TPA** azo pigment capacity equally distributed between red and yellow pigments
- Working on high- value complex azo pigments

Expanding presence

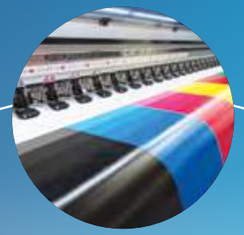


We have established long- lasting relationships with global organisations and have been serving superior quality pigments to customers in the US, Japan, Kora, Italy and South Africa, in addition to other countries. Our focus is to continue improving our products, expanding our presence and creating sustainable value for all our stakeholders.

1. US
2. Mexico
3. Brazil
4. South Africa
5. UAE
6. Italy
7. Spain
8. Germany
9. Belgium
10. UK
11. China
12. Korea
13. Japan
14. Taiwan
15. Hong Kong
16. Vietnam
17. Singapore
18. Malaysia
19. Indonesia
20. Philippines
21. Australia

Businesses

Our business is divided into two broad segments – phthalocyanine pigments and azo pigments.







Phthalocyanine is a large, aromatic, macroacrylic, organic compound that is primarily used in chemical dyes, automotive paints, printing inks and photoelectricity.

Long-term contracts signed with customers

Easy availability of raw materials - Phthalic anhydrite and curpuros chloride

100 %
Revenue contribution by Blue pigments till Q3 FY21

Phthalocyanine pigments

One of the largest manufacturers of CPC blue crude globally

PHTHALOCYANINE PIGMENTS

Phthalocyanine pigments are our primary growth driver. They are used in printing ink, packaging ink, paint, plastic and textile industries.

The global phthalocyanine pigments market was valued at US$ 133.49 million in 2020 and is expected to grow at a CAGR of 4.78% from 2020 to 2027 (Source: MarketWatch). In 2016, China dominated the global phthalocyanine pigments market. However, in the recent years, the situation has changed, with countries looking up to India for the product. Today, India caters to more than 70% of phthalocyanine pigment requirements across the globe.

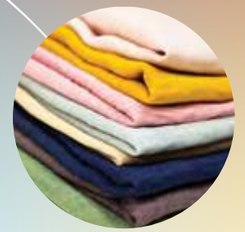
We have been in the business for 18 years and have created a strong foothold. We have built a strong track record over the years, have established enduring relationship with our customers and have earned their trust. This segment is our growth driver and will allow us to grow further and expand over the years.

Quick facts about the market

- Manufacturing 1 tonne of beta and alpha blue requires 1 tonne of CPC blue crude
- Getting approval from customers is a long process and can sometimes take years
- The switching cost for customers is high
- The market for phthalocyanine pigments comprises established players.

Azo pigments are colourless particles (typically earths or clays) that have been coloured using azo compounds (compounds that have a specific formula). Azo pigments are important in a variety of paints, including artist's paints. They have excellent colouring properties, again mainly in the yellow to red range, as well as lightfastness (that is, colourfast when exposed to light).





40 %
Expected capacity utilisation levels of existing capacity by FY22

~2,400 TPA
Existing capacity

Azo pigments

~12,000 TPA
Infrastructure in place to enhance capacity in four phases

Azo pigments take the largest share of $5 billion (55%) in the global organic and specialty pigment market. Until recently, China was dominating the market in the production of these pigments. However, recently, due to the anti-China policies, India has come to the fore as the most suitable manufacturer of quality azo pigments. Hence, the country and, in turn, the Company are witnessing a rise in the exports of these pigments.

We have entered into a joint venture with UK's leading colour manufacturer Tennants Textiles Colours Limited (TTC) – Asahi Tennants Color Private Limited – to manufacture red, yellow and orange azo pigments. It is a 51:49 Asahi - TTC JV with a total investment of ~₹82 crores. At optimum capacity utilisation, this facility can achieve ₹140-150 crore of turnover. We have also invested in the necessary infrastructure for further expansion, so we can double our capacity of azo pigments with an incremental capex of ~₹40 crores

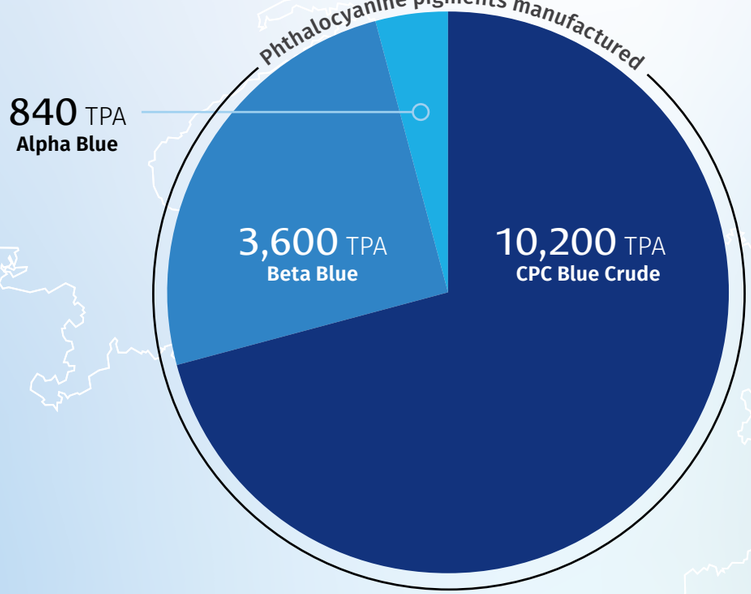
Our cost competitiveness, domestic market knowledge and strong business relations, combined with TTC's expertise in red and yellow pigments, makes us well poised to capitalise growth opportunities in the organic pigments market. Our initial outreach to the customers in the azo pigments segment has been favourable and we are now focusing more on the complex products in this segment.

We also have a land parcel available at Saykha, which we will use for further growth plans.

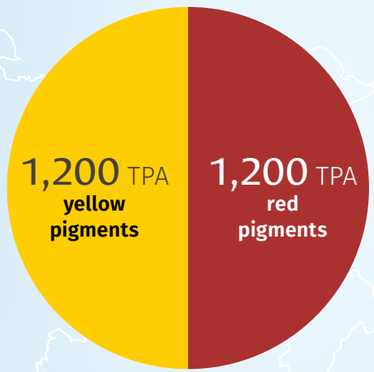
Quick facts about the market

- Manufacturing in India will ensure lower cost of production
- Few operational players in the segment
- Customer are gradually shifting away from China to India

Manufacturing capabilities



Padra & Dahej



We are a truly global pigments manufacturer with over three decades of experience and expertise. Customers around the globe trust our world-class portfolio of pigments. All this has been possible due to our well-equipped, state-of-the-art manufacturing facilities.

We have two manufacturing facilities in Padra and Dahej in Gujarat.

Waste and effluent treatment facilities available at the site

475
Skilled workforce

PADRA SITE

The Padra site was set up in 2004 on a plot of 98,000 sq. metre, with enough area available for further expansion.

Green cover around factory premises

AsahiSongwon

Waste and effluent treatment facilities available at the site

DAHEJ SITE

The Dahej plant was set up in 2020 on a plot of 60,000 sq. metre. The plant is dedicated to the manufacture of azo pigments.

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

50
Skilled workforce

Chairperson's communique



Dear Shareholders,

The year gone by has been one of great stress and uncertainty. The COVID-19 pandemic disrupted lives and businesses alike. Just when the world was dealing with the first wave, the second wave of the pandemic wreaked greater havoc, once again bringing the world to a standstill.

While it has been a year of anxiety, it has also been a year when our strengths came to the fore. At ASCL, we strongly believe that testing times bring out the best in organisations and we witnessed the adage come true for us. Despite the odds stacked against us, I am proud of the way the entire team came together, reacted swiftly to the challenges and continued to deliver excellence.

Indian pigment companies are also more cost efficient and environmentally conscious

THE MACROECONOMIC ENVIRONMENT

Due to the pandemic, businesses across the world had to rethink their operating models to adapt and survive in the new normal. Central banks and governments across the world have provided stimulus worth US$ 15 trillion to revive economies. Further, the speedy development and rollout of vaccines is expected to bring the global economy back on the path of normalisation. The pandemic rendered a double blow to the Indian economy, which was already witnessing subdued growth. The nationwide lockdown helped curb the spread of the virus to some extent, but significantly impacted various facets of the society and economy, including consumer behaviour, logistics, industrial production, construction activities, government earnings and overall trade activities. In the second half of the year, favourable government policies, GST collections and increased demand for steel and power pushed the GDP growth to positive territory.

In the pigments industry, China dominated the market until recently. However, Indian pigment companies are also more cost efficient and environmentally conscious. As a leading player in the Indian pigments market, your Company has a sea of opportunities to leverage and is well positioned to soon become the world leader in pigments.

PRIORITISING EMPLOYEE AND CUSTOMER WELLBEING

We have grown to what we are today because of the determination and perseverance of our people and the trust of our customers. They are our growth drivers and we put both our people and customers first. We seamlessly transitioned to work from home for our employees and continued to leverage technology to engage with our customers. Every member of the ASCL family believes in the philosophy of the three Ts – trust, transparency and teamwork. Our employees are passionate about what they do and continued to provide seamless services to the customers even from home. We set up strict COVID- related SOPs to ensure sanitisation and social distancing. We have maintained enduring relationships with our customers, which helped us earn their trust even during these difficult times.

PROGRESSING AGAINST ALL ODDS

While business was subdued in the first half of FY21, it picked up pace in H2 FY21. I would like to credit all the people at the plants and the head office for this turnaround of performance. We recorded an EBITDA growth of 44% to ₹49.5 crore and PAT growth of 40% to ₹32 crore. Our balance sheet is strong with minimal long-term debts. The blue pigments business is our primary profit driver. We commenced trial production of azo pigments and have received positive response on the sampling. We are optimistic of fulfilling our vision of becoming a leading supplier of full range of pigments globally.

Every member of the ASCL family believes in the philosophy of the three Ts – trust, transparency and teamwork

BUILDING AN ENVIRONMENTALLY CONSCIOUS AND ETHICAL BUSINESS

Since inception, we have been a business that promotes green stewardship. Our plants are surrounded by a green cover. We have ventured into the organic azo pigments industry, which are far less polluting compared to blue pigments. Further, we are focusing on reducing particle matter and are recycling and reusing water.

We seek to ensure sustained growth and profitability, while staying committed to achieving the highest standards of corporate governance. We undertake fair and ethical business practices, maintain transparency and ensure diversity and inclusion among our people. Our robust corporate governance framework allows us to continue creating long- term sustainable value for all our stakeholders.

As we enter the new financial year, we continue to evolve, learn and grow and build our leading track record when it comes to customer relationships and sustainability. I would like to thank all employees who persevered against the challenges and maintained customer expectations. For myself and the Board, it continues to be a privilege to be on this journey to become a world leader in the pigments industry.

Warm regards,

Paru M. Jaykrishna

From the CEO's desk



We will use our strong foundation and robust balance sheet to develop a more aggressive growth model and add more products to our basket. And while we focus on expansion, we will also continue our hard work towards become more environment friendly.

Dear Shareholders,

FY2021 has been an unprecedented year that demonstrated the strengths of ASCL's business model and presented opportunities to advance in future.

As COVID-19 disrupted world economy, businesses and livelihoods, the value of our good planning came to the fore. We rapidly reassessed our business and operations, and accelerated the adoption of the digital to enable seamless work from home operations. This allowed us to continue delivering our best and earning customer trust in the 'new normal'.

We remained focused on our long-term growth and leveraged the strength of our global supply chain, operational efficiencies and strong balance sheet. As a result, we successfully mitigated short-term challenges and are well positioned to manage the long-term ones and thrive in the new economic landscape.

BUILT ON STRONG FOUNDATIONS

From a small plant in Ahmedabad manufacturing green pigment in 1993 to manufacturing organic azo pigments on a global scale today, we have come a long way. In 2003, we entered into a technical collaboration with one of the world's leading specialty chemical companies, Clariant and began the manufacture of blue pigment in Padra, Baroda. After our listing, we entered into a supply agreement and technical collaboration with DIC – the world's largest ink maker.

We successfully mitigated short-term challenges and are well positioned to manage the long-term ones and thrive in the new economic landscape

OUR CAPACITIES

14,640 tonnes/year **Blue pigment**

2,400 tonnes/year **Azo pigment**

17,040 tonnes/year **Pigment capacity**

Today, we are globally recognised for offering the best quality blue pigments to customers leveraging the proprietary technology we acquired from Clariant.

ROBUST PERFORMANCE AMIDST UNCERTAINTIES

In the first half of FY21, revenues remained subdued due to the impact of COVID, which resulted in factory shutdowns, raw material unavailability and labour shortages. As the cases began coming down gradually, we were the first pigment manufacturer to get back to production amidst the challanges of labor and logistics. This resilience in operations reinforced the faith of our MNC customers in us. Our consolidated revenues stood at ₹283 crore in FY21, the same as the previous year. We witnessed a jump in EBITDA to ₹49.5 crore against ₹34.5 core in FY20. PAT stood at ₹32 crore compared to ₹23 crore in FY20, marking a growth of 40%. EPS also marked a 41% growth and stood at ₹26 this year compared to ₹18 in FY20.

We could achieve these numbers mainly due to the passion and perseverance of our people. The team set up the plant in Dahej in a record time of 11 months during the COVID period. While companies around the world were sceptical about their employees working from home, our people managed customer expectations and relationships with ease, and delivered excellence.

AZO PIGMENTS – A NEW OPPORTUNITY FOR US

In 2019, we entered into a joint venture (JV) with Tennants Textile Colours Limited (TTC) of the United Kingdom. We have set up a plant in Dahej for the manufacture of red, orange and yellow pigments – the plant has a capacity of 2,400 tonnes per year. Until recently, China was dominating the market with 70% share. However, as a result of the ongoing environmental and logistical issues in China, businesses throughout the world have started looking for a secondary source of supply. Making the most of this opportunity, India is gradually becoming the preferred exporter of organic azo pigments to countries across the globe. Today, India accounts for 75% of the global blue pigments market. We have started production of azo pigments at Dahej and have received very good initial response to the sampling.

However, we are aware of the challenges of being new entrants in the azo pigments market. Customer penetration can take some time. We have begun by focusing on new customers who are interested in buying our high-margin pigments such as Yellow 83, Yellow 17, Red 146, etc. However, we are confident that in future, by leveraging the existing customers such as DIC, BASF, Clariant, Siegwerk and Sun Chemicals, we will be able to gradually make a name for ourselves in the market. For now, to meet diverse customer needs, we must constantly innovate and undertake regular R&D efforts. We are working on developing several new types of azo pigments using the proprietary technology that we have and hope to make them available to our customers soon.

We are well on our way to becoming one of the largest pigment players by enhancing our product basket to offer a full suite of colour range in organic pigments

On a broad level, the azo pigments segment adds a new growth driver to our well-established blue business. I believe we are well on our way to becoming one of the largest pigment players by enhancing our product basket to offer a full suite of colour range in organic pigments.

75%
Global imports for the blue pigment come from India

TOWARDS A LUCRATIVE FUTURE

The Indian azo pigments market is a sea of opportunities and we are confident of leveraging our strengths to make the most of them. We hope that by the end of 2021, we would hit 30% utilisation and as soon as we reach 50%, we would want to double the capacity to 4,800 tonnes.

We will use our strong foundation and robust balance sheet to develop a more aggressive growth model and add more products to our basket. And while we focus on expansion, we will also continue our hard work towards becoming more environment friendly. We will strive to reduce water consumption and reuse and recycle as much as possible for use in gardening and production.

India is gradually becoming the preferred exporter of organic azo pigments to countries across the globe

As I conclude, I would like to take a moment to express my gratitude to all those who make our success possible – our employees for navigating through challenges and continuing to deliver, our customers and investors for their unwavering trust in us, our communities for trusting us with the social license to operate and the Board and management for their contributions towards cementing ASCL's position as a leader in the industry.

We will continue to be resilient and deliver sustainable value to all our stakeholders.

Warm regards

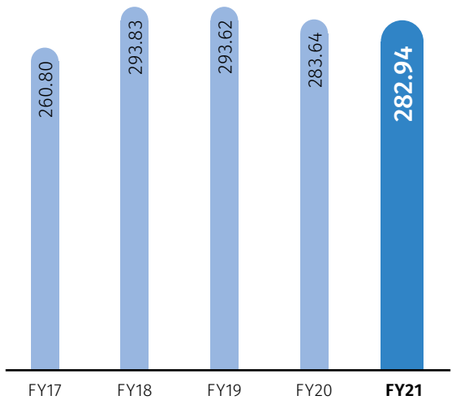
Gokul M. Jaykrishna

Resilient performance

Despite the unprecedented and challenging year of FY21, we maintained a resilient performance on the back of our improving balance sheet and judicious decision making. Our venture into the azo segment has been favourable and has set a steady path of growth for us.

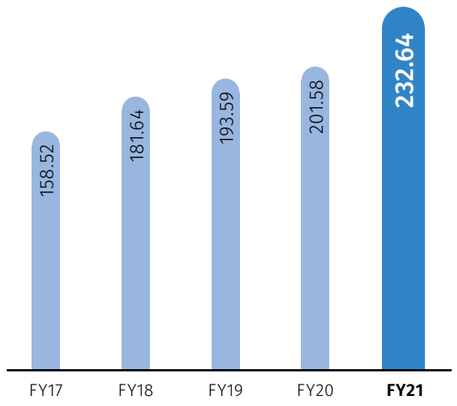
Revenue from operations (in ₹ crores)

(0.25)% 2.06%



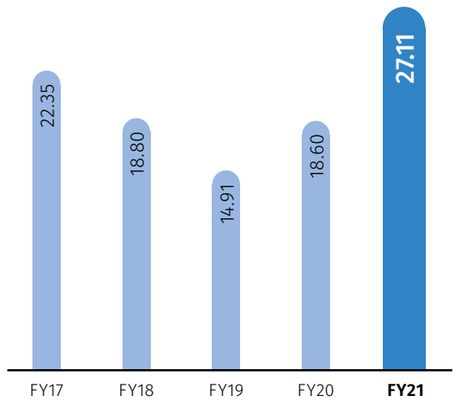
Net worth (in ₹ crores)

15.41% 10.07%



Earnings per Share (in ₹)

45.76% 4.95%

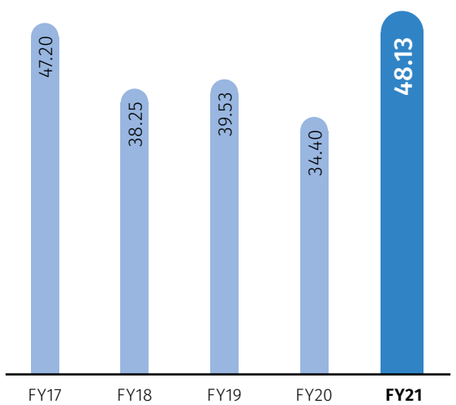


Key

y-o-y growth (5-year CAGR)

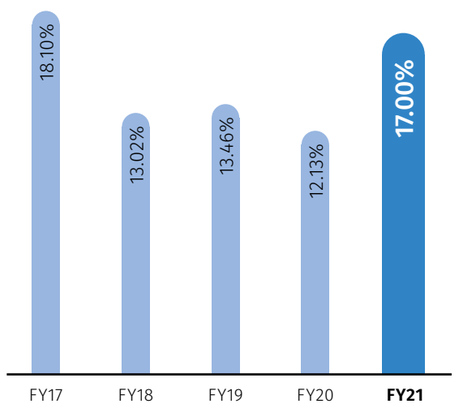
EBITDA (in ₹ crores)

39.87% 0.49%



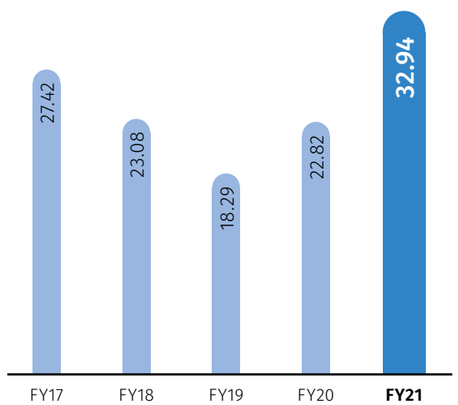
EBITDA Margin (in %)

40.26% (1.54)%



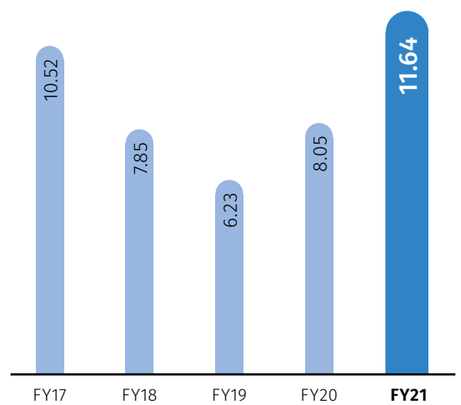
Profit After Tax (in ₹ crores)

44.32% 4.69%



PAT Margin (in %)

44.67% 2.58%



Value-creation model

INPUTS

Steady performance

- ₹232.64 crore Net worth
- ₹18.50 crore Capital expenditure
- ₹43.82 crore Net debt

Manufacturing capabilities

- Padra plant for phthalocyanine pigments
- Dahej plant for azo pigments

Human capital

- 550+ Employees
- Regular trainings conducted

Environmental stewardship

- Waste and effluent treatment plants installed at manufacturing sites
- Follow the 3 R's of reduce, reuse and recycle

HOW WE CREATE VALUE

Strengths

- Globally trusted brand
- Stringent adherence to quality
- Diversified operations
- Skilled manpower
- Zero tolerance for errors
- Environmentally sustainable
- State-of-the-art infrastructure
- Marquee customers
- Enduring customer relationships
- Strategic location
- Widespread operations
- Diversity of product application

Read more about our strengths on p22

Focus Areas



OUTPUTS

World-class products

- Phthalocyanine pigments
- Azo pigments

- 1,200 TPA red pigments
- 1,200 TPA yellow pigments
- Upskilled and experienced workforce

OUTCOMES

- ₹282.94 crore Revenue
- ₹32.94 crore PAT
- ₹27.11 EPS
- 14,640 TPA phthalocyanine pigments

GROWTH STRATEGY

- Ramp up production facility in Dahej
- Look out for a new project at the available land parcel in Saykha
- Maintain excellent quality and maximise value
- Make judicious decisions for the long term
- Capitalise on opportunities
- Focus on sustainability

Key: *Financial capital* · *Manufactured capital* · *Intellectual capital* · *Human capital* · *Social and Relationship capital* · *Natural capital*

Strengths

Our ability to deliver superior quality pigments lies in the pillars that form our foundation. These strengths allow us to manage risks, leverage opportunities and stay ahead of competition. Every day, we work on further strengthening these pillars to become a force to reckon with in the global pigments industry.



FINANCIAL CAPITAL

- Our scale of operations is widespread, accounting for ~5% of the world's organic blue pigment production.
- We optimise the use of our resources to achieve maximum output in a cost-efficient manner.

5%
world's organic blue pigment production comes from Asahi



MANUFACTURED CAPITAL

- Our operations are diversified, with presence in phthalocyanine and azo pigments segments.
- Our new plant at Dahej for azo pigments allows us the benefits of skilled labour, strong infrastructure and easy raw material availability, leading to savings in logistics cost.
- We maintain stringent quality control and have zero tolerance for errors. We have set up a robust Quality Maintenance System (QMS), Standard Operating Procedures (SOPs), a dedicated team to focus on quality and a culture of continuous improvement.
- Our plants are equipped with state-of-the-art infrastructure comprising advanced quality testing equipment, muller machines and injection moulding machines.
- Our strategic location gives us the advantage of proximity to raw material suppliers, infrastructure facilities and skilled manpower.



INTELLECTUAL CAPITAL

- We are a globally trusted brand with a track record of over two decades of product quality and service reliability.
- Majority of our pigments are under long-term sales contracts.
- Our products undergo stringent quality checks and are certified by ISO 9001:2015 and ISO 14001:2015. They are registered with the Department of Scientific and Industrial Research (Ministry of Science and Technology) and validated by leading ink, plastics and paint companies.
- We are maintaining a constant focus on innovation and have launched several pathbreaking products in the last few years.
- We follow global best practices for stability, predictability and highe uptime.

Constant focus on innovation and have launched several pathbreaking products in the last few years



HUMAN CAPITAL

- We have a team of highly skilled and experienced people, including professionals and technologists.
- We follow the values of trust and transparency and work as a team to deliver superior customer experiences.

Trust and transparency are the values that holds our team together



SOCIAL AND RELATIONSHIP CAPITAL

- Customer approvals take long, but once the relationship is established, it is difficult for another player to take up the market share. We have gradually earned the trust of our customers and built enduring relationships with them, establishing a strong position for ourselves in the industry.
- We continue to maintain our relationships with our customers by delivering competitively priced products of superior quality.



NATURAL CAPITAL

- We make proactive investments in environment-friendly technologies.
- We are working hard towards reducing waste emission and optimising water consumption. We follow the 3Rs of reduce, reuse and recycle and continue to strive to improve our environmental performance.

3R's
reduce, reuse and recycle help us improve our environemntal performance

Safeguarding the business against risks

We adopt an independent and holistic approach to manage uncertainties and protect the business. The approach allows us to continuously identify and assess risks, and deploy the necessary mitigation measures to completely eradicate those risks or reduce their level of impact on the business.

A robust risk management framework allows us to ensure sustainable value creation for our stakeholders, while ensuring steady financial performance.

	RISK TYPE	MITIGATION MEASURE
Industry	COVID-19 has significantly impacted both Indian and global economies. The impact is likely to be long term and recovery is expected to be gradual. Our customers' businesses have also been impacted, which could lead to lower demand for our products in the upcoming year.	• Our operations are spread across geographies and our product portfolio caters to diverse industries such as printing inks, paints, textiles, plastics and automobile coatings. This reduces our dependence on a single customer, country or product, thus ensuring business continuity. • We engage with our customers regularly to develop products according to their needs. • Our entry into the azo pigments segments has opened up an array of opportunities for us.
Quality	A dip in the quality of our products may affect our relations with existing customers and jeopardise the trust we have gained. It will also have a negative effect on any new business opportunity that we might want to leverage.	• Our strict quality control ensures our track record of zero rejection. We are continuously improving our quality control processes and ensure strict adherence to SOPs to continue maintaining superior product quality. • Our modern manufacturing infrastructure and resting equipment, coupled with an experienced quality control team, allow us to maintain optimal product quality. • We believe in continuous learning and growing, and benchmark our manufacturing processes with global best practices.
Raw material availability	The lockdown induced by COVID-19 has resulted in a dearth in the availability of raw materials and significant fluctuations in their prices. The continuation of this trend might have a profound effect on our profitability.	• We make judicious decision regarding forecasting and production planning to ensure seamless production of our pigments. • We maintain enduring relationships with our raw material supplier and enter into long-term contracts with them to prevent impact of price fluctuation. • We have adopted various cost control measures to minimise the impact of adverse price fluctuations.
Technology	Outdated technology and processes may result in poor efficiency and impact product quality.	• We make regular investments in better technologies to modernise our plants and manufacturing processes. • We keep ourselves updated through technical support from industry leaders such as DIC and Clariant Pigments, and benchmark our technology with global standards. • Our JV with UK's leading colour manufacturer Tennants Textile Colours (TTC) provides us access to the necessary technical knowhow.
Competition	The pigments industry comprises several players. Our inability to meet the cost and product demand of customers could result in customer attrition.	• We maintain strong relationships and regular engagement with our customers to understand their needs and deliver on them through our robust R&D. • We provide high value proposition to customers through quality products, competitive prices and by meeting their evolving needs. • Our compliance to global environment norms enhances our reputation as a preferred partner. • More than 50% of our business is from repeat customers.
Environment	Climate change and other environment-related challenges are pressing issues that the world is dealing with. As a result, governments of countries have implemented stringent environmental standards. Inability to comply with environment conservation measures may lead to loss of customers.	• We comply strictly to environmental practices and make sustained investments in effluent treatment plant, renewable energy and reduction in water and energy consumption. • We have established a green belt around our plant and maintain ambient air quality while also keep our decibel levels under control.
COVID-19	With the second wave and an expected third wave, the pandemic continues to threaten employee wellbeing and business continuity.	• We regularly sanitise our manufacturing plants and office, follow all the requisite safety protocols, and urge our people to wear safety masks, goggles, maintain social distancing and use sanitisers. • We have transitioned seamless to working from home to prevent the spread of the virus among our people. • We have developed a long-term business continuity plan to ensure adequate liquidity and a strong balance sheet to cushion our business against any shocks related to the pandemic.

Board of Directors

















① **Paru M. Jaykrishna**
Chairperson and Managing Director

Mrs. Paru M. Jaykrishna holds a bachelor's degree in Law and Philosophy, and Sanskrit and a masters' degree in English Literature. She is responsible for strategic decision making and devising growth policies for the Company. A renowned Women Entrepreneur of India, she has the distinction of being the First Elected Lady as a President of Gujarat Chambers of Commerce and Industry in 69 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).

② **R. K. Sukhdevsinhji**
Director

A graduate from St. Stephens College, Delhi, Mr. R. K. Sukhdevsinhji is the son of late Maharaja Rajendrasinhji. In 1981, he was appointed to the Ministry of Petroleum and Natural Gas as Director (Operations) in the Oi l 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 sector companies.

③ **Gokul M. Jaykrishna**
Joint Managing Director and CEO

A major in Finance with a minor in Economics, from Lehigh University, USA, Mr. Gokul M. Jaykrishna overlooks the Company's operations, finance, production, marketing and strategic development.

Prior to his stint with the Company, he worked for Krieger Associates, New Jersey (US), one of the most influential currency and option traders in the US. He is also on the Board of AksharChem (India) Ltd.

④ **Arvind Goenka**
Director

A graduate from St. Xavier College, Kolkata, Mr. Arvind Goenka is an industrialist hailing from the renowned Goenka family. He has rich experience of over 35 years in managing and overlooking the operations of diverse business interests such as jute, cotton textiles, rubber, chemical and sophisticated industrial engineering products. He is on the Boards of reputed companies such as Oriental Carbon and Chemicals Ltd. and Schrader Duncan Ltd.

⑤ **Jayprakash M. Patel**
Director

Mr. Jayprakash M. Patel holds a B. E. degree in Chemical Engineering from the US. He is an industrialist with more than 46 years of experience in the dyes and chemicals industry, with in-depth and expert knowledge in this field. He is the founder of Loxim Industries Limited.

⑥ **Pradeep Jha**
Director

Mr. Pradeep Jha is a renowned mathematician with 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 programmes for corporates.

⑦ **Munjal M. Jaykrishna**
Director

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

⑧ **Arjun G. Jaykrishna**
Executive Director

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

Management Discussion and Analysis



ECONOMIC OVERVIEW

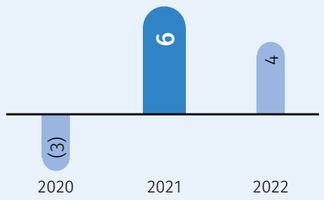
Global Economy

In 2020, the global economy faced a once-in-a-century crisis, a great disruption triggered by a worldwide pandemic. Global gross product shrunk by 4.3% in 2020, the most severe recession since the Great Depression. The pandemic arguably had the greatest impact on developed economies, considering the severe lockdown measures implemented early in the outbreak by a number of European nations and many states in the United States of America. Consequently, output in developed countries is estimated to have contracted by 5.6% in 2020 before recovering to 4% in 2021. The developing world suffered a more moderate decline, with production contracting by 2.5% in 2020. In 2021, their economies are expected to expand by 5.7%. The least developed nations' (LDCs) gross domestic product (GDP) contracted by 1.3% in 2020, but is projected to increase at a rate of 4.9% in 2021. Global growth is forecasted to reach 6% in 2021 and then decrease to 4% in 2022. The 2021 and 2022 forecasts are more optimistic than those in the October 2020 World Economic Outlook (WEO). The higher adjustment includes

- further fiscal stimulus in a few major countries,
- the expected vaccine-driven rebound in the second half of 2021, and
- continuing economic activity adapting to high sensitivity in new normal conditions.

This scenario is fraught with uncertainty about the pandemic's trajectory, despite increasing vaccination coverage. Moreover, economic recovery varies by country and industry, owing to the variability of pandemic-induced disruptions.

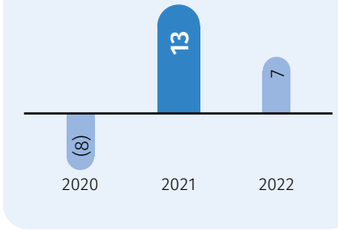
IMF Global Economy Forecast (in %)



Indian Economy

The COVID-19 pandemic's economic effect on India has been disruptive, resulting in budgetary constraints and deterioration of demand conditions. Due to the government's strict pandemic-induced lockdown, the economy contracted by 23.9% year on year in the first quarter of FY21. Agriculture was the economy's sole high-growth sector in Q1 of FY21, growing at a rate of 3.4%, owing to normal monsoon, record-high output, and robust governmental assistance. India's economic activity has recovered rapidly from the record lows in the first quarter of FY21 caused by the COVID-19 pandemic, owing to the relaxation of restrictions and substantial fiscal and monetary assistance given by the Government and RBI. According to the National Statistics Organization's (NSO) preliminary National Income estimates, the Indian economy declined by 7.3% in FY21, compared to a 4% growth rate in FY20. The Economic Survey 2020-21 forecasts a 'V-shaped' economic rebound, with India's real GDP growing at a rate of 11.0% in FY22.

IMF Global Economy Forecast (in %)



INDIAN CHEMICAL INDUSTRY OVERVIEW

The Indian chemical sector has a critical role in transforming India into a $5 trillion economy by 2025, with a potential contribution of $300 billion to GDP. When the pandemic arrived, it brought with it a slew of difficulties. Several of these difficulties include a deteriorated supply chain squeeze compounded by the consequences of de-globalization and travel restrictions, as well as possible implications on climate change, resource management, and biodiversity. These difficulties directly affected the chemical sector and created possibilities for Indian companies that flourished by gaining favourable market share. As a result, India's chemicals sector is expected to expand at a rate double that of the world average. This growth may be credited to the country's high-quality talent pool, which was fast to grasp the opportunity with the support of major industry leaders. By concentrating their efforts on managing the crisis and transforming barriers into opportunities, Indian businesses could pivot and create continuous growth and success. Gains in market share were the consequence of progressively enhancing current capabilities to offer the highest-quality goods.

The Indian chemical sector has a critical role in transforming India into a $5 trillion economy by 2025

Global end-user industries have diversified their vendor base, primarily toward Indian players, due to China's supply disruption. Due to the closure of facilities in the EU and China due to growing environmental concerns, Indian manufacturers have increased their investment in speciality chemicals. Strategic investors, driven by Japan, Korea, and Thailand, are showing interest in Indian companies attempting to diversify their supply chains away from China. Even in the pigment sector, the competitive environment for phthalocyanine pigments has shifted significantly during the past 15 years. India has established itself as a major player in the markets by steadily taking market share from China, which accounted for more than 70% of phthalocyanine pigments. Today, India caters to more than 70% of the world's phthalocyanine pigment needs.

India is a worldwide leader in chemical exports and imports, ranking 14th in exports and 8th in imports (excluding pharmaceuticals). In India, the chemicals sector encompasses approximately 80,000 commercial products with a total market value of US$ 178 billion in 2018-19. The industry is projected to expand at a 9.3% CAGR to US$ 304 billion by 2025, owing to increasing demand for speciality chemicals and petrochemicals from end-user sectors.

INDUSTRY OVERVIEW

ORGANIC PIGMENT INDUSTRY OVERVIEW

Global Organic Pigments Market size was reported at USD 5,332.19 million in 2020 and is projected to reach USD 5,615.03 million in 2021, growing at a Compound Annual Growth Rate (CAGR) of 5.64% to reach USD 7,412.13 million by 2026. The development of the pigment business is being driven by increased demand from a variety of applications, including packaging inks, textiles, paints & coatings, construction, and plastics. The main market drivers include strict laws governing the use of printing inks in food contact materials, increasing demand for organic pigments from end-use industries such as textiles, plastics, and cosmetics, and fast urbanisation in Asia's emerging areas.

Inorganic pigments include hazardous heavy metals such as iron oxide, titanium dioxide, and cadmium. As a result, the lack of these heavy metals and their environmentally favourable characteristics, along with strict laws governing the use of organic pigments in printing inks on food contact products, is anticipated to drive the market's growth.

Indian companies are prudently investing in R&D within the regulatory framework.

On the other hand, growing environmental concerns have compelled industry participants to improve their production processes via the deployment of sophisticated technology for effective pollution removal. In addition, the sector was subjected to stringent restrictions, which hampered the manufacture and use of pigments in North America and Europe. Thus, Asia Pacific saw an increase in manufacturing facility relocations due to advantageous industrial conditions and liberal regulations, aided by the availability of raw materials, inexpensive labour, and trained personnel.

With increasing pigment end-user demands for affordability and quality, Indian companies are prudently investing in R&D within the regulatory framework. The businesses are improving operational efficiency by using a backward integration approach, acquiring raw materials in advance, and producing the product according to the customer's specifications. The dramatic changes occurring in China's chemical sector are expected to provide enormous possibilities for Indian producers to expand their exports of pigments to key markets such as the United States, Germany, China, Brazil, and Italy.

BUSINESS OVERVIEW

Asahi Songwon Colors Limited is engaged in the business of manufacturing and export of colour pigments. The Company manufactures phthalocyanine pigments, comprising Copper Phthalocyanine crude (CPC) blue crude and a range of beta blue pigments. Its phthalocyanine pigments are used in the manufacture of printing

Management Discussion and Analysis continued

inks, paints, plastics, textiles and paper industries. Recently, the company has also ventured into manufacturing yellow and red (AZO) pigments. The company caters to a diverse base of global and Indian customers with more than 60% of business from exports to global MNC's in 20+ countries.

The Company currently manufactures products for over 40 international and domestic customers and operates via its two manufacturing facilities in Gujarat, India, located at Padra, Vadodara and at Dahej, Bharuch with an aggregate installed capacity of 16,800 MT supported by a strong team of 550+ as of March 31st, 2021.

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

PHTHALOCYANINE PIGMENTS

According to a recent MarketWatch report, the worldwide Phthalocyanine Pigments market was valued at 133.49 million USD in 2020 and is expected to expand at a 4.78 percent compound annual growth rate from 2020 to 2027. With the impending departure of global heavyweights such as BASF and Clariant, the pigment industry is undergoing a structural shift that benefits up-and-coming providers such as Asahi Songwon Colors Ltd. Vendors are seeking to reduce product prices by utilising the benefits of cheap labour costs and easy raw material availability in emerging nations as production shifts away from western hubs to countries such as India and South Korea.

The Company currently manufactures products for over 40 international and domestic customers and operates via its two manufacturing facilities

At Asahi, we use our knowledge and expertise in manufacturing Phthalocyanine pigments to cater to the diverse needs of the printing ink, packaging ink, paint, plastic, and textile sectors. This segments contributed to 100% of our revenues till Q3FY21.

AZO PIGMENTS

Azo pigments are naturally occurring organic chemicals that are extensively used to treat textiles, leather goods, and certain foods. They are one of the type of organic pigments that have lower covering power than inorganic, thus exhibit higher colour gloss and strength. The global Azo Pigments market is now worth USD 10 million and is projected to reach USD 12 million by the end of 2027, growing at a 3.0% compound annual growth rate during the forecast period.

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

The printing inks sector is one of the fastest growing end- use industries.

END SECTOR GROWTH DRIVERS

The growth of the textile sector may be linked to the increasing usage of colourants in contemporary textile solutions. Colour is a critical element in product marketing. Increased manufacturing of textile goods and rising demand for pigments may add to the textile industry's robust growth, which is anticipated to boost the market.

The increase in residential and commercial building is linked to the growth of the paints and coatings sector. Increased government and private sector investment in infrastructure development, increasing per-capita earnings, increased consumer spending, and an improved quality of life are all anticipated to contribute to the paints and coatings segment's growth in the years ahead.

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

OUTLOOK AND STRATEGY

The Company will continue to maximise its use of its installed capacity, which is critical for improving operating performance. In addition, priority will be given to product quality, cost reductions, operational efficiency, and prudent capital deployment in value-creating opportunities.

Strategic investors, spearheaded by Japan, Korea, and Thailand, are showing interest in Indian businesses attempting to diversify their supply chains away from China. With access to local raw materials and backward integrated operations, India's azo pigment sector has significant growth potential as global companies seek to de-risk their supply chains from China.

RISKS AND CONCERNS

Chemical supply chains can be negatively impacted by regional outbreaks, while demand may drop as a consequence of worldwide economic and financial market uncertainty. Employees are at greater risk of infection, and governments are restricting movement, which adds a degree of uncertainty to the industry and business as a whole.

Product margins can be strained as a result of fluctuating raw material prices, dependence on imports of key intermediates, and increasing pricing of crude oil around the world.

The Rupee and Yuan's fluctuation against the Dollar is critical to the overall pricing of products since India manufactures compete against the Chinese in organic pigment industry.

Unlike the dyes market, which is more fragmented, the pigments industry is more concentrated. While local and foreign markets will continue to provide development possibilities, there are certain ESG issues that the sector should be cognizant of.

Compliance costs and complicated regulatory processes can have an economic effect on businesses.

INTERNAL 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.

Product margins can be strained as a result of fluctuating raw material prices, dependence on imports of key intermediates, and increasing pricing of crude oil around the world.

The Company has appointed Independent Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls and suggest improvements. Internal Control Systems are reviewed by Audit Committee headed by a Non- Executive Independent Director on a regular basis for its effectiveness and the necessary changes suggested are interpreted into the system. Internal Audit Report are reviewed by the Audit Committee of the Board.

HUMAN RESOURCES DEVELOPMENT

Overall industrial relations 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.

Our people have been our backbone and growth driver. Each day, they come to work determined to develop and deliver solutions to our customers all over the globe. When the pandemic struck, we knew that our first duty was towards our skilled workforce. During the year, our focus was on the health and safety of our people. We did and continue to do everything in our capacity to ensure their well-being.

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

FINANCIAL PERFORMANCE

(₹ in crores)

Particulars	FY21	FY20
Revenue from operations	**282.94**	**283.64**
Other Income	2.53	0.78
Total Income	**285.47**	**284.42**
Total Operating Expenses	234.81	249.24
Interest Cost	1.92	3.60
Depreciation	8.44	8.32
Profit Before Tax excl. exceptional items	40.30	23.26
Profit After Tax	**32.94**	**22.82**

Management Discussion and Analysis continued

Key Financial Ratios as per SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018

Particulars	FY21	FY20
Debtors Turnover Ratio	86.00	71.00
Inventory Turnover Ratio	48.00	59.00
Interest Coverage Ratio	28.15	8.31
Current Ratio	1.81	2.04
Debt Equity Ratio	0.19	0.11
Operating Profit (PBIT) Margin (%)	14.92	9.20
Net Profit Margin (%)	11.64	8.05
Return on Net Worth (RoNW)	14.16	11.32

CAUTIONARY STATEMENT

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

Notice

Notice is hereby given that the 31st Annual General Meeting of the Members of **ASAHI SONGWON COLORS LIMITED** will be held on **Wednesday, 29th day of September, 2021** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") at **11.00 A.M**. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt:

a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Reports of the Board of Directors' and the Auditors' thereon; and

b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Report of the Auditors' thereon.

2. To declare a final dividend on Equity Shares of the Company for the Financial Year 2020-21.

3. To appoint a director in place of Mr. Gokul M. Jaykrishna (DIN: 00671652), who retire by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Re-appointment of Mrs. Paru M. Jaykrishna (DIN: 00671721), as Chairperson and Managing Director of the Company.

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

"RESOLVED 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 re-appointment of Mrs. Paru M. Jaykrishna, as Chairperson and Managing Director of the Company for a period of 5 years with effect from August 1, 2021 to July 31, 2026, 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, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-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 Mrs. Paru M. Jaykrishna.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

5. Re-appointment of Mr. Gokul M. Jaykrishna (DIN: 00671652), as Joint Managing Director & CEO of the Company.

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

"RESOLVED THAT subject 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 re-appointment of Mr. Gokul M. Jaykrishna, as Joint Managing Director & CEO of the Company for a period of 5 years with effect from August 1, 2021 to July 31, 2026, 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, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-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. Gokul M. Jaykrishna.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

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 SEBI (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 ₹ 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 2022, 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

Date: August 04, 2021
Place: Ahmedabad

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

Registered Office:

"Asahi House",
13, Aaryans Corporate Park
Nr. Shilaj Railway Crossing,
Thaltej-Shilaj Road, Thaltej
Ahmedabad - 380059
Gujarat (India)
CIN : L24222GJ1990PLC014789
Phone: +91 079 68325000
Fax: +91 079 68325099
Website: www.asahisongwon.com
Email id: cs@asahisongwon.com

Notes:

1. The 31st Annual General Meeting (AGM) of the Company shall be held through video conferencing/other audiovisual means (VC) pursuant to the Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 5, 2020 and Circular No. 02/2021 dated January 13, 2021 and SEBI Circular No. SEBI/HO/ CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (hereinafter collectively referred to as "the Circulars") issued by the Securities and Exchange Board of India (the e-AGM circulars). For the purpose of recording the proceedings, the AGM will be deemed to be held at the registered office of the Company at "Asahi House", 13, Aaryans Corporate Park,Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road, Thaltej, Ahmedabad - 380059, Gujarat, India. Keeping in view the guidelines to fight the COVID-19 pandemic, the Members are requested to attend the AGM from their respective locations by VC and not to visit the registered office to attend the AGM.

2. Proxy

Since the Annual General Meeting (AGM) is being held pursuant to the e-AGM circulars through video conferencing / other audiovisual means, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice. However, a Member may appoint a representative as per applicable provisions of the Companies Act, 2013 to attend and/or vote.

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, 5 and 6 of the Notice, is annexed hereto.

5. 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 23, 2021 to Wednesday, September 29, 2021 (both days inclusive)** for the purpose of Annual General Meeting and payment of Dividend.

6. Director proposed to be re-appointed

At the ensuing Annual General Meeting, Mr. Gokul M. Jaykrishna (DIN:00671652), Director of the Company, retire by rotation and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in annexure to notice of Annual General Meeting.

7. 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.

8. Payment of Dividend

The final dividend on equity shares for the financial year 2020-21, if approved, at the 31st Annual General Meeting will be paid to :

(i) those members whose name appear in the Register of Members of the Company as on **Wednesday, September 22, 2021** in respect of shares held in Physical Form and

(ii) to those beneficial owners, in respect of shares held in the electronic form, whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business hours on **Wednesday, September 22, 2021**.

9. Tax at Source (TDS) on Dividend

The Members may note that the Income Tax Act, 1961 ("the IT Act"), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020, will be taxable in the hands of the Members. The Company will therefore be required to deduct Tax at Source (TDS) at the time of making the final dividend. In order to enable the Company to determine the appropriate TDS rate as applicable, the Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

i) For Resident Members, TDS will be deducted under Section 194 of the Income Tax Act, 1961 as follows:

Members having valid Permanent Account Number ("PAN")	10% or as notified by the Government of India
Members not having PAN / valid PAN (Section 206AA of the IT Act)	20% or as notified by the Government of India
Members not filing Income Tax returns for preceding two years and whose TDS/TCS credit is more than ₹ 50,000 (Section 206AB of the IT Act)	20% or as notified by the Government of India

However, no tax shall be deducted on the dividends payable to a resident individual if the otal dividend to be received by them during fiscal 2022 does not exceed ₹ 5,000 and also in cases where Members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged sixty (60) years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for Members providing Form 15G / 15H or any other document as mentioned above.

ii) For non-resident shareholders (including Foreign Institutional Investors / Foreign Portfolio Investors),

Taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividends payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the Member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Self-attested copy of the PAN card allotted by the Indian income tax authorities duly attested by the Member or details as prescribed under rule 37BC of Income-tax Rules, 1962.
- Self-attested copy of Tax Residency Certificate for fiscal 2022 obtained from the revenue authorities of the country of tax residence, duly attested by Member.
- Self-declaration in Form 10F.
- Self-declaration by the Member that does not have a permanent establishment in India under the applicable Tax Treaty, (ii) is the beneficial owner of the dividends, (iii) complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI') (iv) will not have a place of effective management in India
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the Member.

Please note that application of the beneficial rate of tax treaty for TDS is at the discretion of the company and shall depend upon the completeness and satisfactory review of the same by the Company.

Accordingly, the aforementioned documents are required to be uploaded on the shareholder portal at https://www.linkintime.co.in/formseg/Submission-of-form-15g-15h.html. on or before September 20, 2021. No communication would be entertained from Members after September 20, 2021 regarding tax withholding matters.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

10. The Company will arrange to e-mail the soft copies of TDS certificates to the Members at their registered e-mail addresses in due course, post payment of the dividend.

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 unpaid dividend account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. The following are the details of dividends declared by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

Dividend Year	Date of Declaration of Dividend	Due date of transfer to IEPF
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
219-2020 Interim	05/03/2020	10/03/2027

Accordingly, the unclaimed dividend in respect of Financial Year 2013-14 is due for transfer to the said Fund in October, 2021. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2013-14 onwards, are requested to lodge their claims for the same with the Company or with Registrar and Transfer Agent.

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.

13. Members who wish to seek any information with regard to the Financial Statements or any matter to be placed at 31st Annual General Meeting are requested to write to the Company atleast 10 days before the meeting or through email on cs@asahisongwon.com 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 Share Transfer Agents of the Company – Link Intime India Private limited at the link mentioned hereunder and upload the documents required therein: https://www.linkintime.co.in/EmailReg/Email_Register.html.

This may be treated as an advance opportunity in terms of proviso to Rule18(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. Corporate members, intending to depute their authorised representatives to attend the meeting pursuant to Section 113 of the Act, are requested to send to the Company a duly certified true copy of the Board Resolution/Power of Attorney authorizing their representatives to attend and vote on their behalf at the meeting.

21. All documents referred to in the notice and the explanatory statement requiring the approval of the members at the Annual General Meeting and other statutory registers shall be available for inspection by the members at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., on all working days of the Company from the date hereof up to the date of ensuing Annual General Meeting.

22. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report for 2020-21 will also be available on the Company's website www.asahisongwon.com for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m., except Sundays and holidays.

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

24. 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, Secretarial Standards on General Meeting (SS2) issued by the Institute of Company Secretaries of India and in terms of SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated December 9, 2020, the Company is pleased to provide the facility to members to exercise their right to vote at 31st 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

24.1 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.

24.2 The Board of Directors of the Company has appointed Mr. Shyamsingh R. Tomar (Membership No.: 36530), Proprietor, M/s. Shyamsingh Tomar & Associates, Company Secretaries, Ahmedabad, as the Scrutinizer, to scrutinize the voting during the AGM and remote e-Voting process in a fair and transparent manner.

24.3 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.

24.4 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.

24.5 The instructions for members for remote e-Voting and joining General Meeting are as under:-

The remote e-voting period begins on **Sunday, September 26, 2021 at 9:00 A.M. and ends on Tuesday, September 28, 2021 at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **September 22, 2021**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **September 22, 2021**.

24.6 A person who is not a Member as on the Cut-off Date is requested to treat this Notice for information purposes only.

24.7 The facility for voting during the Annual General Meeting will also be made available. Members present in the Annual General Meeting through VC and who have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting system during the Annual General Meeting.

24.8 Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become Members of the Company after the Notice is sent and holding shares as of the Cut-off Date, i.e. September 22, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-Voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become Members of the Company after the Notice is sent and holding shares as of the Cut-off Date i.e. September 22, 2021, may follow steps mentioned in the Notice under 'Instructions for e-Voting'

24.9 Instructions for e-Voting:

The details of the process and manner for remote e-Voting and voting during the AGM are explained below:

Step 1: Access to NSDL e-Voting system

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility,** please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their User ID and Password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on 'New System Myeasi'. 2. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

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.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

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

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

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

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (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. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) 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.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) 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 etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

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

4. 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.

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

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

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

25. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@asahisongwon.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@asahisongwon.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring User ID and Password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

26. General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csshyamtomar@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in.

27. The instructions for members for e-Voting on the day of the Annual General Meeting are as under:-

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

2. Only those Members/ shareholders, who will be present in the Annual General Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Annual General Meeting.

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

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

28. Instructions for members for attending the Annual General Meeting through VC/OAVM are as under:

1. Member will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting

system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

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

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at cs@asahisongwon.com. The same will be replied by the company suitably.

6. 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. Such requests need to reach the Company at least seven days before the date of Annual General Meeting . Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Annual General Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

29. The scrutiniser shall, immediately after the conclusion of e-voting at the Annual General Meeting, first count the votes cast through e-Voting at the Annual General Meeting and thereafter unblock the votes cast through Remote e-voting in the presence of atleast two witnesses not in the employment of the Company.

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.

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, 5 and 6 of the accompanying Notice.

ITEM NO. 4

Subject to approval of Members and on recommendation of the Nomination and Remuneration Committee, the Board of Directors re-appointed Mrs. Paru M. Jaykrishna, as Chairperson and Managing Director for a period of five years w.e.f 1st August, 2021.

Mrs. Paru M. Jaykrishna is having the age of more than 70 years and hence continuation of her employment as Chairperson and Managing Director requires the approval of members by way of a special resolution pursuant to Section 196(3) of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

Her brief resume and 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.

Considering rich and varied experience in the Industry and her involvement in the operations of the Company over a long period of time and responsibilities being handled by her, it would be in the interest of the Company to continue her employment as Chairperson and Managing Director.

The terms of re-appointment of Mrs. Paru M. Jaykrishna are in accordance with the applicable provisions of the Companies Act, 2013. Brief terms and conditions of re-appointment of Mrs. Paru M. Jaykrishna are given below:

1. Remuneration

A. Basic Salary	₹ 6,00,000/- per month with effect from 1st August, 2021 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 Chairperson and Managing 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 Chairperson and Managing Director, subject to a ceiling of 60% of the salary, over and above 10% payable by the Chairperson and Managing Director.
	ii)	In case the accommodation is owned by the Company, 10% of the salary of Chairperson and Managing Director shall be deducted by the Company.
	iii)	In case no accommodation is provided by the Company, Chairperson and Managing 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 Chairperson and Managing Director for herself and her 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 Chairperson and Managing Director and her 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 four 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 Chairperson and Managing 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 Chairperson and Managing Director.

3. Overall Remuneration:

The aggregate of salary, perquisites, allowances and commission in any one financial year will be as per the Special Resolution passed in General Meeting.

4. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of the Chairperson and Managing 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.

The Board of Directors considers that her guidance and association will continue to benefit the Company. The board of directors recommends the passing of this resolution as a Special Resolution.

The nature of concern or interest of Mrs. Paru M. Jaykrishna, Chairperson and Managing Director is that above resolution pertains to her re-appointment and she will be receiving remuneration as stated herein, if approved. Except Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna, Mr. Munjal M. Jaykrishna Mr. Arjun G. Jaykrishna or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 4.

ITEM NO. 5

Subject to approval of Members and on recommendation of the Nomination and Remuneration Committee, the Board of Directors re-appointed Mr. Gokul M. Jaykrishna, as Joint Managing Director & CEO for a period of five years w.e.f 1st August, 2021.

Mr. Gokul M. Jaykrishna, aged around 53 years has over 28 years experience in chemical and pigments industries. He was working in Krieger Associates, New Jersey, USA one of the most influential currency and options trader in USA. He has done his specialization in Finance from Lehigh University USA. Since, 1996 he is incharge of operation of the company including finance, production, marketing and strategic development of the company. He has been the guiding force behind the Company's fast track growth.

His brief resume and 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.

The terms of re-appointment of Mr. Gokul M. Jaykrishna are in accordance with the applicable provisions of the Companies Act, 2013. Brief terms and conditions of re-appointment of Mr. Gokul M. Jaykrishna are given below:

1. Remuneration

A. Basic Salary	₹ 4,00,000/- per month with effect from August 1, 2021 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 Joint Managing Director & CEO 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 Joint Managing Director & CEO, subject to a ceiling of 60% of the salary, over and above 10% payable by the Joint Managing Director.
	ii)	In case the accommodation is owned by the Company, 10% of the salary of Joint Managing Director & CEO shall be deducted by the Company.
	iii)	In case no accommodation is provided by the Company, Joint Managing Director & CEO 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 Joint Managing Director & CEO 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 Joint Managing Director & CEO 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 four 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 Joint Managing Director & CEO.

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 Joint Managing Director & CEO.

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 Joint Managing Director & CEO, 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.

The Board of Directors considers that his guidance and association will continue to benefit the Company. The board of directors recommends the passing of this resolution as Ordinary Resolution.

The nature of concern or interest of Mr. Gokul M. Jaykrishna, Joint Managing Director & CEO is that above resolution pertains to his re-appointment and he will be receiving remuneration as stated herein, if approved. Except Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna,Mr. Munjal M. Jaykrishna and Mr. Arjun G. Jaykrishna or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 5.

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 ₹ 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 2022, 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 and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.6.

The Board of Directors recommends the passing of the Special Resolution set out at item no. 6 for approval of the members.

By the Order of the Board of Directors

Date: August 04, 2021
Place: Ahmedabad

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

Registered Office:

"Asahi House",
13, Aaryans Corporate Park
Nr. Shilaj Railway Crossing,
Thaltej-Shilaj Road, Thaltej
Ahmedabad - 380059
Gujarat (India)
CIN : L24222GJ1990PLC014789
Phone: +91 079 68325000
Fax: +91 079 68325099
Website: www.asahisongwon.com
Email id: cs@asahisongwon.com

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

	Re-Appointment	**Re-Appointment**
Name of the Director	Mrs. Paru M. Jaykrishna	Mr. Gokul M. Jaykrishna
DIN	00671721	00671652
Date of Birth	05.08.1943	24.10.1968
Date of Appointment/ Reappointment	19.12.1990	08.03.1996
Qualification	M.A., LL.B.	Major in Finance and Marketing from Lehigh University, Bethlehem (USA)
Expertise in specific functional Area	She is a Law Graduate and holds Bachelor's degree in Philosophy and Sanskrit & Masters' degree in English Literature. Her role in the organisation is that of a strategic decision maker and policy maker to ensure growth. She is one of the most renowned Women Entrepreneurs of India and was the First Elected Lady as a President of Gujarat Chambers of Commerce and Industry in 65 years. In past she has been Director in Tourism Corporation of Gujarat Ltd., Gujarat State Handloom House Corporation and Small Industries Development Bank of India(SIDBI).	He has the experience of working with Krieger Associates, New Jersey (USA) one of the largest currency option traders.
Terms and Conditions of appointment / re-appointment	She is Chairperson & 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 she is being re-appointed as Chairperson and Managing Director w.e.f. August 1, 2021. Detailed terms and Conditions are given in Explanatory Statement. She is entitled for remuneration.	He is Joint Managing Director & CEO 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 and he is being re-appointed as JointManaging Director & CEO w.e.f. August 1, 2021. Detailed terms and Conditions are given in Explanatory Statement. He is entitled for remuneration. Further, he is to be re-appointed as director liable to retire by rotation.
Public Ltd. Companies (in India) in which outside Directorships held	Aksharchem (India) Limited Asahi Tennants Color Private Limited (Deemed Public Company)	Aksharchem (India) Limited Echke Limited Asahi Tennats Colors Private Limited (Deemed Public Company)
Membership/ Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee) #	Nil	Nil

Shareholding in the Company	52,76,651 (43.87%) Equity Shares is held by M/s. Mrugesh Jaykrishna Family Trust-1, where she is a trustee.	Mr. Gokul M. Jaykrishna holds 9,809 Equity Shares of the Company. Further, M/s. Gokul M. Jaykrishna Family Trust holds 26,99,238 (22.44%) Equity Shares of the Company, where Mr. Gokul M. Jaykrishna is a trustee.
Relationship with other Directors/ KMPs	Mother of Mr. Gokul M. Jaykrishna, Joint Managing Director & CEO and Mr. Munjal M. Jaykrishna, Director and Grand Mother of Mr. Arjun G. Jaykrishna, Director of the Company.	Son of Mrs. Paru M. Jaykrishna, Chairperson & Managing Director, brother of Mr. Munjal M. Jaykrishna, Director and father of Mr. Arjun G. Jaykrishna Executive Director of the Company.

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

Boards' Report



To the Members of
Asahi Songwon Colors Limited

Your Directors are pleased to present their 31st Annual Report of the Company together with the Audited Financial Statements both Standalone and Consolidated for the Financial Year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2021 is summarised below:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2020-2021	2019-2020	2020-2021	2019-2020
Revenue from Operations	28,294.48	28,363.98	28,308.02	28,363.98
Other Income	252.90	78.42	31.02	78.42
Total Income	28,547.38	28,442.40	28,339.04	28,442.40
Profit before Depreciation, Finance Cost, Exceptional Item and Tax Expenses	5,066.09	3,518.27	4,982.18	3,518.27
Less : Depreciation	843.78	831.69	869.38	831.69
Less : Finance Cost	191.95	359.74	194.13	359.79
Profit before Tax before Exceptional Item	4,030.36	2,326.84	3,918.27	2,326.79
Add : Exceptional Items	445.24	-	445.24	-
Profit before Tax (PBT)	**4,475.60**	**2,326.84**	**4,363.91**	**2,326.79**
Less : Tax Expenses	1,181.87	44.35	1,169.29	44.16
Profit after Tax (PAT)	**3,293.73**	**2,282.49**	**3,194.62**	**2,282.63**
Attributable to :				
Owners of the Company	-	-	3,221.44	2,282.56
Non-Controlling Interest	-	-	(26.82)	0.07
Other Comprehensive Income/(Loss)	786.12	(596)	786.12	(587.95)
Total Comprehensive Income	4,079.85	1,686.49	3,980.74	1,694.68
Attributable to :				
Owners of the Company	-	-	4,007.56	1,690.67
Non-Controlling Interest	-	-	(26.82)	4.01
Opening Balance in Retained Earnings	14,636.90	13,838.10	14,641.07	13,838.10
Amount available for appropriation	18,716.74	15,524.59	3,562.62	1,690.67
Less : Dividend (including Dividend Distribution Tax) on equity shares	-	887.70	-	(887.10)
Closing Balance in Retained Earnings	18,716.74	14,636.90	18,203.69	14,641.07

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

a. General

Financial year 2020-21 was an extremely challenging year which was largely dominated by the pandemic that hit economies globally. The impact of COVID-19 was being felt by all business around the world including India.

During the Financial Year 2020-21, India was impacted by the spread of the COVID-19 pandemic. To contain its spread, India announced a nationwide lockdown. This led to slow down in our operations. During these challenging times, your Company prioritized the health and safety of employees, protected the interest of stakeholders and strictly aligned itself with government guidelines to minimize impact on operations.

The market of the Phthalo pigments was also sluggish during the year, which challenged the volume. The disruption in the global supply chain coupled with reduced demand from various end user industries negatively impacted the demand for pigments. Despite, this challenging environment, your Company sustained its growth trajectory. The Company focused on visible improvement in operating profit margins due to focused cost efficiency measures, price discipline and low commodity pricing.

b. Performance Review

On Standalone Basis : During the year under review, the revenue from operation stood at ₹ 28,294 lakhs compared to ₹ 28,364 lakhs in the previous year. EBIDTA for the FY21 stood at ₹ 5,066 lakhs with an EBITDA Margin of 17.90%. The Profit after tax (PAT) for the financial year 2020-2021 was ₹ 3,294 lakhs as compared to previous year ₹ 2,282 lakhs an increase of 44%.

On Consolidated Basis : During the year under review, the revenue from operation stood at ₹ 28,308 lakhs compared to ₹ 28,364 lakhs in the previous year. EBIDTA for the FY21 stood at ₹ 4,982 lakhs with an EBITDA Margin of 17.60%. The Profit after tax (PAT) for the financial year 2020-2021 was ₹ 3,195 lakhs as compared to previous year ₹ 2,283 lakhs.

c. Exports

During the year under review, the total exports on standalone basis contributed to ₹ 16,628 lakhs compared to ₹ 17,972 lakhs during the previous year. Your Company continues to view focus export markets for its products and are confident to explore better overseas markets in the coming years.

DIVIDEND

Based n your Company's performance, the Board of Directors of your Company has recommended dividend at a rate ₹ 3.50 per share (35%) of face value of ₹ 10/- each on the fully paid up equity share capital of the Company for the Financial Year 2020-2021 subject to approval of members at the 31st Annual General Meeting (**"AGM"**)

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

The final dividend, if approved by the members at the ensuing Annual General Meeting would involve a total outgo of ₹ 420.95 Lakhs towards dividend for the year.

In view of the changes made under the Income Tax Act, 1961 by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the shareholders. Your Company shall, accordingly, make the payment of the dividend after deduction of tax at source.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to the transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of ₹ 85,295/- to Investor Education and Protection Fund (IEPF) during the year. Further, 29 Equity shares were transferred as per the requirements of IEPF rules.

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 2013-2014 or earlier financial years has not been paid or claimed by members for 7 (seven) consecutive years or more.

BUY BACK OF SHARES

During the year under review, the Board of Directors approved a proposal of buyback of 245,000 Equity Shares (representing 2% of the total paid-up equity share capital of the Company) at a price of ₹ 330/- per Equity Share to return surplus funds to shareholders of the Company and to improve earnings per shares by a decrease in the equity base. The details of BuyBack is given below:

Date of Board Meeting approving the buyback	06.11.2020
Buyback price approved by the Board	₹ 330/- per Equity Shares of face value of ₹ 10/- each on the fully paid up equity share capital of the Company.
Buyback opening date	10.12.2020
Buyback closing date	23.12.2020
Number of share bought back	2,45,000
Date of extinguishing of Equity Shares	06.01.2021
Total Number of Equity Shares pre buyback	1,22,72,262 Equity Shares
Total Number of Equity Shares post buyback	1,20,72,262 Equity Shares

TRANSFER TO RESERVE

The Board of Directors of your Company has decided not to transfer any amount to the General Reserves, for the Financial Year ended March 31, 2021.

SHARE CAPTIAL

a. Issue of equity Shares with differential rights

During the year under review, the Company has bought back 2,45,000 equity shares of ₹ 10/- each and accordingly Company's issued, subscribed and paid-up equity share stood at ₹ 1,202.73 lakhs divided into 1,20,27,262 equity shares of ₹ 10/- each. During the year under review, no equity shares with differential rights as to dividend, voting or otherwise 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 2020-2021.

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, 2021.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Asahi Tennants Color Private Limited ("ATC") is a joint venture between your Company and Tennants Textile Colours Limited, England, where in your Company is holding 51% of total Equity Share Capital and the balance share capital of 49% is held by Tennants Textile Colours Limited, England.

Tennants Textile Colours Limited (TTC) is the leading UK manufacturer of colour, based beside the River Lagan in Belfast, Northern Ireland with solvent production facility outside Birmingham, England. They produce a wide range of colour dispersions (Water & Solvent base) tailored to optimise their suitability for a range of markets including Textile, Paper, Paints & Coatings, Ink, Agriculture & Plastic. Today they export to over 41 countries globally from their base in the UK.

During the year under review, AZO pigment plant of Asahi Tennants Color Private Limited commenced production on December 14, 2020. The state of art plant will make Red & Yellow pigments. The installed capacity of the AZO pigment plant is 2,400 metric tonnes per annum. In spite of the Covid-19 pandemic, the Company was able to successfully commission the plant on December 14, 2020 four months before the original target date.

As on March 31, 2021, the Company does not have any material unlisted subsidiary company as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Audit Committee and the Board review the financial statements, significant transactions and working of the subsidiary company and the minutes of the unlisted subsidiary companies are placed before the Board.

Your Company has in accordance with the Listing Regulations adopted policy of determining Material Subsidiaries. The said policy is available on your Company's website www.asahisongwon.com.

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, Federal Bank Limited and HDFC 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.

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

LISTING

As at March 31, 2021, 1,20,27,262 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 2021-2022.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments, affecting the financial position of the Company since the close of Financial Year i.e. March 31, 2021 and the date of this report.

RISK MANAGEMENT

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

PUBLIC DEPOSIT

During the year under review, the Company has not accepted or renewed any fixed deposit from public within the meaning of Section 73 of Companies Act, 2013 and read with the Companies (Acceptance of Deposits) Rules, 2014, as such, no amount of principal or interest was outstanding as on March 31, 2021.

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, 2021.

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

Appointment/Reappointment of Directors

- During the year under review, upon the recommendation of Nomination and Remuneration Committee Shareholders at the 30th Annual General Meeting held on September 30, 2020 shareholders approved the appointment of Mr. Arjun G. Jaykrishna (DIN: 08548676) as Whole Time Director designated as Executive Director of the Company for a period of 5 years commencing from October 14, 2019.

- Subject to the approval of the shareholders at the ensuing Annual General Meeting, and based on the recommendations of the Nomination and Remuneration Committee, the Board Directors of the Company approved the reappointed Mrs. Paru M. Jaykrishna as Chairperson

and Managing Director of the Company and Mr. Gokul M. Jaykrishna as Joint Managing Director & CEO of the Company for a period of 5 years commencing with effect from August 1, 2021 respectively.

Resolution seeking reappointment of Mrs. Paru M. Jaykrishna as Chairperson and Managing Director and Mr. Gokul M. Jaykrishna as Joint Managing Director & CEO, along with brief profile forms part of the Notice of the Annual General Meeting.

Your Directors recommend the resolutions for approval for the aforesaid reappointment continuation.

Directors liable to retirement by rotation

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Gokul M. Jaykrishna, Director of the Company is due to retire by rotation at the ensuing 31st Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his 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 31st Annual General Meeting.

Key Managerial Personnel

Pursuant to the provisions of sections 2(51) and 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on March 31, 2021, the Key Managerial Personnel (KMP) in the Company are as follows:

Mrs. Paru M. Jaykrishna, Chairperson and Managing Director

Mr. Gokul M. Jaykrishna, Joint Managing Director & CEO

Mr. Arjun G. Jaykrishna, Executive Director

Mr. Utsav K. Pandwar, Chief Financial Officer

Mr. Saji Varghese Joseph, Company Secretary

Mr. Pratik Shah was appointed as CFO and Key Managerial Personnel with effect from close of business hours on April 20, 2021.

The Board noted the same and placed on record its sincere appreciation for the valuable contribution made by Mr. Utsav K. Pandwar during his tenure as the Chief Financial Officer (CFO) of the Company.

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 January 28, 2021 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

The audited accounts for the year under review are in conformity with the requirements of the Companies Act, 2013 and the Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the year under review and reasonably present your Company's financial condition and results of operations.

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

i) In the preparation of the annual financial statements for the year ended March 31, 2021, 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

Regular meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses. The schedule of the Board/Committee Meetings to be held in the forthcoming Financial Year is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings.

The Company has the following four (4) Board level Committees, which have been established in compliance with the requirements of the relevant provisions of applicable laws and statutes:

1. Audit Committee

2. Nomination and Remuneration Committee

3. Corporate Social Responsibility Committee

4. Stakeholders' Relationship Committee

The Committee meetings were held during the year, including Audit Committee and Stakeholders' Relationship Committee Meetings, which met four (4) times, respectively during the year. The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are included in the Report on Corporate Governance, which forms part of the Annual Report.

Number of Meeting of the Board of Directors

During the Financial Year 2020-2021, 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.

Independent Directors' Meeting

A separate Meeting of the Independent Directors of the Company was also held on January 28, 2021, 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.

STATUTORY COMMITTEES OF THE BOARD

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 COMMITTEE

In terms of the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 the Board of Directors of your Company has constituted a Corporate Social Responsibility ('CSR") Committee which is Chaired by Mrs. Paru M. Jaykrishna the Chairperson and Managing Director of the Company, the other members of the committee are Mr. Jayprakash M. Patel and Dr. Pradeep Jha who are independent directors of the Company. Your Company also has in place a CSR policy and the same is available on the website of the Company. The committee places before the Board the details of the activities to be undertaken during the year. A detail report is attached as "Annexure – F" forming part of this report.

NOMINATION AND REMUNERATION COMMITTEE

The constitution and terms of reference of nomination and remuneration committee of the Company are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As on March 31, 2021, the Nomination and Remuneration Committee comprises of three (3) Non-Executive Independent Directors Mr. Jayprakasah M. Patel, Chairman, Mr. R. K. Sukhdevsinhji and Dr. Pradeep Jha, Member as its members.

Further details relating to the Nomination and Remuneration Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / 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.

Further details pertaining to Stakeholders' Relationship Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

CORPORATE GOVERNANCE

The report of the Board of Directors of your Company on Corporate Governance in terms of Regulation 34 read with Schedule V of 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 M/s. Shyamsingh Tomar & Associates, Company Secretaries, Ahmedabad regarding compliance with the Corporate Governance requirements as stipulated in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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, 2021 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 Board has appointed M/s. Shyamsingh Tomar & Associates, Company Secretaries, Ahmedabad as a Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2020-2021 (Period from April 1, 2020 to March 31, 2021). The Secretarial Audit Report does not contain any qualification, reservation, disclaimer or adverse remark.

The Report of Secretarial Auditor in the prescribed form MR-3 for the financial year 2020-21 is set out as "Annexure- G" and it forms a part of this Report.

The Secretarial Compliance Report for the financial year ended March 31, 2021, in relation to compliance of all applicable SEBI Regulations/circulars/guidelines issued there under, pursuant to requirement of regulation 24A of the Listing Regulations, is available on the website of the Company and can be accessed at www.asahisongwon.com.

c. Internal Auditors

M/s. Fenil P. Shah & Associates, a Practicing Chartered Accountants, Ahmedabad are the Internal Auditors of the Company for the financial year 2020-21. 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

During the year under review, neither the Statutory Auditors, Cost Auditors and the Secretarial Auditors have reported to the Audit Committee under section 143(12) of the Companies Act, 2013 any instances of fraud committed against your Company by its officers and employees, details of which would need to be mentioned in the Board's Report.

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.

ANNUAL RETURN

In terms of the provisions of Section 92 and Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of your Company as on March 31, 2021 is available on 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 31, 2025.

AWARDS AND ACCOLADES

During the year under review, Mr. Gokul M. Jaykrishna, Joint Managing Director & CEO of the Company received the AMA-Atlas Dyechem outstanding Entrepreneur of the year award.

RESEARCH AND DEVELOPMENT (R&D)

The Company has a Research and Development centre, which is recognized by the Ministry of Science and Technology, Government of India. Focused areas of the Research and Development Centre was on product quality, cost reduction, new product offerings and environmental sustainability.

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 2020-2021 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.

In accordance with the provisions of section 197(12) of the Companies Act, 2013 read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits, set out in the aforesaid rules, forms part of this Report. In line with the provisions of section 136(1) of the Companies Act, 2013, the Annual Report, as set out therein, are being sent to all the Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary.

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.

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.

CONVENING ANNUAL GENERAL MEETING THROUGH AUDIO-VISUAL MEANS

Considering the present COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated 5th May 2020 read with General Circular No. 14/2020 dated 8th April 2020, General Circular No.17/2020 dated 13th April 2020, and General Circular No. 02/2021 dated 13th January 2021 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 issued by the Securities and Exchange Board of India ('SEBI') (collectively referred to as 'MCA and SEBI Circulars') permitted convening the Annual General Meeting through Video Conference (VC)/Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the MCA & SEBI Circulars, applicable provisions of the Companies Act, 2013 and Listing Regulations, the 31st Annual General Meeting of your Company will be convened and conducted through VC/OAVM.

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 and look forward to their continued support in future. We place on record our appreciation all our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company. We have immense respect for every person who risked their lives and safety to fight this pandemic.

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

By the Order of the Board of Directors

Date: August 04, 2021
Place: Ahmedabad

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

Registered Office:

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

(₹ in lakhs)

Particulars	**Subsidiary Company**
Name of the Subsidiary & Associate Co.	Asahi Tennants Color Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2021
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	7,267.82
Reserve & Surplus	2,283.90
Total Assets	**10,550.75**
Total Liabilities (excluding Share Capital and Reserves & Surplus)	**999.03**
Investments	-
Turnover	13.54
Profit before taxation	(67.31)
Provision for taxation	(12.58)
Profit after taxation	(54.73)
Proposed Dividend	-
% of shareholding	51%

Part "B" – Joint Venture : None

For and Behalf of the Board of Directors

Date: August 04, 2021
Place: Ahmedabad

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, 2021. 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: **Asahi Tennants Color Private Limited Subsidiary of Asahi Songwon Colors Limited**

b) Nature of contracts/arrangements/transactions: **Sale & Purchase**

c) Duration of the contracts/arrangements/ transactions: **Repetitive during the year**

d) Salient terms of the contracts or arrangements or transactions including the value, if any: **₹ 3,513.48 Lakhs**

e) Date(s) of approval by the Board, if any: **14.10.2019**

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 2020-21.

For and behalf of the Board of Directors

Date: August 04, 2021
Place: Ahmedabad

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

Annexure – "C" to the Directors' Report

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rule, 2014 regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY

The Company mainly focuses on the conservation of energy and its utilization. Continuous monitoring of high consumption areas/equipment and taking appropriate corrective measures as and when required resulted in energy saving and maintained marginal increment in power consumption as against production growth.

(i) The steps taken or impact on conservation of energy:

- Installation of "SMART – PRO" also known as Automatic Voltage Regulator at four stations. Due to installation of these AVR, the company is able to save power to the extend of 7%.
- The Company installed an automatic coal feed controller, which controls the feeding of coal to boiler by sensing 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.
- Installation of capacitors to control the Power Factor.
- Periodical checking of electrical earthing.
- Vessel lamps 60 watts converted to LED 18 watts with Timer.
- Installed Electrostatic Precipitator (ESP) for Boiler and TFH flue gases, thereby, reduction in air pollution. Around 95% of particulate matter is being arrested by ESP.

(ii) The steps taken by the Company for utilizing alternative sources of energy: To conserve energy the Company has one windmill with total installed capacity of 750 KW WTG 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 4.90 MW 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)

Particulars	2020-2021	2019-2020
Capital	-	-
Recurring	93.29	94.97
Total	**93.29**	**94.97**
Total Research and Development Expenditure as percentage of total turnover	0.33	0.33

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 59% of the total turnover comes from Exports. During the year under review, the Company exported pigments (Blue) valuing (FOB) ₹ 16,462 lakhs (Previous Year ₹ 17,871 lakhs) to various countries around the World. The Company is global phthalocyannie pigment exporter to various countries, major to Europe, USA and Asian Markets. Your Company is constantly exploring new markets to enhance the exports of its products.

b. Foreign Exchange used and earned

(₹ in lakhs)

Particulars	2020-2021	2019-2020
Foreign Exchange Earned (FOB)	16,462.26	17,871.39
Foreign Exchange Used	1,736.99	3,998.87

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 the financial year
1.	Mrs. Paru M. Jaykrishna Chairperson and Managing Director	24.63 : 1	57.93
2.	Mr. Gokul M. Jaykrishna Joint Managing Director & CEO	25.32 : 1	24.51
3.	Mr. Arjun G. Jaykrishna Executive Director	10.30 : 1	142.97

Independent Directors have been paid only sitting fees during the financial year 2020-2021 and hence Ratio of Median Remuneration has not been shown for Independent Directors.

3.	Mr. Utsav Pandwar Chief Financial Officer	NA	NA
4.	Mr. Saji V. Joseph Company Secretary	3.60 : 1	10.42

ii. The percentage increase in the median remuneration of employees in the financial year: During the year under review, there was a increase of 8.15% in the median remuneration of employees.

iii. The number of permanent employees on the rolls of Company: There were 139 permanent employees on the rolls of the Company as on March 31, 2021.

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 9%, whereas there was average increase in the managerial remuneration of 59% for the financial year 2020-21.

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.

For and on behalf of the Board of Directors

Date: August 04, 2021
Place: Ahmedabad

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

Particulars of Employees in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Employed throughout the financial year with salary above ₹ 102 Lakh p.a.: NA

ii. Employed part of the Financial year with average salary above ₹ 8.50 Lakh per month: NA

iii. Employee employed throughout Financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company: NA

iv. Details of remuneration to Top 10(Ten) Employees other than Directors which form part of the Director's Report will be made available to any members on request in terms of provisions of Section 136(1) of the Companies Act, 2013.

Annexure- "F" to Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy

This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programme for welfare & sustainable development of the community at large.

This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons. The Company's CSR Policy is available on the Web site of the Company: www.asahisongwon.com

ASCL is committed to remaining a responsible corporate entity mindful of its social responsibilities and to make a positive impact in the society. As a responsible corporate entity, ASCL will consistently strive for opportunities to meet the expectation of its stakeholders by pursuing the concept of sustainable development with focus on the following:-

- To take up programmes that benefit the communities where it operates in enhancing the quality of life & economic well being of the local populace.
- To serve the socially and economically weak, disadvantaged, underprivileged and destitute sections of the Society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with intention to make the group or individual self dependent and live life more meaningfully.
- To extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to local areas that have so far not been attended to.
- To generate, through its CSR initiatives, a community goodwill for ASCL and help reinforce a positive & socially responsible image of ASCL as a corporate entity.

2. Composition of the CSR Committee:

As at March 31, 2021 the Corporate Social Responsibility Committee comprises of 3 (Three) members of the Board out of which 2 (Two) are Independent Directors. The CSR Committee comprises of the following directors:

Sr. No.	Name of Directors	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings CSR Committee attended during the year
1.	Mrs. Paru M. Jaykrishna	Chairperson / Chairperson & Managing Director	4	4
2.	Mr. Jayprakash M. Patel	Member/Independent Director	4	4
3.	Dr. Pradeep Jha	Member/Independent Director	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.asahisongwon.com/corporate-governance.html

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable

6. Average net profit of the Company: ₹ 2,816.94 Lakhs

7.

(a)	Two percent of average net profit of the Company as per section 135 (5)	₹ 56.34 Lakhs
(b)	Surplus arising out of the CSR projects or programs or activities of the previous financial years	₹ 0.13 Lakhs
(c)	Amount required to be set off for the financial year	Nil
(d)	Total CSR obligation for the financial year (7a+7b-7c)	₹ 56.47 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ in Lakhs)	**Amount Unspent (₹ in Lakhs)**				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)***		
	Amount	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
55.92	Nil	Nil	Nil	Nil	Nil

*The Company has unspent amount of ₹ 0.55 lakhs during the year and the Company is in the process to transfer the same to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Companies Act, 2013 within six month from the end of the financial year.

(b) Details of CSR amount spent against ongoing projects for the financial year: (As per Annexure – I)

(c) Details of CSR amount spent against other than ongoing projects for the financial year: ₹ 55.92 Lakhs (As per Annexure -II)

(d) Amount spent in Administrative Overheads: Nill

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 55.92 Lakhs

(g) Excess amount for set off, if any

Sr. No.	**Particular**	**Amount** (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	56.34
(ii)	Total amount spent for the Financial Year	55.92
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years: As per Annexure - III

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).: Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Date: August 04, 2021
Place: Ahmedabad

Paru M. Jaykrishna
Chairperson of the CSR Committee
(DIN: 00671721)

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

Annexure- I

DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from list ofactivities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (₹ in Lakhs	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

Annexure- II

DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	**Name of the Project**	**Item from list ofactivities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the Project**		**Amount spent for the project (₹ in Lakhs)**	**Mode of Implementation Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration number**
1	Distributed Food packets in nearby villages	Eradicating hunger Preventive Health Care	Yes	Gujarat	Dudhwada Village, Padra Vadodara	0.26	Direct	Self	
2	Distributed Food packets in nearby villages	Eradicating hunger Preventive Health Care	Yes	Gujarat	Dudhwada Village, Padra Vadodara	1.00	Direct	Self	
3.	M-Safe Project Kit for COVID-19	Preventive Health Care	No	Maharahtra	Mumbai	0.62	Direct	Self	
4	Contribution to Health Care	Promotion of Health care including Preventive Health Care	No	Gujarat	Ahmedabad	15.00	Implementing Agency	Aadhar Fountion	
5	To provide facility of education to poor and under privileged children	Promotion of Education	No	Gujarat	Ahmedabad	0.54	Implementing Agency	Smile Foundation	
6	Contribution to Health Care	Promotion of Health care including Preventive Health Care	No	Gujarat	Ahmedabad	10.00	Implementing Agency	Aadhar Fountion	Not Applicable
7.	Training to stimulate rural sports, nationally recognized sports, Paralympic sports and Olympic sports	Promotion of rural nationally recognized sports	Yes	Gujarat	Dudhwada Village, Padra Vadodara	0.50	Direct	Self	
8	To provide facility of education to poor and under privileged children	Promotion of Education	No	Gujarat	Ahmedabad	0.50	Direct	Self	
9	Contribution to Health Care	Promotion of Health care including Preventive Health Care	No	Gujarat	Gandhinagar	27.50	Implementing Agency	Motiba Memorial Seva Samaj Trust	
					Total	**55.92**			

Annexure- III

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ In Lakhs)*	Amount spent in the reporting Financial Year (₹ In Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (₹ In Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of Transfer	
1	2017-18	0	69.92	Nil	0	Nil	0.00
2	2018-19	0	66.46	Nil	0	Nil	0.13
3	2019-20	0	55.92	Nil	0	Nil	0.42
	Total	**0**	**192.30**				**0.55**

*The Company has unspent amount of Rs. 0.55 lakhs during the year and the Company is in the process to transfer the same to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Companies Act, 2013 within six month from the end of the financial year.

Annexure- "G" to Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ASAHI SONGWON COLORS LIMITED
"Asahi House", 13, Aaryans Corporate Park,
Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road,
Thaltej, Ahmedabad-380059,
Gujarat.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Asahi Songwon Colors Limited** (hereinafter called the "Company") Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit the explanation and clarification given to me and the representation made by the Management, I hereby report that in my opinion, the Company has generally, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent based on the management representation letter/confirmation, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **March 31, 2021** according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder.

iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign director investment, overseas direct investment and external commercial borrowings;

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations; 2009;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

However, it has been found that there were no instance requiring compliance with the provisions of the laws indicated at point (c), (d), (e) and (g) of the paragraph (v) mentioned herein above during the period under review.

vi. I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test – check basis other than fiscal and labour laws

which are generally applicable to all manufacturing/ trading companies, the following laws/ acts are also, inter alia, applicable to the Company.

1. The Environment (Protection) Act, 1986.
2. The Water (Prevention & Control of Pollution) Act, 1974.
3. The Air (Prevention & Control of Pollution) Act, 1981.
4. Public Liability Insurance Act, 1991.
5. Explosives Act, 1884.
6. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vii. During the Audit period under review and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned hereinabove.

I further report that based on the information provided by the Company, its officers there exists adequate systems, process and control commensurate with the size and operation of the Company to monitor and ensure compliance of other laws. I have not reviewed the compliance by the company of applicable financial laws like direct and indirect tax laws as the same has been reviewed by the other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to above.

I further report that during the audit period there were no specific events/ actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, except:

1. the members at the 30th Annual General Meeting held on 30th September, 2020, passed Special Resolution :

   a. approval of loan, guarantee or security under Section 185 of the Companies Act, 2013.

   b. authorizing the Board of Directors to issue Non convertible debentures and/or other debt securities in one or more series/trenches aggregating upto ₹ 500 Crores.

2. buyback of 2,45,000 (Two Lakh Forty Five Thousand Only) equity shares ('Shares") of the face value of ₹ 10/- (Rupees Ten Only) each at a price of ₹ 330/- (Rupees Three Hundred and Thirty Only) per fully paid up equity share on proportionate basis through the tender offer process carried out on the Stock Exchange mechanism in accordance with SEBI circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and SEBI circular no. CFD/DCR2/CIR/P/2016/131 December 09, 2016 and in terms of the SEBI (Buy-back of Securities) Regulations, 2018 during the year under review.

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

Shyamsingh R. Tomar
[Proprietor]
M. No.: 36530
COP No.: 15973
UDIN: A036530C000733160

Date: August 04, 2021
Place: Ahmedabad

This report is to be read with my letter of even date which is annexed as **Annexure 'A'** and forms an integral part of this report.

Annexure 'A'

To,
The Members,
ASAHI SONGWON COLORS LIMITED
"Asahi House", 13, Aaryans Corporate Park,
Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road,
Thaltej, Ahmedabad-380059,
Gujarat.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

7. 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

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

Date: August 04, 2021
Place: Ahmedabad

Shyamsingh R. Tomar
[Proprietor]
M. No.: 36530
COP No.: 15973
UDIN: A036530C000733160

Annexure - "H" to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report relating for the year ended March 31, 2021 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, 2021, 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 2020-2021, 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, 2021, 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, 2021, 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, 2021, 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, 2021	% holding as on March 31, 2021
1.	Mrs. Paru M. Jaykrishna*	Promoter	Executive Chairperson and Managing Director	-	-
2.	Mr. Gokul M. Jaykrishna *		Executive Joint Managing Director & CEO	9,809	0.0816
3.	Mr. Arjun G. Jaykrishna		Executive Director	28,922	0.2405
4.	Mr. Munjal M. Jaykrishna		Non-Executive Director	-	-
5.	Mr. R. K. Sukhdevsinhji	Non-Promoter	Independent Director	-	-
6.	Mr. Arvind Goenka		Independent Director	-	-
7.	Mr. Jayprakash M. Patel		Independent Director	-	-
8.	Dr. Pradeep Jha		Independent Director	-	-

* Mrugesh Jaykrishna Family Trust – I is holding 52,76,651 (43.87%) Equity Shares of the Company and Mrs. Paru M. Jaykrishna is one of the trustees(s) of Mrugesh Jaykrishna Family Trust – I.

* Gokul M. Jaykrishna Family Trust. is also holding 26,99,238 (22.44 %) Equity Shares of the Company and Mr. Gokul M. Jaykrishna is one of the trustee(s) of the Gokul M. Jaykrishna Family Trust.

Board Meetings Process

The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the Management towards creating long term sustainable growth that benefits all stakeholders. It also ensures strict compliance with the law and all regulations by the Company. The Board's key functions include:

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						Attendance at the Last Annual General Meeting
		23.06.2020	21.07.2020	22.10.2020	06.11.2020	28.01.2021	No of Meetings Attende	
Mrs. Paru M. Jaykrishna	**CMD**	✓	✓	✓	✓	✓	5	Yes
Mr. R. K. Sukhdevsinhji	**ID**	✓	✓	✓	✓	✓	5	No
Mr. Arvind Goenka	**ID**	LOA	✓	✓	✓	✓	4	Yes
Mr. Jayprakash M. Patel	**ID**	✓	✓	✓	LOA	✓	4	Yes
Dr. Pradeep Jha	**ID**	✓	✓	✓	✓	✓	5	Yes
Mr. Gokul M. Jaykrishna	**MD & CEO**	✓	✓	✓	✓	✓	5	Yes
Mr. Munjal M. Jaykrishna	**NED**	✓	✓	✓	✓	✓	5	Yes
Mr. Arjun G. Jaykrishna	**ED**	✓	✓	✓	✓	✓	5	Yes

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

2.3 Details regarding Directorship(s) and Committee Membership(s) in Other Listed Companies as on March 31, 2021

Name	Designation	No of Directorship in listed entities including this listed entity	No of Independent Directorship in listed entities including this listed entity	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity	
				Chairman	Member
Mrs. Paru M. Jaykrishna	Chairperson and Managing Director	2	-	-	1
Mr. 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 2020-2021, 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 in impact to Chemicals business sector	16.	Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products
17.	Business Ethics as well as Corporate Ethics	18.	Human Resources Management and labour Relations/ Labour Laws

The current composition of the Board meets the requirements of skills, expertise and competencies as identified above.

Name of Board Members and Designation	**Mrs. Paru M. Jaykrishna**	**Mr. Gokul M. Jaykrishna**	**Mr. Munjal M. Jaykrishna**	**Mr. Arvind Goenka**	**Mr. Jaypraokash M. Patel**	**Mr. R. K. Sukhdevsinhji**	**Dr. Pradeep Jha**	**Mr. Arjun G. Jaykrishna**
	CMD	**Jt. MD & CEO**	**NED**	**ID**	**ID**	**ID**	**ID**	**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	✓	✓	✓	✓	✓	✓	✓	✓

ID - Independent Director; Jt MD & CEO - Managing Director & Chief Executive Officer; CMD – Chairperson and Managing Director ED – Executive Director;

2.12 Reappointment of Director liable to retire by rotation

Mr. Gokul 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. His brief resume is annexed to the notice of the Annual General Meeting.

2.13 Change/Appointment/Reappointment in Directors

At the 30th Annual General Meeting held on September 30, 2020 has appointed Mr. Arjun G. Jaykrishna has Whole Time Director, designated as Executive Director w.e.f October 14, 2019.

The Board of Directors has reappointed Mrs. Paru M. Jayrkrishna as Chairperson and Managing Director and Mr. Gokul M. Jaykrishna as Joint Managing Director & CEO w.e.f August 1, 2021 for further 5 years respectively.

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 2020-2021.

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 2020-2021. 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 January 28, 2021, 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, 2021 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 ₹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, 2021, 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

Sr. No	Name of the Member	Attendance in Audit Committee Meetings held on			
		23.06.2020	21.07.2020	22.10.2020	28.01.2021
1.	Dr. Pradeep Jha	✓	✓	✓	✓
2.	Mr. R. K. Sukhdevsinhji	✓	✓	✓	✓
3.	Mr. Jayprakash M. Patel	✓	✓	✓	✓

E. Vigil Mechanism/Whistle Blower Policy

The Company has adopted Whistle Blower Policy that provides a formal vigil mechanism for Directors and Employees to report genuine concerns about the unethical behaviour, actual or suspected frauds of violation of the Company's Code of Conduct. The said mechanism also provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No employee of the Company was denied access to the Chairman of the Audit Committee.

3.2. Nomination and Remuneration Committee

The constitution and terms of reference of nomination and remuneration committee of the Company are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 and Part D of Schedule II of the 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, 2021, 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

Sr. No	Name of the Member	Attendance in Nomination and Remuneration Committee Meetings held on			
		23.06.2020	21.07.2020	22.10.2020	28.01.2021
1.	Dr. Pradeep Jha	✓	✓	✓	✓
2.	Mr. R. K. Sukhdevsinhji	✓	✓	✓	✓
3.	Mr. Jayprakash M. Patel	✓	✓	✓	✓

E. Performance Evaluation of Directors

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committees, Independent Directors, Non-Executive Directors, Executive Directors, and the Chairman of the Board.

The Nomination and Remuneration Committee of the Board has laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and Individual Directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/Non-Executive Directors/ Executive Directors and the Chairman of the Company.

The performance of Non-Independent Directors, the Board as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting, the Independent Directors also evaluated the performance of the Chairman of your Company, after taking into account the views of Executive Directors and Non-Executive Directors. Evaluation as done by the Independent Directors was submitted to the Nomination and Remuneration Committee and subsequently to the Board.

The performance of the Board and its Committees was evaluated by the Nomination and Remuneration Committee after seeking inputs from all the Directors, on the basis of criteria such as the Board/Committee composition and structure, effectiveness of the Board/Committee process, information and functioning, etc.

Following the meetings of Independent Directors and of Nomination and Remuneration Committee, the Board at its meeting discussed the performance of the Board, as a whole, its committees and individual Directors. The performance evaluation of all the Directors of your Company, (including Independent Directors, Executive and Non-Executive Directors and Chairman), is done at the Board meeting by all the Board members, excluding the Director being evaluated on the basis of criteria, such as contribution at the meetings, strategic perspective or inputs regarding the growth and performance of your Company, among others.

F. 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 2020-2021 (inclusive of Perquisites and Commission) (₹ in Lakhs)
Mrs. Paru M. Jaykrishna	Chairperson & Managing Director	98.05
Mr. Gokul M. Jaykrishna	Joint Managing Director & CEO	100.80
Mr. Arjun G. Jaykrishna	Executive Director	41.00
Total		**239.85**

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, 2021, 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:

Sr. No	Name of the Member	Attendance in Corporate Social Responsibility Committee Meetings held on			
		23.06.2020	21.07.2020	22.10.2020	28.01.2021
1.	Mrs. Paru M. Jaykrishna	✓	✓	✓	✓
2.	Dr. Pradeep Jha	✓	✓	✓	✓
3.	Mr. Jayprakash M. Patel	✓	✓	✓	✓

3.4. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints.

The constitution and terms of reference of Stakeholder Relationship Committee of the Company pursuant to Section 178(5) of the Companies Act, 2013 and Regulation 20 and Part D of Schedule VI of the 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, 2021, 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 30th Annual General Meeting held on September 30, 2020.

C. Secretary

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

D. Meeting and Quorum

The committee meets as and when required. The quorum for the meeting is either two members.

E. Attendance of the Stakeholders Relationship Committee

The details of meeting held of Stakeholders Relationship Committee:

Sr. No	Name of the Member	Attendance in Corporate Social Responsibility Committee Meetings held on			
		23.06.2020	21.07.2020	22.10.2020	28.01.2021
1.	Dr. Pradeep Jha	✓	✓	✓	✓
2.	Mrs. Paru M. Jaykrishna	✓	✓	✓	✓
3.	Mr. Jayprakash M. Patel	✓	✓	✓	✓

F. Details of Shareholders Complaints

Number of complaints received and resolved to the satisfaction of Stakeholders Relationship Committee during the year under review is below:

Number of complaints pending at the beginning of the year:		Nil
Number of complaints received	:	23
Number of compliant s resolved during the year	:	23
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
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
2019-20	September 30, 2020	11.30 am	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

4.2 Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the financial year 2020-2021.

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

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 (DIN: 00256790) 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.

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

i. Approval of Loan, Guarantee or Security under Section 185 of the Companies Act, 2013.

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

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

No resolution was passed through Postal Ballot in the Financial Year 2020-21.

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 communiqu : 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. 31st Annual General Meeting

Day, Date, Time & Venue

Wednesday, 29th September, 2021 at 11.00 am through Video conferencing ("VC") or Other Audio Visual Means ("OAVM")

ii. Tentative Financial Year Calendar

(2021-2022)

Financial Year of the Company	April 1, 2021 to March 31, 2022
First Quarter Results	On or before August 14, 2021
Second Quarter Results	On or before November 14, 2021
Third Quarter Results	On or before February 14, 2022
Audited Results for the year 2021-2022	On or before May 30, 2022
Annual General Meeting	August/ September, 2022

iii. Dividend

The Board of Directors in their meeting held on June 04, 2021 has recommended a final dividend of Rupee 3.50 (35%) per equity share for the Financial Year 2020-21. The dividend on equity shares for the financial year ended March 31, 2021, if approved by the members at the ensuing Annual General Meeting will be paid within 30 days of declaration by members.

i) to all those shareholders holding shares in physical and whose names appear in Company's Register of Member as on September 22, 2021.

ii) to all those beneficial owners holding shares in electronic mode, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of he ended of the day on September 22, 2021.

iv. Date of Book Closure

Closure of Register of Members and Share Transfer Books

September 23, 2021 to September 29, 2021 (both days inclusive) on account of Annual General Meeting and payment of Final Dividend.

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 31st 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 26, 2021 to 5.00 p.m. IST September 28, 2021, both days inclusive.

vi. Scrutiniser for electronic voting	M/s. Shyamsingh Tomor & Associates, Company Secretaries, Ahmedabad 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 2021-2022 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	**Equity Shares**
Number of paid up shares	12,027,262 equity shares of ₹ 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 2021-22 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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

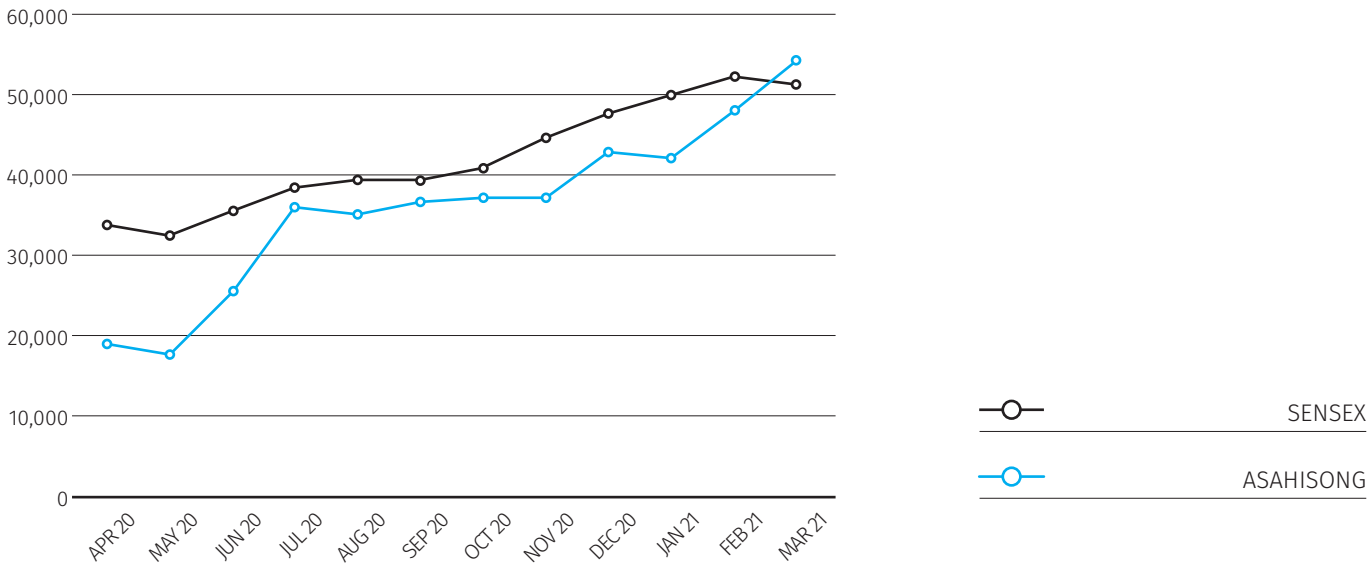
The monthly High, Low (based on closing prices) and volumes of the equity shares of the Company during each month in the year 2020-21 on BSE Limited and National Stock Exchange of India Limited are given below:

xiv. Performance of the Company' Equity Share vis-a-visa BSE Sensex during 2020-2021

Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (No of Shares)	High (₹)	Low (₹)	Volume (No of Shares)
April, 2020	112.00	72.00	43,073	112.15	72.15	2,12,167
May, 2020	110.00	92.75	21,804	112.95	93.35	1,05,380
June, 2020	116.30	100.00	1,66,469	165.65	99.10	12,70,831
July, 2020	242.80	142.25	3,36,901	243.70	141.50	28,37,583
August, 2020	256.00	202.80	2,69,623	254.85	201.50	18,03,085
September, 2020	224.45	170.00	1,32,949	225.00	169.75	10,74,561
October, 2020	235.00	205.00	1,26,486	234.90	205.00	9,57,391
November, 2020	254.00	210.00	1,06,113	255.00	211.65	12,34,236
December, 2020	282.00	212.10	1,38,601	282.85	213.15	11,77,290
January, 2021	271.00	226.80	90,378	272.00	226.00	7,23,184
February, 2021	291.35	238.50	85,030	291.00	238.75	8,71,386
March, 2021	338.35	260.00	71,130	338.90	259.90	8,23,875

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, 2020 to March 31, 2021. The Management cautions that the stock movement shown in the chart should not be considered indicative of potential future stock price performance.

Asahi Songwon Colors Limited Monthly Closing Share Price V/s SENSEX Mothly Closing



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.

f) Pending Investors' Grievances

Any shareholder whose grievance has not been resolved to his/her satisfaction may kindly write to the Company Secretary at the Registered office of the Company with a copy of earlier correspondence.

xvi. Corporate Benefits to Shareholders

a) Dividend declared for the last five years

Financial Year	Dividend %	Total Dividend (₹)
2019-2020	30	3,68,16,786
2018-2019	30	3,68,16,786
2017-2018	30	3,68,16,786
2016-2017	30	3,68,16,786
2015-2016	20	2,45,44,524

b) Unclaimed Dividend

Pursuant to Section 124 (5) of the Companies Act, 2013 dividend that are unclaimed/unpaid for a period of seven years are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The Company shall be transferring the unclaimed/unpaid dividend for the financial year 2012-2013 on due date to the Investor Education and Protection Fund (IEPF). Members who have not 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	Dividend %	Total Dividend (₹)
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

c) Transfer of Shares to Investor Shares to Investor Education and Protection Fund

Further, pursuant to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Shares on which dividend has not been encashed for last 7 years have to be transferred to suspense account open by IEPF Authority.

During the year, Company has not transferred any unclaimed amount and Shares to IEPF Authority.

Further, the Company has uploaded complete details of such Shares which were already transferred to DEMAT Account of IEPF Authority on its website: of the Company

Furthermore, Shareholders may claim back the shares which were already credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules.

d) Disclosures with respect to demat suspense account/ unclaimed suspense account

Regulation 39(4) of 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, 2021 is as under:

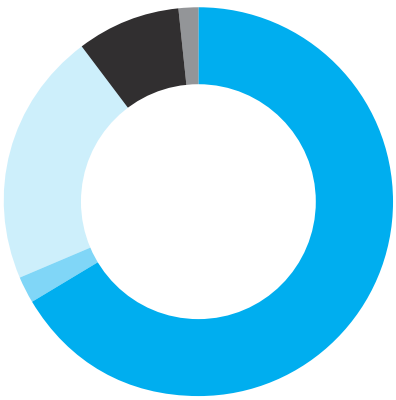
a) Distribution by number of shares:

Number of Equity Shares Held	Shareholders		Shareholding	
	Number of shares	% of Total Shareholding	Number of shares	% of Total Shareholding
1-500	6,598	88.39	6,92,398	5.76
501-1000	434	5.81	3,41,108	2.84
1001-2000	213	2.85	3,18,118	2.64
2001-3000	68	0.91	1,69,337	1.41
3001-4000	31	0.42	1,10,828	0.92
4001-5000	15	0.20	73,284	0.61
5001-10000	66	0.88	4,84,758	4.03
10001 and above	40	0.54	98,37,431	81.79
Total	**7,465**	**100.00**	**1,20,27,262**	**100.00**

b) Shareholding Pattern as on March 31, 2021 (Category wise)

Sr. No.	Category	Number of Holders	Number of Shares	% of Shareholding
A.	**Promot-**			
1.	**Indian Promoters**			
a.	Individuals	2	38,731	0.32
b.	Bodies Corporate	-	-	-
c.	Private Family Trust	2	79,75,889	66.32
2.	**Foreign Promoters**	**-**		
	Total Promoters Holding	**4**	**80,14,620**	**66.64**
B.	**Non Promoters**			
1.	**Institutional Investors**			
a.	Mutual Funds	-	-	-
b.	Banks, Financial Institutions, Insurance Companies	1	7	0.00
c.	Foreign Portfolio Investors	1	29,315	0.24
	Sub Total	**2**	**29,322**	**0.24**
2.	Non Institutional Investors		-	
a.	Bodies Corporate	95	2,47,376	2.06
b.	NBFC registered with Reserve Bank of India	1	4,000	0.03
c.	Indian Public	6,678	25,49,466	21.20
d.	NRIs/OCBs/Foreign Company	186	10,20,282	8.48
e.	HUF	269	1,40,314	1.17
f.	IEPF	1	1,698	0.01

g.	Clearing Members	50	20,184	0.17
	Sub Total	**7,282**	**40,12,642**	**33.36**
	Grand Total	**7,286**	**1,20,27,262**	**100.00**



66.64% Promoter

2.06% Bodies Corporate

21.19% Indian Public

8.48% NRI

1.63% Others

List of Top Ten Shareholders other than Promoters as on March 31, 2021

Sr. No.	Name of the Shareholder	No of Shares held	% of Total Holding
1.	DIC Corporation	8,65,200	7.19
2.	Dolly Khanna	1,88,712	1.56
3.	D Srimathi	1,52,312	1.26
4.	Seetha Kumari	49,823	0.41
5.	Kalyani P Jain	34,626	0.28
6.	Pravin Natvarlal Bhagwati	32,280	0.26
7.	MSPL Limted	31,849	0.26
8.	Gymkhana Partners LP	29,315	0.24
9.	Reena Pravinbhai Bhagwati	28,884	0.24
10.	Achintya Securities Private Limited	28,818	0.23

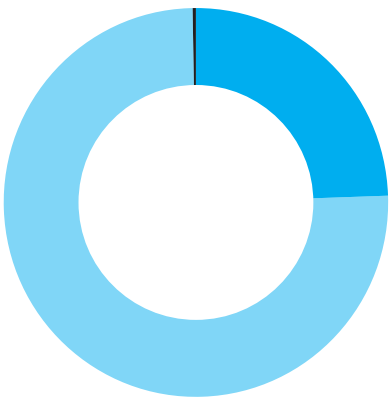
xviii. Dematerialization of Shares and Liquidity

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, 2021. 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, 2021

Particulars	As on March 31, 2021		As on March 31, 2020	
	Number of shares	Percentage	Number of shares	Percentage
Shares in Demat Form				
NSDL	29,48,351	24.51	3,01,77,67	24.59
CDSL	90,76,812	75.47	92,52,396	75.39
Shares in Physical Form	2,099	0.02	2,099	0.02
Total	**1,20,27,262**	**100.00**	**12,272,262**	**100.00**

Dematerailastion of Shares (in %)



24.51% NSDL

75.47% CDSL

0.02% Physical

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, 2021, 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, 2021, stands at ₹12,02,72,620 Comprising of 1,20,27,262 Equity Shares of ₹10/- each. There was no change in the issued and paid-up share capital during the year.

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, 2021.

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.

xxii. Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013, M/s. Shyamsingh Tomar & Associates, Company Secretaries, Ahmedabad has conducted a Secretarial Audit of the Company for the financial year 2020-2021. 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.

Pigment AZO Plant
D-2-CH-39, GIDC Estate, Dahej – II
Tal : Vagra, Bharuch, Gujarat – 392 110.

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 2020-21, 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 2020-21, 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.

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, 2021.

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

m. Total fees paid to the Statutory Auditors

Total fees for all services paid by your Company to the Statutory Auditors is ₹3.80 Lakh for the financial year 2020-2021.

n. Redressal of Grievances under Sexual Harassment Policy

The Company has in place, a policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013). The details of complaints received and resolved during the year are as follows:

No.	Complaints received	Complaint Status
1	Number of grievances received during the financial year	Nil
2.	Number of grievances disposed during the financial year	Nil
3	Number of complaints pending at end of financial year	Nil

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

The Company 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.

p. Details of the Directors seeking appointment/re-appointment

Details of the Directors seeking appointment/re-appointment are provided in the Notice of the Annual General Meeting, which forms part of this Annual Report.

q. Non-Compliance of any Requirements of Corporate Governance

As on March 31, 2021, 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.

r. Certification from Company Secretary in Practice

The Company has obtained a certificate from M/s. Shyamsingh Tomar & Associates, Company Secretaries, Ahmedabad, in compliance with the provisions of Regulation 34(3) of the 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, 2021. Certificate obtained from the Practising Company Secretary, forms part of this Report.

s. Management Discussion and Analysis Report

A report on Management Discussion and Analysis report is annexed to the Directors Report and forms part of this Annual Report.

t. Disclosure of Accounting Treatment

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

u. Subsidiary Companies

Details of holding/ Details of Holding/Subsidiary/Associates Companies (as on 31st March 2021):

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 2020-2021 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, 2021.

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 of 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 M/s. Shyamsingh Tomar & Associates, Company Secretaries, 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, 2021.

For and on behalf of the Board of Directors

Date: August 04, 2021
Place: Ahmedabad

PARU M. JAYKRISHNA
Chairperson and Mg. Director
DIN No. 00671721

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 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, 2021 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, 2021 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, 2021;

   b. that there have been no significant changes in accounting policies during the year ended March 31, 2021 and that the same have been disclosed in the notes to the financial statements; and

   c. that there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For and behalf of Board Asahi Songwon Colors Limited

Date: June 04, 2021
Place: Ahmedabad

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

*** Mr. Utsav K. Pandwar resigned as CFO of the Company on April 20, 2021.**

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, 2021.

For and behalf of Board Asahi Songwon Colors Limited

Date: August 04, 2021
Place: Ahmedabad

PARU M. JAYKRISHNA
Chairperson and Mg. Director
DIN No. 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, 2021, 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, 2021.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company

For, Shyamsingh Tomor & Associates Company Secretaries

Date: August 04, 2021
Place: Ahmedabad

Shyamsingh R.Tomar

Membership No. 36530
COP No. 15973
UDIN: A036530C000733160

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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment	Date of Cessation
1.	Mrs. Paru Mrugesh Jaykrishna	00671721	19/12/1990	-
2.	Mr. Gokul Mrugesh Jaykrishna	00671652	08/03/1996	-
3.	Mr. Munjal Mrugesh Jaykrishna	00671693	08/03/1996	-
4.	Mr. Rajkumar Sukhdevsinhji	00372612	28/05/1996	-
5.	Mr. Arvind Goenka	00135653	16/04/1996	-
6.	Mr. Jayprakash Maneklal Patel	00256790	12/08/2019	-
7.	Dr. Pradeepbhai Jasubhai Jha	01539732	26/08/1997	-
8.	Mr. Arjun Gokul Jaykrishna	08548676	14/10/2019	-

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is issued at the request of the company to make the disclosure in its Corporate Governance Report for the financial year ended March 31, 2021.

For, Shyamsingh Tomor & Associates Company Secretaries

Date: August 04, 2021
Place: Ahmedabad

Shyamsingh R.Tomar
Membership No. 36530
COP No. 15973
UDIN: A036530C000733160

Independent Auditor's Report

To the Members of

Asahi Songwon Colors Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Asahi Songwon Colors Limited (the 'Company') which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income) Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act,2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS'), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2021, its profit, total comprehensive income, changes in equity and its cash flows for the year then ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
Property, Plant & Equipment **(Refer Note No- 3 & 5 of the standalone financial statements)** The value of property, plant & equipment and capital work-in-progress amounted to ₹ 11,765.68 Lakhs (i.e. 34.81% of total assets) at the Balance Sheet Date March 31, 2021. 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. Our Results: As a result of performance of above procedures we have not identified any circumstances that would led to material adjustments to the carrying value of these assets, or change in their useful lives.

Non Current Investments

(Refer Note No- 6 of the standalone financial statements)

The company has equity investments in subsidiary and other companies. The company carries its investments in equity shares of a listed companies at fair value and in subsidiary at cost. As at March 31, 2021, total investments amounted to ₹ 5,072.07 lakhs and represent 15.01% 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.

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.

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.

Our Results: As a result of performance of above procedures we have not identified any circumstance which may necessitate to change the management position and disclosure in the standalone financial statements

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).

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive

income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS:-

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they couldreasonably 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 scepticismthroughout 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 tothose 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 Companyso 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to or separate report in "**Annexure B**" to this Report.

(g) With respect to the other matters to be included in the Auditors Report in accordance with requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its Directors during the year is in accordance with the provisions of Section 197.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The Company has disclosed the impact of pending litigations on the financial position of its Standalone financial statements–Refer Note 41 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 :21045706AAAAHI2502

Date: June 04, 2021
Place: Ahmedabad

"Annexure A"

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

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

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 fixed 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 and 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 provisions of Section 186 of the Companies Act, 2013 in respect of investments made. As explained to us, the Company has not given loans, guarantee or provided security as provided in the Section 185 and 186 of the Companies Act, 2013, as applicable.

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 material 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, 2021 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 (₹ 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. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

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 and hence not commented upon.

13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.

14. 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 :21045706AAAAHI2502

Date: June 04, 2021
Place: Ahmedabad

"Annexure B"

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (1) OF SUB-SECTION 3 OF SEC.143 OF THE COMPANIES ACT, 2013("THE ACT")

We have audited the internal financial controls over financial reporting of Asahi Songwon Colors Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's Judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company. (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles , and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

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 with reference to the standalone financial statements and such internal financial controls were operating effectively as on March 31, 2021, based on the internal control with reference to the standalone financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

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

Date: June 04, 2021
Place: Ahmedabad

Chirag M. Shah
Partner
Membership Number:045706
UDIN :21045706AAAAHI2502

Standalone Balance Sheet

As At March 31, 2021

(₹ in lakhs)

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1) Non-current Assets			
(a) Property, Plant and Equipment	3	11,721.18	10,869.99
(b) Right of Use Assets	4	2,077.72	2,037.38
(c) Capital work-in-progress	5	44.50	204.16
(d) Financial Assets			
(i) Investments	6	5,072.07	2,730.16
(ii) Loans	7	41.25	25.27
(iii) Others Financial Assets	8	4.99	4.47
(e) Other Non Current assets	9	142.91	287.69
Total Non-current Assets		**19,104.62**	**16,159.12**
2) Current Assets			
(a) Inventories	10	4,597.27	2,920.52
(b) Financial Assets			
(i) Trade receivables	11	7,821.30	5,498.88
(ii) Cash and Cash equivalents	12	26.75	39.06
(iii) Bank balances other than (ii) above	13	174.12	153.00
(iv) Loans	14	13.36	4.80
(v) Others	15	8.81	18.59
(c) Current Tax Assets (Net)	16	-	151.46
(d) Other Current Assets	17	2,049.75	1,248.29
Total Current Assets		**14,691.36**	**10,034.60**
3) Assets Held for Sale	**3.1**	**-**	**1,435.90**
TOTAL ASSETS		**33,795.98**	**27,629.62**
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity Share capital	18	1,202.73	1,227.23
(b) Other Equity	19	22,060.87	18,931.06
Total Equity		**23,263.60**	**20,158.29**
2) Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	750.00	1,251.83
(b) Provisions	21	157.52	226.77
(c) Deferred tax liabilities (Net)	22	1,516.62	1,079.91
(d) Other Non-Current liabilities	23	0.20	0.20
Total Non Current Liabilities		**2,424.34**	**2,558.71**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	3,157.22	377.96
(ii) Trade payables	25		
Total outstanding dues of Micro and Small Enterprises		260.85	32.73
Total outstanding dues of Creditors other than Micro and Small Enterprises		3,821.98	2,364.54
(iii) Other Financial Liabilities	26	507.89	525.47
(b) Other Current Liabilities	27	246.15	1,591.26
(c) Provisions	28	75.10	20.66
(d) Current Tax Liabilities (Net)	29	38.85	-
Total Current Liabilities		**8,108.04**	**4,912.62**
TOTAL EQUITY AND LIABILITIES		**33,795.98**	**27,629.62**
Significant Accounting Policies	2		
The accompanying notes form an integral part of Standalone Financial Statements			

In terms of our report attached

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

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 04-06-2021

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

Saji V. Joseph
Company Secretary
Membership No. F9596

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, 2021

(₹ in lakhs)

Particulars		Note No	Year ended March 31, 2021	Year ended March 31, 2020
I.	Revenue from operations	30	28,294.48	28,363.98
II.	Other income	31	252.90	78.42
III.	**Total Income (I + II)**		**28,547.38**	**28,442.40**
IV.	**Expenses:**			
	Cost of Materials consumed	32	16,948.07	14,431.68
	Purchase of Stock in Trade		61.04	45.02
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	(1,106.31)	3049.06
	Employee benefits expense	34	1,013.70	942.30
	Finance cost	35	191.95	359.74
	Depreciation and amortization expense	36	843.78	831.69
	Other Expenses	37	6,564.79	6,456.07
	Total expenses (IV)		**24,517.02**	**26,115.56**
V.	**Profit before Exceptional items and tax expenses (III - IV)**		**4,030.36**	**2,326.84**
VI.	Exceptional items	54	445.24	-
VII.	**Profit before tax expenses (V - VI)**		**4,475.60**	**2,326.84**
VIII.	**Tax expense:**			
	Current tax		1,123.63	635.00
	Deferred tax		58.24	(590.65)
IX.	**Profit for the year (VII - VIII)**		**3,293.73**	**2,282.49**
X.	**Other Comprehensive Income**	**38**		
	(i) Items that will not be reclassified to profit or loss		1,020.46	(723.83)
	Income tax relating to items that will not be reclassified to profit or loss		(342.20)	182.19
	(ii) Items that will be reclassified to profit or loss		144.14	(72.64)
	Income tax relating to items that will be reclassified to profit or loss		(36.28)	18.28
	Other Comprehensive Income for the year (net of tax)		**786.12**	**(596.00)**
XI.	**Total Comprehensive Income for the year**		**4,079.85**	**1,686.49**
XII.	**Earnings per equity share: (face value of ₹ 10/- each)**	**39**		
	Basic		27.11	18.60
	Diluted		27.11	18.60
	Significant Accounting Policies	2		
	The accompanying notes form an integral part of Standalone financial statements			

In terms of our report attached

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

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 04-06-2021

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

Saji V. Joseph
Company Secretary
Membership No. F9596

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

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

Standalone Statement Of Changes In Equity

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	Note	Amount
As at April 01, 2019		**1,227.23**
Changes in equity share capital during the year		-
As at March 31, 2020		**1,227.23**
Changes in equity share capital during the year, pursuant to buy-back (Refer Note: 53)		(24.50)
As at March 31, 2021		**1,202.73**

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus				Other Components of Equity			Total
	Securities Premium	General Reserve	Retained Earning	Capital redemption reserve	Equity Instruments through Other Comprehensive Income	Effective portion of gain or loss on cash flow hedges	Other Items of Comprehensive Income / (Loss)	
Balance as at April 01, 2019	1,507.17	2,787.00	14,028.74	-	(198.72)	(7.05)	15.13	18,132.27
Profit for the year	-	-	2,282.49	-	-	-	-	2,282.49
Other Comprehensive Income	-	-	-	-	(538.70)	(54.36)	(2.94)	(596.00)
Total comprehensive income for the year	**-**	**-**	**2,282.49**	**-**	**(538.70)**	**(54.36)**	**(2.94)**	**1,686.49**
Dividend paid (Including Tax thereon)			(887.69)	-	-	-	-	(887.69)
Balance as at March 31, 2020	**1,507.17**	**2,787.00**	**15,423.54**	**-**	**(737.42)**	**(61.41)**	**12.19**	**18,931.06**
Balance as at April 01, 2020	**1,507.17**	**2,787.00**	**15,423.54**	**-**	**(737.42)**	**(61.41)**	**12.19**	**18,931.06**
Profit for the year	-	-	3,293.73	-	-	-	-	3,293.73
Other Comprehensive Income (Net of Taxes)	-	-	-	-	679.19	107.86	(0.93)	786.12
Transfer from General Reserve	-	-	-	24.50	-	-	-	24.50
Total comprehensive income for the year	**-**	**-**	**3,293.73**	**24.50**	**679.19**	**107.86**	**(0.93)**	**4,104.35**
Transfer to Capital Redemption Reserve	-	(24.50)						(24.50)
Buyback of Equity Shares (Refer Note No: 53)	(950.04)	-	-					(950.04)
Balance as at March 31, 2021	**557.13**	**2,762.50**	**18,717.27**	**24.50**	**(58.23)**	**46.45**	**11.26**	**22,060.87**

In terms of our report attached

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

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 04-06-2021

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

Saji V. Joseph
Company Secretary
Membership No. F9596

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

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

Standalone Cash Flow Statement

For The Year Ended March 31, 2021

(₹ in lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
A. Cash Flow from Operating Activities				
Profit Before Tax		**4,030.36**		**2,326.83**
Adjustments for :				
Depreciation and Amortisation Expense	843.78		831.69	
Finance Cost	191.95		359.74	
Profit/(Loss) on sale of Property, Plant and Equipment (Net)	410.44		-	
Interest Income	(7.52)		(22.17)	
Profit / (Loss) from sale of Current Investment (Net)	155.90		10.44	
Dividend Income	(3.87)	1,590.68	(3.52)	1,176.18
Operating Profit Before Working Capital Changes		**5,621.04**		**3,503.01**
Working Capital Changes				
Adjustments for				
(Increase)/Decrease Trade receivables	(2,179.52)		(86.44)	
(Increase)/Decrease Inventories	(1,676.75)		3,303.97	
Increase/ (Decrease) Trade payables	326.16		758.80	
Changes in Loans, Current and Financial Assets	(671.96)	(4,202.07)	233.54	4,209.87
Net Cash Flow Generated from Operating Activities		**1,418.97**		**7,712.88**
Direct taxes paid (Net)	(933.33)		(282.09)	
		(933.33)		(282.09)
Net Cash Flow from Operating Activities		**485.64**		**7,430.79**
B. Cash Flow from Investing Activities				
Purchase of Property, Plant & Equipment (Including capital advances)	(1,734.57)		(226.47)	
Proceeds from sale of Property, Plant & Equipment	2,652.86		-	
Consideration for Acquisition of Control in Subsidiary	(3,437.97)		(1,457.10)	
Purchase of Non Current Investments	(2,376.81)		(1,908.38)	
Sale of Non Current Investments	3,317.02		1,322.47	
Margin money deposit (placed) / matured	(21.12)		125.00	
Dividend Income	3.87		3.52	
Interest and Other Income	7.52		22.17	
Net Cash Flow from (used in) Investing Activities		**(1,589.20)**		**(2,118.79)**
C. Cash Flow from Financing Activities				
Repayment of long term borrowings	(521.00)		(519.30)	
Availment/(Repayment) Short term borrowings	2,779.26		(3,523.18)	
Payment of Dividend (including Dividend Distribution Tax)	-		(887.69)	
Payment of Buybcak of shares with tax	(974.54)		-	
Unclaimed dividend paid	(0.52)		(0.56)	
Finance Cost	(191.95)		(359.74)	
Net Cash Flow from (used in) Financing Activities		**1,091.25**		**(5,290.47)**
Net increase / (decrease) in cash and cash equivalents		**(12.31)**		**21.53**
Cash and cash equivalent at the beginning of the year		**39.06**		**17.53**
Cash and cash equivalent at the end of the year		**26.75**		**39.06**

Notes to Cash Flow Statement:

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

2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

In terms of our report attached

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

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 04-06-2021

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

Saji V. Joseph
Company Secretary
Membership No. F9596

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

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

Notes Forming Part Of The Standalone Financial Statements

1. COMPANY INFORMATION

Asahi Songwon Colors Limited ("the Company") is a public limited Company domiciled and incorporated in India having CIN:L24222GJ1990PLC014789 with its registered office at "Asahi House", 13, Aaryans Corporate Park, Thaltej – Shilaj Road, Nr. Shilaj Railway Crossing, Thaltej, Ahmedabad – 380 059. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.

The Company is principally engaged in the business of manufacturing & export of color pigments and its derivatives. The Company's manufacturing facility is located at Padra, Vadodara, Gujarat.

The financial statements as at March 31, 2021 present the financial position of the Company.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on June 04, 2021.

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 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS, AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

a. Depreciation/amortisation and useful lives of property plant and equipment

Useful lives and residual values of Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

b. Taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

c. Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

d. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

e. Impairment of financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

2.3 PROPERTY, PLANT AND EQUIPMENT (PPE) (IND AS 16)

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. Property, Plant and Equipment are stated at cost 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 value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognized till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of

assets are same as those prescribed in Schedule II to the Act, except for plant and equipment wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act. Useful life considered for calculation of depreciation for various assets class are as follows:-

Asset Class	Useful Life
Factory Building	30 years
Non-Factory Building	60 years
Road, Fencing, Borewell, etc.	5/10 years
Plant & Equipment	15/20 years
Lab Equipment	10 years
Electric Installation	10 years
Furniture & Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computers	3 years

The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold Land is amortised over the primary period of the lease.

2.4 INTANGIBLE ASSETS (IND AS 38)

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer Software

Computer software are amortized over period of 3 years.

Internally Generated Intangible Assets - Research and Development Expenditure:

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

2.5 LEASES (IND AS 116)

At the inception of a lease, the lease arrangements is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

As a Lessee:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains,a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: i) the contract involves the use of an identified asset ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At the commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with

the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually

2.6 INVENTORIES (IND AS 2)

Inventories consisting of stores and spares, raw materials, work in progress, stock in trade, goods in transit and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis and is net of credits under GST.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

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

2.7 BORROWING COST (IND AS 23)

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing cost are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.8 IMPAIRMENT OF ASSETS (IND AS 36)

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

2.9 GOVERNMENT GRANTS (IND AS 20)

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

2.10 TAXES (IND AS 12)

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

a) Current Tax

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 Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.11 EMPLOYEES BENEFITS (IND AS 19)

a) Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

b) Post-employment obligations

The Company operates the following post-employment schemes:

(i) Defined benefit plans such as gratuity and;

(ii) Defined contribution plans such as provident fund.

(i) Defined benefit plans-Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(ii) Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

2.12 PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS (IND AS 37)

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise, GST etc.) pending in appeal / court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in

accounts but disclosed in notes to accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability. No contingent asset is recognized but disclosed by way of notes to accounts.

2.13 TRADE RECEIVABLES

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss. Trade receivable overdue for more than 180 days are considered as receivable with significant increase in credit risk.

2.14 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

2.15 REVENUE RECOGNITION (IND AS 18)

i) Revenue from operations:

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from services, including those embedded in contract for sale of goods, namely, freight and insurance services mainly in case of export sales, is recognised upon completion of services.

Revenue is measured based on the consideration to which the Company expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Company only on an exception basis. Revenue excludes any taxes or duties collected on behalf of government that are levied on sales such as goods and services tax.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

ii) Other income:

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends are recognised in the Standalone Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Lease rental income is recognised on accrual basis.

2.16 CASH FLOWS AND CASH AND CASH EQUIVALENTS (IND AS 7)

Statement of cash flows is prepared in accordance with the indirect method prescribed in the IND AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation

2.17 EARNINGS PER SHARE (IND AS 33)

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after 'income-tax' effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.18 SEGMENT REPORTING (IND AS 108)

Based on "Management Approach" as defined in IND AS 108 – Operating Segments, the Management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.19 FOREIGN CURRENCY TRANSACTIONS (IND AS 21)

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.20 FAIR VALUE MEASUREMENT (IND AS 113)

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or In the absence of a principal market,in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.21 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE (IND AS 10)

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

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

2.22 FINANCIAL INSTRUMENTS (IND AS 109)

i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

Investments in subsidiary companies, associate companies and joint venture company:

Investments in subsidiary company is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary company the difference between net disposal proceeds and the carrying amounts are recognised in the Standalone Statement of Profit and Loss.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss

De-recognition

Financial assets

The company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right

to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.23 CASH DIVIDEND TO EQUITY HOLDERS OF THE COMPANY

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.24 RESEARCH AND DEVELOPMENT

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

2.25 GOODS AND SERVICE TAX / SERVICE TAX INPUT CREDIT

Goods and Service tax / Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.26 RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which will be applicable from April 01, 2021.

3 PROPERTY, PLANT AND EQUIPMENTS

(₹ in lakhs)

Particular	Land	Building	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Total
Gross Carrying Amount							
Gross Amount as on April 1, 2019	**409.23**	**1,351.78**	**15,091.64**	**93.12**	**322.00**	**74.26**	**17,342.03**
Additions	-	-	132.29	0.18	30.10	2.40	164.97
Disposal & Adjustment	-	-	-	-	-	-	-
Balance as at March 31, 2020	**409.23**	**1,351.78**	**15,223.93**	**93.30**	**352.10**	**76.66**	**17,507.00**
Additions		2.54	1,806.27	-	31.07	10.31	1,850.19
Disposal & Adjustment	2.43	-	380.82	-	14.88	-	398.13
Balance as at March 31, 2021	**406.80**	**1,354.32**	**16,649.38**	**93.30**	**368.29**	**86.97**	**18,959.06**
Accumulated Depreciation							
Balance as at April 1, 2019	**-**	**475.61**	**5,128.79**	**47.08**	**107.48**	**46.36**	**5,805.32**
Depreciaton for the period	-	48.51	728.45	7.31	38.79	8.63	831.69
Disposal & adjustment	-	-	-	-	-	-	-
Balance as at March 31, 2020	**-**	**524.12**	**5,857.24**	**54.39**	**146.27**	**54.99**	**6,637.01**
Depreciaton for the period	-	45.50	739.68	7.17	42.11	9.31	843.77
Disposal & adjustment	-	-	231.50	-	11.40	-	242.90
Balance as at March 31, 2021	**-**	**569.62**	**6,365.42**	**61.56**	**176.98**	**64.30**	**7,237.88**
Net carrying amount							
Balance as at March 31, 2020	409.23	827.66	9,366.69	38.91	205.83	21.67	10,869.99
Balance as at March 31, 2021	406.80	784.70	10,283.96	31.74	191.31	22.67	11,721.18

3.1 ASSETS HELD FOR SALE

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Leasehold Land - Dahej, Gujarat	-	1,435.90
Total	**-**	**1,435.90**

4 RIGHT OF USE ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Right of Use Assets	2,077.72	2,037.38
Total	**2,077.72**	**2,037.38**

5 CAPITAL WORK IN PROGESSS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Tangible Assets	44.50	204.16
Total	**44.50**	**204.16**

Note:- Capital work in progress mainly comprises of addition due to expansion projects in progress

6 NON CURRENT INVESTMENTS

(₹ in lakhs)

Particulars		As at March 31, 2021		As at March 31, 2020	
		No. of Shares	₹	No. of Shares	₹
6.1	**Investment in Subsidiary Companies and Joint Venture**				
	Unquoted, fully paid- up				
	Subsidiary companies | joint venture company measured at cost				
	Shares of ₹ 10/- each of Asahi tennants Color Private Limited	3,43,71,132	4895.07	1,45,71,000	1457.10
		3,43,71,132	4,895.07	1,45,71,000	1,457.10
6.2	**Other investments**				
a)	**Investments in equity instruments (fully paid-up)**				
	Other companies measured at FVOCI				
	Quoted				
	Equity Shares of ₹ 10/- each of Sun Pharma Advance Research Company Limited	-	-	1,40,000	135.10
	Equity Shares of ₹ 10/- each of Eclerx Services Limited	-	-	12,367	45.35
	Equity Shares of ₹ 5/- each of Godrej Properties Limited	-	-	70,000	421.93
	Equity Shares of ₹ 5/- each of Gokaldas Exports Limited	-	-	1,00,000	32.50
	Equity Shares of ₹ 1/- each of NOCIL Limited	-	-	15,000	9.87
	Equity Shares of ₹ 10/- each of Ujjivan Finacial Services Limited	-	-	40,000	59.42
	Equity Shares of ₹ 10/- each of Can Fin Homes Limited	-	-	21,950	61.22
	Equity Shares of ₹ 2/- each of Federal Bank Limited	-	-	1,00,000	41.05
	Equity Shares of ₹ 10/- each of Ujjivan Small Bank Finance Limited	-	-	1,00,000	27.40
	Equity Shares of ₹ 10/- The Anup Engineering Limited	3,830	21.83	45,627	142.10
	Equity Shares of ₹ 1/- each of Marico Limited	-	-	30,000	82.46
	Equity Shares of ₹ 1/- each of Godrej Consumer Products Limited	-	-	4,000	20.83
	Equity Shares of ₹ 1/- each of H G Infra Engineering Limited	-	-	20,000	34.25
	Equity Shares of ₹ 1/- each of HDFC Bank Limited	-	-	2,000	17.24
	Equity Shares of ₹ 1/- each of HDFC Life Insurance Company Limited	15,000	104.39	15,000	66.24
	Equity Shares of ₹ 1/- each of Housing Development Finance Corporation Limited	-	-	1,000	16.30
	Equity Shares of ₹ 2/- each of Bharat Heavy Electricals Limited	-	-	45,000	9.36
		18,830	126.22	7,61,944	1,222.62

b)	**Investments in equity instruments (fully paid-up)**				
	Other companies measured at Cost				
	Unquoted				
	Shares of ₹ 10/- each of Swadesh Essfil Private Limited @ premium of ₹ 573.94 per share	3,425	20.00	3,425	20.00
	Shares of ₹ 10/- each of Plutoeco Enviro Association	2,500	0.25	-	-
	Shares of Bhadreshwar Vidyut Private Ltd. of ₹ 10/- each at discounted value of ₹ 0.19 per Share	2,81,000	0.53	98,000	0.44
		2,86,925	20.78	1,01,425	20.44
c)	**Investment in Debentures**				
	Other companies measured at Cost				
	Unquoted				
	Compulsory Convertible Debentures of ₹ 100/- each of Smart Institute Private Limited	30,000	30.00	30,000	30.00
		30,000	30.00	30,000	30.00
		3,47,06,887	5,072.07	1,54,64,369	2,730.16

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate amount of quoted investments	126.22	1,222.62
Aggregate market value of quoted investments	126.22	1,222.62
Aggregate amount of unquoted investments	4,945.85	1,507.54

7 NON CURRENT LOANS

Unsecured, Considered good

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Security Deposits	41.25	25.27
	Total	**41.25**	**25.27**

8 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Earmarked balance for Unpaid Dividend	4.99	4.47
	Total	**4.99**	**4.47**

9 OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Advances to Capital Goods Suppliers	142.91	287.69
	Total	**142.91**	**287.69**

10 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Raw materials	1,843.50	1,317.25
b.	Work in progress	189.11	83.24
c.	Finished goods	1,834.66	988.28
d.	Finished Goods in Transit	379.68	225.63
e.	Stores and spares	332.02	270.27
f.	Fuel & Oil	18.30	35.85
	Total	**4,597.27**	**2,920.52**

11 TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good	7,821.30	5,498.88
Total	**7,821.30**	**5,498.88**

12 CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Banks in Current accounts	21.39	30.39
Cash on hand	5.36	8.67
Total	**26.75**	**39.06**

13 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Term Deposits with Bank as Margin Money against Letters of Credit, Bank Guarantees and Collateral Security	174.12	153.00
Total	**174.12**	**153.00**

14 CURRENT LOANS

Unsecured, Considered good

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to Employees	13.36	4.80
Total	**13.36**	**4.80**

15 OTHERS CURRENT FINANCIALS ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on deposits	8.81	18.59
Total	**8.81**	**18.59**

16 CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance payment of tax (Net)	-	151.46
Total	**-**	**151.46**

17 OTHERS CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with government authorities	1,737.90	1,064.84
Prepaid expenses	52.64	62.56
Advances Other than Capital Advances	259.21	120.89
Total	**2,049.75**	**1,248.29**

18 SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹	No. of Shares	₹
Authorised:				
Equity Shares of ₹ 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 ₹ 10 each	1,20,27,262	1,202.73	1,22,72,262	1,227.23
Total	**1,20,27,262**	**1,202.73**	**1,22,72,262**	**1,227.23**

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

(₹ in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹	No. of Shares	₹
Equity Shares				
At the beginning of the period	1,22,72,262	1,227.23	1,22,72,262	1,227.23
Less : Buy-back of equity shares (Refer note : 53)	(2,45,000)	(24.50)	-	-
Outstanding at the end of the period	**1,20,27,262**	**1,202.73**	**1,22,72,262**	**1,227.23**

b) Terms / rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Shares are entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after the payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

d) Details of shares in the Company held by each shareholder holding in the company more than 5 percent shares.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding
Mrugesh Jaykrishna Family Trust - 1	52,76,651	43.87	53,23,811	43.38
Gokul M. Jaykrishna Family Trust	26,99,238	22.44	27,52,009	22.42
DIC Corporation	8,65,200	7.19	8,65,200	7.05
	88,41,089	**73.50**	**89,41,020**	**72.85**

e) 1. Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash: NIL

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

3. Aggregate number and class of shares bought back : During the year company has bought back 2,45,000 equity shares of ₹ 10 each @ 330 per share

4. Securities which are convertible into Equity Shares : NIL

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

19 OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium		
Balance as per last year	1,507.17	1,507.17
Less: Buy-back of Shares	950.04	-
Balance at the end of the Year	557.13	1,507.17
General Reserve		
Balance as per last year	2,787.00	2,787.00
Add: Appropriations From Current year's Profit	-	-
Less: Transfer to Capital Redemption Reserve	(24.50)	
Balance at the end of the Year	2,762.50	2,787.00
Capital Redemption Reserve		
Balance as per last year	-	-
Add: Transfer from General Reserve	24.50	-
Balance at the end of the Year	24.50	-
Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	14,636.89	13,838.10
Add: Profit after tax for the Year	3,293.73	2,282.48
Re-measerement of Defined Benefit Plan	(1.24)	(3.93)
Mark to Market Forex gain (Loss)	144.14	(72.64)
Loss on Investments - Fair Value through OCI	1021.70	(719.90)
Income Tax relating to Other Comprehensive Income	(378.48)	200.47
Amount available for Approriation	18,716.74	15,524.58
Less: Appropriations		

Dividend	-	736.33
Dividend Disribution Tax	-	151.36
Total Appropriation	-	887.69
Balance at the end of the Year	18,716.74	14,636.89
Total	**22,060.87**	**18,931.06**

Description of nature and purpose of each reserves :

General Reserve: General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. General Reserve is a free reserve available to the company. As per Companies Act 2013, transfer of profits to general reserve is not mandatory.

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

Capital Redemption Reserve: In accordance with Section 69 of the companies Act. 2013, the company has created capital redemption reserve equal to the nominal value of the shares bought back as an approppriation from general reserve.

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

Equity instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Other Comprehensive Income: Other Comprehensive Income includes re-measurement loss on defined benefit plans, net of taxes that will not be reclassified to profit and loss.

20 NON CURRENT BORROWINGS

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
	Secured*		
a.	**Term Loans from Banks**		
	From Federal Bank Ltd.	750.00	1,250.00
	Net of Repayable in one year considered as Current Borowwings (Refer Note: 26)	-	-
b.	**Other**	**-**	**-**
	Vehicle Loan	-	1.83
	Net of Repayable in one year considered as Current Borowwings (Refer Note: 26)		
	Total	**750.00**	**1,251.83**

*** 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 Channel 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 Federal Bank Ltd. ₹ 12,50,00,000/- (Previous year ₹ 17,50,00,000/-), Repayable in 10 equal Installments of ₹ 1,25,00,000/- will end on July-2023

ii Vehicle loans are repayable in equal monthly installment over the terms of 1 installments (Previous Year 13)

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

21 NON CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provisions for employees benefits		
Provision for Gratuity	157.52	226.77
Total	**157.52**	**226.77**

22 DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	**Deferred Tax Liabilities**		
	Opening Balance	1,142.18	1,959.02
	Accumulated depreciation	54.51	(616.37)
	Other comprehensive income from investments	378.48	(200.47)
		1,575.17	**1,142.18**
b.	**Deferred Tax Assets**		
	Opening Balance	62.27	88.00
	Defined benefit plan for employees	(3.72)	(25.73)
		58.55	**62.27**
	Liabilities (Net)	**1,516.62**	**1,079.91**

23 OTHER NON CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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, 2021	As at March 31, 2020
Secured Loans *		
Loans repayable on demand from bank		
From State Bank of India		
Working Capital Loans	1,157.22	377.96
Unsecured Loans *		
Loans repayable on demand from bank		
From Federal Bank Ltd		
Working Capital Loans	1,000.00	-
From HDFC Bank Ltd		
Working Capital Loans	1,000.00	-
Total	**3,157.22**	**377.96**

*** 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 582, Mota Vadiya Jam Jodhpur, Jamnagar, Gujarat.

- Lien of TDR worth of ₹ 25 Lakhs.

25 TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payable		
Dues to Micro and Small Enterprises	260.85	32.73
Dues to Creditors other than Micro and Small Enterprises	3,821.98	2,364.54
Total	**4,082.83**	**2,397.27**

25.1 DISCLOSURES AS REQUIRED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Principal amount remaining unpaid to any supplier as at the end of accounting year	260.85	32.73
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	**260.85**	**32.73**

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, 2021	As at March 31, 2020
a.	Unpaid Dividends #	4.99	4.47
b.	Current maturities of long term borrowings (Refer Note: 20)	501.83	521.00
c.	Interest accrued but not paid	1.07	-
	Total	**507.89**	**525.47**

The Company has transferred ₹ 85,295/- (Previous Year ₹ 56,062) to the Investors Education and Protection Fund (IEPF) during the year.

27 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	**Other payables**		
	Advances from customers	1.52	1,463.32
	Statutory liabilities	42.06	36.03
	Payable for fixed assets	139.38	35.57
	Other Current liabilities and payables	63.19	56.34
	Total	**246.15**	**1,591.26**

28 CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	75.10	20.66
Total	**75.10**	**20.66**

29 CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax (Net)	38.85	-
Total	**38.85**	**-**

30 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
	Reveune from Sale of Products		
a.	Export Sales	16,627.55	17,971.67
b.	Domestic Sales	11,357.02	9,428.46
	Total Sale of Products	**27,984.57**	**27,400.13**
c.	**Other operating revenues**		
	Export incentives	235.00	332.46
	Interest Income on FDR	7.52	22.17
	Other Operating Income	67.39	609.22
	Total - Other Operating revenues	**309.91**	**963.85**
	Total	**28,294.48**	**28,363.98**

31 OTHER INCOME

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
a.	Dividend Income	3.87	3.52
b.	Others	249.03	74.90
	Total	**252.90**	**78.42**

32 COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
a.	**Raw Materials**		
	Opening Stock	1,092.48	1,337.08
	Add : Purchases	17,057.39	13,848.28
		18,149.87	**15,185.36**

	Less : Closing Stock	1,533.61	1,092.48
	Cost of Raw Material Consumed	16,616.26	14,092.88
b.	**Packing Material**		
	Opening Stock	56.24	100.51
	Add : Purchases	343.18	294.53
		399.42	**395.04**
	Less : Closing Stock	67.61	56.24
	Cost of Packing Material Consumed	331.81	338.80
	Cost of Total material consumed	**16,948.07**	**14,431.68**

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

(₹ in lakhs)

Particulars		**Year ended March 31, 2021**	**Year ended March 31, 2020**
a.	Inventories at the end of the year		
	Finished goods	2,214.34	1,213.91
	Work-in-progress	189.12	83.24
	Total	**2,403.46**	**1,297.15**
b.	Inventories at the beginning 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**
	Net (Increase) / decrease	**(1,106.31)**	**3049.06**

34 EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars		**Year ended March 31, 2021**	**Year ended March 31, 2020**
a.	Salaries, Wages & Bonus *	689.51	712.33
b.	Contribution to Provident and other funds	48.98	37.69
c.	Staff welfare expenses	35.36	32.36
d.	Directors Remuneration including perquisites and commission	239.85	159.92
	Total	**1,013.70**	**942.30**

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

35 FINANCE COSTS

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
a.	**Interest**		
	Term Loans	72.34	141.66
	Working Capitals	77.50	172.24
b.	**Other Financial Costs**		
	Bank and other charges	42.11	45.84
	Total	**191.95**	**359.74**

36 DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and amortization for the year on tangible assets	843.78	831.69
Depreciation and amortization relating to continuing operations	**843.78**	**831.69**

37 OTHER EXPENSES

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power and Fuel	3,169.41	3,225.95
Consumption of Stores and Spare parts	303.06	301.59
Pollution Treatment Expenses	548.52	488.07
Repairs to Machinery	314.11	164.13
Repairs to Building	8.68	18.56
Repairs to Other Assets	14.83	9.67
Manufacturing & Labour Charges	872.92	887.09
Freight and forwarding Expenses	687.43	674.20
Other Selling and Distribution Expenses	106.43	85.75
Rent	40.04	34.97
Rates & Taxes (excluding taxes on income)	3.89	6.48
Insurance	46.26	28.18
Travelling, Conveyance & Vehicle Expenses	40.08	53.49
Directors Travelling Expenses	20.76	121.96
Auditors Remuneration *	3.80	4.08
Directors Sitting Fees	2.16	1.52
Legal & Professional Expenses	130.80	87.12
General Charges	67.60	68.07
Research and Development Expenses (Refer Note: 43)	93.29	94.97
Donation	-	5.48

Expenditure towards Corporate Social Responsibility activities (Refer Note: 47)	55.92	67.70
Inter Corporate Deposit written off	-	27.04
Loss on sales of Property , Plant & Equipments	34.80	-
Total	**6,564.79**	**6,456.07**

37.1 PAYMENT TO AUDITORS

(₹ in lakhs)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Audit fees	2.75	2.75
Out of pocket expenses	0.02	0.05
Others (Certification work)	1.03	1.28
Total	**3.80**	**4.08**

38 OTHER COMPREHENSIVE INCOME

(₹ in lakhs)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Items that will not be reclassified to Profit and Loss		
Other comprehensive Income / (Expense) FVOCI	1,021.70	(719.90)
Re-measurement Gain/(Loss) of Defined Benefit Plan	(1.24)	(3.93)
Income tax relating to items that will not be reclassified to profit or loss	(342.20)	182.19
Items that will be reclassified to Profit and Loss		
Effective Portion of Gain/(Loss) on cashflow hedges	144.14	(72.64)
Income Tax that will be reclassified to Profit and Loss	(36.28)	18.28
	786.12	**(596.00)**

39 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	**March 31, 2021**	**March 31, 2020**
Profit for the year	3,293.73	2,282.49
Net Profit attributable to Equity Shareholders	3,293.73	2,282.49
Profit after taxation before Extra Ordinary Items	3,293.73	2,282.49
Number of Equity Shares for Basic EPS	1,20,27,262	1,22,72,262
Number of Equity Shares for Diluted EPS	1,20,27,262	1,22,72,262
Nominal Value Per Share	10	10
Basic Earning Per Share	27.11	18.60
Diluted Earning Per Share	27.11	18.60

40 INCOME TAXES

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
A.	**The major components of income tax expense for the year as under:**		
	Current tax		
	In respect of current year	1,123.63	635.00
	Deferred tax		
	In respect of Accumulated Depreciation	54.51	(616.37)
	In respect of Other comprehensive income from investments	-	-
	In respect of defined benefit plan for emloyees	3.73	25.72
	Total deferred tax	**58.24**	**(590.65)**
	Total tax expenes charged to statement of Profit and Loss	**1,181.87**	**44.35**

B. RECONCILIATION OF EFFECTIVE TAX RATE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Applicable Tax Rate	**25.168%**	**25.168%**
Profit before tax	4,030.36	2,326.84
Income not considered for tax purpose	786.12	(596.00)
Expenses not allowed for tax purpose	(114.71)	783.68
Tax payable at lower rate	(575.71)	-
Net Taxable income for the year	**4,126.06**	**2,514.52**
Effective Tax for the year	**1,038.45**	**632.85**
Effective tax at lower rate	84.27	-
Total current tax calculated for the year	1,122.72	632.85
Excess provision	**0.91**	**2.15**
Effective current tax rate for the year	**27.86%**	**27.20%**

41 CONTINGENT LIABILITIES

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
In Respect of Income Tax	-	58.68
Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year	663.21	549.95

42 CAPITAL COMMITMENT

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods / Capital work in progress	1,320.70	350.00

43 RESEARCH AND DEVELOPEMENT

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Capital Goods		
Machinery and Equipments for Research Laboratory	-	-
Total Capital Expenditure	**-**	**-**
Revenue Expenses		
Salaries & Wages	76.01	77.94
Laboratory Chemicals and other goods	16.45	15.58
Stationery	-	-
Conusmable stores	-	0.31
Travelling Expenses	-	-
Conveyance Expenses	-	-
Testing Expenses	0.35	0.55
Seminar for R & D	-	-
Sampling Expenses	0.17	0.58
Electricity Expenses	0.31	-
Total Revenue Expenditure	**93.29**	**94.97**
Total Expenditure towards R & D	**93.29**	**94.97**

44 EMPLOYEES BENEFITS

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

1. Defined Contribution Plan:

The Company has recognized the following amount as an expense:

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Contribution to Provident and other Funds	48.98	37.69

2. Defined Benefit Plan

Table Showing Change in the Present Value of Projected Benefit Obligation

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	247.43	222.70
Interest Cost	17.04	17.00
Current Service Cost	17.73	13.13
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)	(0.82)	(8.43)

(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
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.24	(10.58)
Present Value of Benefit Obligation at the End of the Period	282.62	247.43

Amount Recognized in the Balance Sheet

(₹ in lakhs)

Particulars	**March 31, 2021**	**March 31, 2020**
(Present Value of Benefit Obligation at the end of the Period)	(282.62)	(247.43)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(282.62)	(247.43)
Net (Liability)/Asset Recognized in the Balance Sheet	(282.62)	(247.43)

Net Interest Cost for Current Period

(₹ in lakhs)

Particulars	**March 31, 2021**	**March 31, 2020**
Present Value of Benefit Obligation at the Beginning of the Period	247.43	206.90
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	247.43	206.90
Interest Cost	17.04	17.00
(Interest Income)	-	-
Net Interest Cost for Current Period	17.04	17.00

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

(₹ in lakhs)

Particulars	**March 31, 2021**	**March 31, 2020**
Current Service Cost	17.73	13.13
Net Interest Cost	17.04	17.00
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Transfer In / (Out)	-	(0.90)
Expenses Recognized	34.77	29.23

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

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Actuarial (Gains)/Losses on Obligation For the Period	1.24	3.93
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	1.24	3.93

Balance Sheet Reconciliation

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening Net Liability	247.43	222.70
Expenses Recognized in Statement of Profit or Loss	34.77	29.23
Expenses Recognized in OCI	1.24	3.93
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(0.82)	(8.43)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	282.62	247.43

Other Details

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
No of Active Members	140	140
Per Month Salary For Active Members	35.13	33.69
Weighted Average Duration of the Projected Benefit Obligation	10	9
Average Expected Future Service	15	15
Projected Benefit Obligation	282.62	247.43
Prescribed Contribution For Next Year (12 Months)	-	-

Net Interest Cost for Next Year

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Present Value of Benefit Obligation at the End of the Period	282.62	247.43
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	282.62	247.43
Interest Cost	15.18	16.36
(Interest Income)	-	-
Net Interest Cost for Next Year	15.18	16.36

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

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Current Service Cost	14.67	17.73
Net Interest Cost	15.18	16.36
(Expected Contributions by the Employees)	-	-
Expenses Recognized	29.85	34.09

Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
1st Following Year	125.10	20.66
2nd Following Year	6.91	113.13
3rd Following Year	9.38	6.72
4th Following Year	6.15	9.31
5th Following Year	6.98	6.04
Sum of Years 6 To 10	152.22	147.00

Senstivity Analysis

(₹ in lakhs)

Impact of change in discount rate when base assumption is decreased/ increased by 100 basis point	March 31, 2021	March 31, 2020
Present Value of Obligation for Discount Rate @ 5.90%	301.52	266.10
Present Value of Obligation for Discount Rate @ 7.90%	266.42	231.24
Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point	**March 31, 2021**	**March 31, 2020**
Present Value of Obligation for Salary Increment Rate @ 5.00%	267.59	233.16
Present Value of Obligation for Salary Increment Rate @ 7.00%	299.75	261.11
Impact of change in discount rate when base assumption is decreased/ increased by 100 basis point	**March 31, 2021**	**March 31, 2020**
Present Value of Obligation for Withdrawal Rate @ 1.00%	281.31	246.24
Present Value of Obligation for Withdrawal Rate @ 3.00%	283.78	248.48

45 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.

46 RELATED PARTY DISCLOSURES AND THEIR RELATIVES

Related Party Disclosures as required by Accounting Standard Ind AS 24 issued by Institute of Chartered Accountants of India are given below:

1 Related Parties and Nature of Relationship

a) Enterprises in which Key Managerial Personnel (KMP) and their relatives have significant influence:

Asahi Tennants Color Private Limited - Subsidiary Company

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

b) Key Managerial Personnel:

Mrs. Paru M. Jaykrishna - Chairperson and Managing 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)

Particulars		March 31, 2021	March 31, 2020
A	**Enterprises own or significantly influenced by key managerial personnel or their relatives**		
1	Asahi Tennants Color Private Limited		
	Subscription of Investments	3,437.97	1,457.10
	Sales of Goods / Services	3,504.98	29.17
	Reimbursment of Expenses	8.50	8.11
2	Aksharchem (India) Ltd		
	Purchase of Goods	52.71	45.03
	Sales of Goods / Services	30.74	45.10
3	Skyways		
	Rent Paid	1.86	1.86
4	Hunter Wealth Management LLP		
	Rent / Maintenance Income	1.20	1.20
5	Gokul M. Jaykrishna HUF		
	Rent Paid	9.50	6.00
6	Skyjet Aviation Pvt Ltd.		
	Air Tickets booking services	-	45.06
7	Plutoeco Enviro Association		
	Subscription of Investments	0.25	-
B	**Key Managerial Personnel and their relatives**		
1	Mrs. Paru M. Jaykrishna		
	Remuneration	97.00	40.60
	Perquisites	1.05	21.49
	Provident Fund Contribution	8.64	5.04

2	Mr. Gokul M. Jaykrishna		
	Remuneration	96.80	76.80
	Perquisites	4.00	4.16
	Provident Fund Contribution	5.76	5.76
3	Mr. Arjun G. Jaykrishna		
	Remuneration	41.00	16.74
	Perquisites	-	0.13
	Salary and allowances	-	5.80
4	Mr. Mrugesh Jaykrishna		
	Consultancy Charges	29.31	29.31
5	Mr. Utsav Pandwar		
	Salary and allowances	18.88	9.54
6	Mr. Chandravadan R. Raval (Till 13.10.2019)		
	Salary and allowances	-	6.96
7	Mr. Saji V Joseph		
	Salary and allowances	14.34	12.99
C	**Outstaning payables / (receivables) to / from Related parties and key Managerial persons**		
1	Asahi Tennants Color Private Limited	(15.24)	-
2	Aksharchem (India) Ltd	24.69	17.62
3	Skyways	0.14	0.14
4	Skyjet Aviation Pvt Ltd.	(1.78)	0.21
5	Hunter Wealth Management LLP	-	0.60
6	Gokul M. Jaykrishna HUF	0.69	0.90
7	Mrs. Paru M Jaykrishna	2.16	-
8	Mr. Gokul M. Jaykrishna	3.15	3.15
9	Mr. Mrugesh Jaykrishna	2.29	2.24
10	Mr. Arjun G. Jaykrishna	1.40	2.20
11	Mr. Utsav Pandwar	1.28	0.98
12	Mr. Saji V Joseph	0.61	0.79

47 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: ₹ 56.34 lakhs (Previous year ₹ 66.59 lakhs)

b. Amount spent and utilized during the year on:

(₹ in lakhs)

Sr. No.	Particulars	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	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	On purpose other than (i) above	55.92	0.00	55.92	66.46	0.00	0.00
		55.92	0.00	55.92	66.46	0.00	66.46

48 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, 2021	March 31, 2020
Borrowings (Note No: 20 & 24)	4,409.05	2,150.79
Less : cash and cash equivalents (Note No: 12)	(26.75)	(39.06)
Net Debt	4,382.30	2,111.73
Total Equity	23,263.60	20,158.29
Total Equity and net debt	27,645.90	22,270.02
Gearing Ratio	0.16 : 1	0.09 : 1

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowing in the current period.

As at March 31, 2021, 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, 2021 and March 31, 2020.

49 DIVIDEND

The Board of Directors has recommended final dividend for the financial year 2020-2021 on Equity Share Capital 35% (₹ 3.50 Per Equity of face value of ₹ 10/- each) subject to approval of the shareholders in the ensuing Annual General Meeting (AGM)

50 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.

50.1 CREDIT RISK

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables and loans

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. The company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's

standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management of the company.

The company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 120 days for customers. More than 85% of the company's customers have been transacting with the company for over four years, and none of these customers' balances are credit-impaired at the reporting date.

Confirmation of balances from Debtors & Loans and Advances have been received and the same is being reconciled.

Cash and cash equivalents

The company holds cash and cash equivalents of ₹ 26.75 lakhs at March 31, 2021 (March 31, 2020: ₹ 39.03 lakhs). The cash and cash equivalents are held with bank and cash on hand.

50.2 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.

50.3 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.

50.4 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)

Nature of Borrowing	Change in basis points	Impact on PAT	
		As at 31-03-2021	As at 31-03-2020
Borrowings from Bank	0.5%	16.50	8.05
	-0.5%	(16.50)	(8.05)

50.5 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	As at March 31, 2021	As at March 31, 2020
Trade Receivables		
Rupees	3,802.21	3,534.05
Trade Payables		
Rupees	364.56	316.47
Net Exposure in Rupees	3,437.65	3,217.58

Forward Exchange Contracts:

Forward Contracts outstanding / PCFC Outstanding

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
Net Exposure	US $	47,78,644	42,36,959

Risk over uncovered foreign currency:

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
Exposure covered	US $	47,78,644	39,50,204
Un hedged Exposure	US $	-	2,86,755
Un hedged Exposure	INR	-	216.96
Risk over uncovered exposure @ 5% +/- Forex Rate fluctuation	INR	-	8.12

Price Risk

Investment Price Risk

The company's exposure to price risk arises from investments in equity and mutual fund held by the company and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investments, the company diversifies its portfolio.

Sensitivity Analysis

The table below summarises the impact of increase/decrease of the index on the company's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 3% or decreased by 3% with all other variables held constant.

(₹ in lakhs)

Particulars	Movement in Rate	Impact on OCI	
		2020-21	2019-20
Equity Shares (Quoted)	3%	2.83	27.45
Equity Shares (Quoted)	-3%	(2.83)	(27.45)

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.

51 FINANCIAL INSTRUMENTS - FAIR VALUES & RISK MANAGEMENT

Accounting Classifications & Fair Value Measurements

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

1	The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
2	Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
3	Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.
4	The fair value of forward foreign exchange contracts and currency swaps is determined using forward exchange rates and yield curves at the balance sheet date.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : This includes financial instruments measured using quoted prices. The fair value of all equity instruments that are traded on the stock exchanges is valued using the closing price as at the reporting period..

Level 2 : The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

II. Figures as at March 31, 2020

(₹ in lakhs)

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments (Non-Current)	1,507.54	-	-	1,507.54
Non Current Loans	25.27	-	-	25.27
Other Non Current Financial Assets	4.47	-	-	4.47
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
Current Loans	4.80	-	-	4.80
Other Current Financial Assets	18.59	-	-	18.59
Total	**7,251.61**	**-**	**-**	**7,251.61**
Financial assets at fair value through other comprehensive income:				
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**

III. Figures as at March 31, 2021

(₹ in lakhs)

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments (Non-Current)	4,945.85	-	-	4,945.85
Non Current Loans	41.25	-	-	41.25
Other Non Current Financial Assets	4.99	-	-	4.99
Trade Receivables	7,821.30	-	-	7,821.30
Cash and Cash Equivalents	26.75	-	-	26.75
Bank Balances Other than Cash and Cash Equivalents	174.12	-	-	174.12
Current Loans	13.36	-	-	13.36
Other Current Financial Assets	8.81	-	-	8.81
Total	**13,036.43**	**-**	**-**	**13,036.43**
Financial assets at fair value through other comprehensive income:				
Investments (Current)	-	-	-	-
Investments (Non-Current)	126.22	126.22	-	-
Total	**126.22**	**126.22**	**-**	**-**
Financial liabilities at amortised cost:				
Borrowings (Non-Current)	750.00	-	-	750.00
Borrowings (Current)	3,157.22	-	-	3,157.22
Trade Payables	4,082.83	-	-	4,082.83
Other financial liabilities	507.89	-	-	507.89
Total	**8,497.94**	**-**	**-**	**8,497.94**

52 OFFSETTING FINANCIAL ASSETS AND LIABILITIES

The Company has not offset any financial asset and financial liability. It offsets a financial asset and a financial liability when it currently has a legal enforceable right to set-off the recognised amounts and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

a) Master netting arrangements – not currently enforceable

"Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements are considered as terminated. As the Company does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Standalone Balance Sheet."

b) Collateral against borrowings

The Company has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit (Refer Note 20) for further information on assets hypothecated | mortgaged as security). In case of default as per borrowing arrangement, such collateral can be adjusted against the amounts due.

53 BUY-BACK OF SHARES

In accordance with the provisions contained in the SEBI (Buy-back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, the board of directors in its meeting held on November 6, 2020 had approved a proposal of buyback of 2,45,000 Equity Shares (representing 2% of the total paid-up equity share capital of the Company) at a price of ₹ 330/- per Equtiy Share, which opened on December 10, 2020 and closed on December 23, 2020 and settlement date for the Buyback offer was January 4, 2021. Accordingly, the Company has bought back and extinguished a total of 2,45,000 Equity Shares at an buyback price of ₹ 330/- per Equity Shares. The buyback resulted in a cash outflow of ₹ 976 lakhs (excluding transaction costs)

Particulars	As at March 31, 2021
Date of Board meeting approving the buy-back	November 06 ,2020
Date of Buy Back opening date	December 10, 2020
Date of Buy Back closing date	December 23, 2020
Date of Buy Back settlement date	January 04, 2021
Numbers of shares bought back	2,45,000
Face value of shares bought back	₹ 10.00
Buy-back of price approved by the Board	₹ 330.00
Consideration paid towards buy-back (excluding transaction costs)	₹ 974.54 lakhs

Pursuant to the buy-back, the Company has adjusted premium per share and expenses on buy-back of aggregating ₹ 950.04 lakhs from securities premium. Further, an amount of ₹ 24.50 lakhs (equivalent to the face value of shares) has been transferred to capital redemption reserve and debited to general reserve.

54 EXCEPTIONAL ITEMS

Exceptional Items includes of ₹ 445.24 lakhs gain from sale of land and utilities connected to land at Dahej, Bharuch.

55 EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the end of the reporting period, which require any adjustment or disclosure in the Standalone Financial Statements.

56 AUTHORISATION FOR ISSUE OF THE STANDALONE FINANCIAL STATEMENTS

The Standalone Financial Statements were authorised for issue by the Board on June 04, 2021.

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

In terms of our report attached

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

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 04-06-2021

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

Saji V. Joseph
Company Secretary
Membership No. F9596

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 have audited the accompanying consolidated financial statements of **Asahi Songwon Colors Limited** (the 'The Holding Company') and its subsidiary (hereinafter referred to as "The Holding and Subsidiary " and together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of changes in equity and Consolidated Statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act,2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31,2021, and their consolidated profit, their consolidated total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
Property, Plant & Equipment **(Refer Note No- 3 & 5 of the consolidated financial statements)** The value of property, plant & equipment and capital work-in-progress amounted to ₹ 18,253.95 lakhs (i.e. 46.86% of total assets) at the Consolidated Balance Sheet Date March 31, 2021. 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. Our Results: As a result of performance of above procedures we have not identified any circumstances that would led to material adjustments to the carrying value of these assets, or change in their useful lives.

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of a subsidiary company audited by the other auditor, to the extent to it relates to subsidiary company and, in doing so, place reliance on work of other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. Other information so far as its relates to the subsidiary company is traced from their financial statements audited by other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group 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 tothose risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting 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 abilityof 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statement of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements of above one subsidiary company, whose financial statements reflect total assets of ₹ 10,550.75 lakhs as at March 31, 2021, total revenues of ₹ 13.54 lakhs, total loss after tax of ₹ 54.73 lakhs, total comprehensive income of ₹ 54.73 lakhs and net cash out flows amounting to ₹ 191.13 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law have been kept by the Companyso far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding company as on March 31 ,2021 taken on record by the Board of Directors of the Holding company and the reports of the statutory auditor of the subsidiary company incorporated in India , none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**" to this Report.

(g) In our opinion and based on the consideration of report of other statutory auditor of the subsidiary company incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiary incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. – Refer Note 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 Holding Company and its subsidiary company incorporated in India.

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

Chirag M. Shah
Partner
Membership Number: 045706
UDIN: 21045706AAAAHJ3006

Date: June 04, 2021
Place: Ahmedabad

"Annexure A"

To the Independent Auditors' Report of even date on the Consolidated Financial Statements of ASAHI SONGWON COLORS LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (1) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013("THE ACT")

We have audited the internal financial controls with reference to the consolidated financial statements reporting of Asahi Songwon Colors Limited ("the Holding Company") as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company and its subsidiary company, which is incorporated in India, as of that date for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Holding Company which is the company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the consolidated financial statements of the Company and its subsidiary company, which is incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to the consolidated financial statements 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 with reference to the consolidated financial statements 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 WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to the consolidated financial statements, 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 with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies of procedures may deteriorate.

OPINION

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company , have, in all material respects, an adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal control with reference to the consolidated financial statements criteria established by such Companies considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. (the "Guidance Note")

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, which are company incorporated in India, is based solely on the corresponding reports of the Auditor of such company.

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

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

Chirag M. Shah
Partner
Membership Number: 045706
UDIN: 21045706AAAAHJ3006

Date: June 04, 2021
Place: Ahmedabad

Consolidated Balance Sheet

As At March 31, 2021

(₹ in lakhs)

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1) Non-current Assets			
(a) Property, Plant and Equipment	3	17,395.00	10,874.18
(b) Right of Use Assets	4	3,661.57	2,037.39
(c) Capital work-in-progress	5	858.95	1,122.17
(d) Other Intangible Assets	6	225.27	-
(e) Financial Assets			
(i) Investments	7	177.00	1,273.06
(ii) Loans	8	193.20	25.37
(iii) Other Financial Assets	9	4.99	4.47
(f) Deffered Tax Assets	10	12.73	-
(g) Other Non Current assets	11	143.74	709.30
Total Non-current Assets		**22,672.45**	**16,045.94**
2) Current Assets			
(a) Inventories	12	4,872.18	2,920.52
(b) Financial Assets			
(i) Trade receivables	13	7,818.06	5,498.88
(ii) Cash and Cash equivalents	14	44.83	248.27
(iii) Bank balances other than (ii) above	15	185.69	153.00
(iv) Loans	16	13.36	4.80
(v) Others	17	8.81	19.32
(c) Current Tax Assets	18	2.38	151.46
(d) Other Current Assets	19	3,329.59	1,302.78
Total Current Assets		**16,274.90**	**10,299.03**
3) Assets Held for Sale	**3.1**	**-**	**1,435.90**
TOTAL ASSETS		**38,947.35**	**27,780.87**
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity Share capital	20	1,202.73	1,227.23
(b) Other Equity	21	21,547.81	18,935.23
(c) Non Controlling Interest	22	4,680.66	1,404.02
Total Equity		**27,431.20**	**21,566.48**
2) Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	750.00	1,251.83
(b) Provisions	24	164.68	226.77
(c) Deferred tax liabilities	25	1,516.62	1,079.77
(d) Other Non-Current liabilities	26	0.20	0.20
Total Non Current Liabilities		**2,431.50**	**2,558.57**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	3,762.97	377.96
(ii) Trade payables	28		
Total outstanding dues of Micro and Small Enterprises		260.85	32.73
Total outstanding creditors dues of other than Micro and Small Enterprises		3,903.05	2,364.54
(iii) Other Financial Liabilities	29	509.33	525.47
(b) Other Current Liabilities	30	534.47	333.23
(c) Provisions	31	75.13	21.89
(d) Current Tax Liabilities	32	38.85	-
Total Current Liabilities		**9,084.65**	**3,655.82**
TOTAL EQUITY AND LIABILITIES		**38,947.35**	**27,780.87**
Significant Accounting Policies	2		
The accompanying notes form an integral part of consolidated financial statements			

In terms of our report attached

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

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 04-06-2021

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

Saji V. Joseph
Company Secretary
Membership No. F9596

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, 2021

(₹ in lakhs)

	Particulars	Note No	Year ended March 31, 2021	Year ended March 31, 2020
I.	Revenue from operations	33	28,308.02	28,363.98
II.	Other income	34	31.02	78.42
III.	**Total Income (I + II)**		**28,339.04**	**28,442.40**
IV.	**Expenses:**			
	Cost of Materials consumed	35	16,979.57	14,431.68
	Purchase of Stock in Trade		61.04	45.02
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	36	(1,153.42)	3049.06
	Employee benefits expense	37	1,037.40	942.30
	Finance cost	38	194.13	359.79
	Depreciation and amortization expense	39	869.38	831.69
	Other Expenses	40	6,432.27	6,456.07
	Total expenses (IV)		**24,420.37**	**26,115.61**
V.	**Profit before Exceptional items and tax expenses (III - IV)**		**3,918.67**	**2,326.79**
VI.	Exceptional items	57	445.24	-
VII.	**Profit before tax expenses (V - VI)**		**4,363.91**	**2,326.79**
VIII.	**Tax expense:**			
	Current tax		1,123.63	636.61
	Deferred tax		45.66	(592.45)
IX.	**Profit for the year (VII - VIII)**		**3,194.62**	**2,282.63**
X.	**Other Comprehensive Income**	**41**		
	(i) Items that will not be reclassified to profit or loss		**1020.46**	**(714.13)**
	Income tax relating to items that will not be reclassified to profit or loss		(342.20)	180.54
	(ii) Items that will be reclassified to profit or loss		**144.14**	**(72.64)**
	Income tax relating to items that will be reclassified to profit or loss		(36.28)	18.28
	Other Comprehensive Income for the year (net of tax)		**786.12**	**(587.95)**
XI.	**Total Comprehensive Income for the year**		**3,980.74**	**1,694.68**
XII.	Profit for the year attributable to:			
	Owners of the Company		3,221.44	2,282.56
	Non Controlling Interest		(26.82)	0.07
XIII.	Other Comprehensive Income (Net of Tax) attributable to:			
	Owners of the Company		786.12	(591.89)
	Non Controlling Interest		-	3.94
XIV.	Total Comprehensive Income (Net of Tax) attributable to:			
	Owners of the Company		4,007.56	1,690.67
	Non Controlling Interest		(26.82)	4.01
XV.	**Earnings per equity share: (face value of ₹ 10/- each)**	**42**		
	Basic		26.29	18.60
	Diluted		26.29	18.60
	Significant Accounting Policies	2		
	The accompanying notes form an integral part of consolidated financial statements			

In terms of our report attached

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

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 04-06-2021

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

Saji V. Joseph
Company Secretary
Membership No. F9596

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

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

Consolidated Statement Of Changes In Equity

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	Note	Amount
As at April 01, 2019		**1,227.23**
Changes in equity share capital during the year		-
As at March 31, 2020		**1,227.23**
Changes in equity share capital during the year, pursuant to buy-back (Refer Note: 56)		(24.50)
As at March 31, 2021		**1,202.73**

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus				Other Components of Equity			Total
	Securities Premium	General Reserve	Retained Earning	Capital redemption reserve	Equity Instruments through Other Comprehensive Income	Effective portion of gain or loss on cash flow hedges	Other Items of Comprehensive Income / (Loss)	
Balance as at April 01, 2019	1,507.17	2,787.00	14,028.75	-	(198.72)	(7.05)	15.13	18,132.28
Profit for the year	-	-	2,282.56	-				2,282.56
Other Comprehensive Income	-	-	-	-	(538.69)	(54.36)	1.16	(591.89)
Total comprehensive income for the year	**-**	**-**	**2,282.56**	**-**	**(538.69)**	**(54.36)**	**1.16**	**1,690.67**
Dividend paid (Including Tax thereon)	-	-	(887.69)	-	-	-	-	(887.69)
Balance as at March 31, 2020	**1,507.17**	**2,787.00**	**15,423.62**	**-**	**(737.41)**	**(61.41)**	**16.29**	**18,935.23**
Balance as at April 01, 2020	**1,507.17**	**2,787.00**	**15,423.62**	**-**	**(737.41)**	**(61.41)**	**16.29**	**18,935.23**
Profit for the year	-	-	3,221.44	-	-	-	-	3,221.44
Other Comprehensive Income	-	-	-	-	679.19	107.86	(0.93)	786.12
Transfer from General Reserve	-	-	-	24.50				24.50
Total comprehensive income for the year	**-**	**-**	**3,221.44**	**24.50**	**679.19**	**107.86**	**(0.93)**	**4,032.06**
Transfer to Capital Redemption Reserve	-	(24.50)	-	-	-	-	-	(24.50)
Buy-back of Equity Share (Refer Note No. 56)	(950.04)	-	-	-	-	-	-	(950.04)
Gain on Transaction with controlling interest	-	-	(444.94)	-	-	-	-	(444.94)
Balance as at March 31, 2021	**557.13**	**2,762.50**	**18,200.12**	**24.50**	**(58.22)**	**46.45**	**15.36**	**21,547.81**

In terms of our report attached

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

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 04-06-2021

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

Saji V. Joseph
Company Secretary
Membership No. F9596

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

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

Consolidated Cash Flow Statement

For The Year Ended March 31, 2021

(₹ in lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
A. Cash Flow from Operating Activities				
Profit Before Tax		**3,918.67**		**2,326.79**
Adjustments for :				
Depreciation and Amortisation Expense	869.38		831.69	
Finance Cost	194.13		359.78	
Profit / (Loss) on sale of Property, Plant and Equipment (Net)	410.44		-	
Interest Income	(7.52)		(22.17)	
Profit / (Loss) from sale of Current Investment (Net)	155.90		10.44	
Dividend Income	(3.87)	1,618.46	(3.52)	1,176.22
Operating Profit Before Working Capital Changes		**5,537.13**		**3,503.01**
Working Capital Changes				
Adjustments for				
(Increase)/Decrease Trade receivables	(2,176.28)		(86.44)	
(Increase)/Decrease Inventories	(1,951.66)		3,303.97	
Increase/ (Decrease) Trade payables	1,959.60		(498.06)	
Changes in Loans, Current and Financial Assets	(1,627.65)	(3,795.99)	(243.41)	2,476.06
Net Cash Flow Generated from Operating Activities		**1,741.14**		**5,979.07**
Direct taxes paid (Net)	(935.71)		(281.86)	
		(935.71)		**(281.86)**
Net Cash Flow from Operating Activities		**805.43**		**5,697.21**
B. Cash Flow from Investing Activities				
Purchase of Property, Plant & Equipment (including Capital Advance)	(9,624.41)		(1,148.67)	
Proceeds from sale of Property, Plant & Equipment	2,698.71		-	
Purchase of Non Current Investments	(2,376.86)		(1,908.38)	
Sale of Non Current Investments	3,317.02		1,330.36	
Margin money deposit (placed) / matured	(32.69)		125.00	
Dividend Income	3.87		3.52	
Interest Income	7.52		22.17	
Net Cash Flow from (used in) Investing Activities		**(6,006.84)**		**(1,576.00)**
C. Cash Flow from Financing Activities				
Repayment of long term borrowings	(521.00)		(519.30)	
Availment/(Repayment) Short term borrowings	3,385.01		(3,523.18)	
Proceeds from Issue of Share Capital	3,303.17		1,400.00	
Payment of Buy back of shares and tax	(974.54)		(887.69)	
Unclaimed dividend paid	(0.54)		(0.56)	
Finance Cost	(194.13)		(359.74)	
Net Cash Flow from (used in) Financing Activities		**4,997.97**		**(3,890.47)**
Net increase / (decrease) in cash and cash equivalents		**(203.44)**		**230.74**
Cash and cash equivalent at the beginning of the year		**248.27**		**17.53**
Cash and cash equivalent at the end of the year		**44.83**		**248.27**

Notes to Cash Flow Statement:

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

2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

In terms of our report attached

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

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 04-06-2021

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

Saji V. Joseph
Company Secretary
Membership No. F9596

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

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

Notes Forming Part Of The Consolidated Financial Statements

1. GROUP INFORMATION

The Consolidated Financial Statements comprise financial statements of Asahi Songwon Colors Limited ('the Parent/ Company'), its subsidiaries (collectively," the Group"') for the year ended March 31, 2021.

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, 2021 present the financial position of the Group.

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;

» rights arising from other contractual arrangements; and

» any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses

of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. The Goodwill is determined separately for each subsidiary company and such amounts are not set off between different entities.

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of the Subsidiary	Country of Incorporation	Extent of Holding / Voting power (%) as on March 31, 2021
1.	Aashi Tennants Color Private Limited	India	51

(v) Change in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(vi) Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Group as its normal operating cycle.

(vii) Rounding of amounts

The consolidated financial statements are presented in 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 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS, AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

a. Depreciation/amortisation and useful lives of property plant and equipment

Useful lives and residual values of Property, plant and equipment represent a material portion of the Company's

asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

b. Taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

c. Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

d. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

e. Impairment of financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.3 PROPERTY, PLANT AND EQUIPMENT (PPE) (IND AS 16)

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount/rebate, import duties, non-refundable taxes, Net of Cenvat and VAT credit/GST input credit wherever applicable, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Group in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

Expenditure on acquisition of PPE for Research and Development (R&D) is included in PPE and depreciation thereon is provided as applicable.

The Group adjusts exchange differences 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.

Computer Software

Computer software are amortized over period of 3 years.

Internally Generated Intangible Assets - Research and Development Expenditure:

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

2.5 LEASES (IND AS 116)

At the inception of a lease, the lease arrangements is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

As a lessee

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: i) the contract involves the use of an identified asset ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At the commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. Whenever the terms of the lease

transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period. Under combined lease agreements, land and building are assessed individually.

2.6 INVENTORIES (IND AS 2)

Inventories consisting of stores and spares, raw materials, work in progress, stock in trade, goods in transit and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis and is net of credits under GST.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

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

2.7 BORROWING COST (IND AS 23)

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing cost are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.8 IMPAIRMENT OF ASSETS (IND AS 36)

At the end of each reporting period, the Group reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

2.9 GOVERNMENT GRANTS (IND AS 20)

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

2.10 TAXES (IND AS 12)

Income tax expense represents the sum of tax currently

payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

a) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.11 EMPLOYEES BENEFITS (IND AS 19)

a) Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

b) Post-employment obligations

The Group operates the following post-employment schemes:

(i) Defined benefit plans such as gratuity and;

(ii) Defined contribution plans such as provident fund.

(i) Defined benefit plans-Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in 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 RECEIVABLES

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss. Trade receivable overdue for more than 180 days are considered as receivable with significant increase in credit risk.

2.14 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.15 REVENUE RECOGNITION (IND AS 18)

i) Revenue from operations:

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from services, including those embedded in contract for sale of goods, namely, freight and insurance services mainly in case of export sales, is recognised upon completion of services.

Revenue is measured based on the consideration to which the Group expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Company only on an exception basis. Revenue excludes any taxes or duties collected on behalf of government that are levied on sales such as goods and services tax.

Eligible export incentives are recognised in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability.

ii) Other income:

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends are recognised in the Consolidated Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Lease rental income is recognised on accrual basis.

2.16 CASH FLOWS AND CASH AND CASH EQUIVALENTS (IND AS 7)

Statement of cash flows is prepared in accordance with the indirect method prescribed in the IND AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation

2.17 EARNINGS PER SHARE (IND AS 33)

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after 'income-tax' effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.18 SEGMENT REPORTING (IND AS 108)

Based on "Management Approach" as defined in IND AS 108 – Operating Segments, the Management evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

2.19 FOREIGN CURRENCY TRANSACTIONS (IND AS 21)

In preparing the consolidated financial statements of the Group, transactions in foreign currencies, other than the Group's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.20 FAIR VALUE MEASUREMENT (IND AS 113)

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.21 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE (IND AS 10)

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Group after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of consolidated financial statements are not recognized as liability since no obligation exists at that time.

Such dividends are disclosed in the notes to the consolidated financial statements.

2.22 FINANCIAL INSTRUMENTS (IND AS 109)

i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss

De-recognition

Financial assets

The Group de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Group de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.23 CASH DIVIDEND TO EQUITY HOLDERS OF THE GROUP

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.24 RESEARCH AND DEVELOPMENT

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

2.25 GOODS AND SERVICE TAX / SERVICE TAX INPUT CREDIT

Goods and Service tax / Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.26 RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which will be applicable from April 01, 2021.

3 PROPERTY, PLANT AND EQUIPMENTS

(₹ in lakhs)

Particular	Land	Building	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Total
Gross Carrying Amount							
Gross Amount as on April 1, 2019	**409.23**	**1,351.78**	**15,091.65**	**93.11**	**322.00**	**74.27**	**17,342.04**
Additions	-	-	132.29	0.17	33.92	2.78	169.16
Disposal & Adjustment	-	-	-	-	-	-	- .00
Balance as at March 31, 2020	**409.23**	**1,351.78**	**15,223.94**	**93.28**	**355.92**	**77.05**	**17,511.20**
Additions	-	2,584.36	4,999.79	14.66	31.07	18.83	7,648.71
Disposal & Adjustment	2.43	-	486.68	-	14.88	-	503.99
Balance as at March 31, 2021	**406.80**	**3,936.14**	**19,737.05**	**107.94**	**372.11**	**95.88**	**24,655.92**
Accumulated Depreciation							
Balance as at April 1, 2019	**-**	**475.62**	**5,128.78**	**47.08**	**107.49**	**46.36**	**5,805.33**
Depreciaton for the period	-	48.51	728.45	7.31	38.79	8.63	831.69
Disposal & Adjustment	-	-	-	-	-	-	-
Balance as at March 31, 2020	**-**	**524.13**	**5,857.23**	**54.39**	**146.28**	**54.99**	**6,637.02**
Depreciaton for the period	-	53.23	754.30	7.28	42.56	9.44	866.81
Disposal & Adjustment	-	-	231.50	-	11.40	-	242.90
Balance as at March 31, 2021	**-**	**577.36**	**6,843.03**	**61.67**	**200.24**	**64.43**	**7,260.93**
Net carrying amount							
Balance as at March 31, 2020	409.23	827.65	9,366.71	38.89	209.64	22.06	10,874.18
Balance as at March 31, 2021	406.80	3,358.78	12,894.02	46.27	171.87	31.45	17,394.99

3.1 ASSETS HELD FOR SALE

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Leasehold Land - Dahej, Gujarat	-	1,435.90
Total	**-**	**1,435.90**

4 RIGHT OF USE ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Right of Use Assets	3,661.57	2,037.39
Total	**3,661.57**	**2,037.39**

5 OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Other Intangible Assets	225.27	-
Total	**225.27**	**-**

6 CAPITAL WORK IN PROGRESS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Tangible Assets	44.50	204.16
Tangible Assets - Dahej Project	814.45	918.01
Total	**858.95**	**1,122.17**

Note:- Capital work in progress mainly comprises of addition due to expansion projects in progress

7 NON CURRENT INVESTMENTS

(₹ in lakhs)

	Particulars	As at March 31, 2021		As at March 31, 2020	
		No. of Shares	₹	No. of Shares	₹
	Other investments				
a)	**Investments in equity instruments (fully paid-up)**				
	Other companies measured at FVOCI				
	Quoted				
	Equity Shares of ₹ 10/- each of Sun Pharma Advance Research Company Limited	-	-	1,40,000	135.10
	Equity Shares of ₹ 10/- each of Eclerx Services Limited	-	-	12,367	45.35
	Equity Shares of ₹ 5/- each of Godrej Properties Limited	-	-	70,000	421.92
	Equity Shares of ₹ 5/- each of Gokaldas Exports Limited	-	-	1,00,000	32.50
	Equity Shares of ₹ 1/- each of NOCIL Limited	-	-	15,000	9.87
	Equity Shares of ₹ 10/- each of Ujjivan Finacial Services Limited	-	-	40,000	59.42
	Equity Shares of ₹ 10/- each of Can Fin Homes Limited	-	-	21,950	61.22
	Equity Shares of ₹ 2/- each of Federal Bank Limited	-	-	1,00,000	41.05
	Equity Shares of ₹ 10/- each of Ujjivan Small Bank Finance Limited	-	-	1,00,000	27.40
	Equity Shares of ₹ 10/- The Anup Engineering Limited	3,830	21.83	45,627	142.11
	Equity Shares of ₹ 1/- each of Marico Limited	-	-	30,000	82.46
	Equity Shares of ₹ 1/- each of Godrej Consumer Products Limited	-	-	4,000	20.83
	Equity Shares of ₹ 1/- each of H G Infra Engineering Limited	-	-	20,000	34.25
	Equity Shares of ₹ 1/- each of HDFC Bank Limited	-	-	2,000	17.24
	Equity Shares of ₹ 1/- each of HDFC Life Insurance Company Limited	15,000	104.39	15,000	66.24
	Equity Shares of ₹ 1/- each of Housing Development Finance Corporation Limited	-	-	1,000	16.30
	Equity Shares of ₹ 2/- each of Bharat Heavy Electricals Limited	-	-	45,000	9.36
		18,830	126.22	7,61,944	1,222.62
b)	**Investments in equity instruments (fully paid-up)**				
	Other companies measured at Cost				
	Unquoted				
	Shares of ₹ 10/- each of Swadesh Essfil Private Limited @ premium of ₹ 573.94 per share	3,425	20.00	3,425	20.00

	Shares of ₹ 10/- each of Plutoeco Enviro Association	2,500	0.25	-	-
	Shares of Bhadreshwar Vidyut Private Ltd. of ₹ 10/- each at discounted value of ₹ 0.19 per Share	2,81,000	0.53	98,000	0.44
		2,86,925	20.78	3,425	20.44
c)	**Investment in Debentures**				
	Other companies measured at Cost				
	Unquoted				
	Compulsory Convertible Debentures of ₹ 100/- each of Smart Institute Private Limited	30,000	30.00	30,000	30.00
		30,000	30.00	30,000	30.00
		3,35,755	177.00	7,95,369	1,273.06

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate amount of quoted investments	126.22	1,222.62
Aggregate market value of quoted investments	126.22	1,222.62
Aggregate amount of unquoted investments	50.78	50.44

8 NON CURRENT LOANS

Unsecured, Considered good

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Security Deposits	193.20	25.37
	Total	**193.20**	**25.37**

9 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Earmarked balance for Unpaid Dividend	4.99	4.47
	Total	**4.99**	**4.47**

10 DEFERRED TAX ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets	12.73	-
Total	**12.73**	**-**

11 OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Advances to Capital Goods Suppliers	143.74	709.30
	Total	**143.74**	**709.30**

12 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Raw materials	2,057.44	1,317.25
b.	Work in progress	220.27	83.24
c.	Finished goods	1,850.61	988.28
d.	Finished Goods in Transit	379.68	225.63
e.	Stores and spares	343.26	270.27
f.	Fuel & Oil	20.92	35.85
	Total	**4,872.18**	**2,920.52**

13 TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good	7,818.06	5,498.88
Total	**7,818.06**	**5,498.88**

14 CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Banks in Current accounts	33.54	237.77
Cash on hand	11.29	10.50
Total	**44.83**	**248.27**

15 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Term Deposits with Bank as Margin Money against Letters of Credit, Bank Guarantees and Collateral Security	185.69	153.00
Total	**185.69**	**153.00**

16 CURRENT LOANS

Unsecured, Considered good

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to Employees	13.36	4.80
Total	**13.36**	**4.80**

17 OTHERS CURRENT FINANCIALS ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on deposits	8.81	19.32
Total	**8.81**	**19.32**

18 CURRENT TAX ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance payment of tax (Net)	2.38	151.46
Total	**2.38**	**151.46**

19 OTHERS CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with government authorities	2,926.55	1,079.94
Prepaid expenses	67.61	62.72
Misc. Expenses Assets	71.13	39.23
Advances Other than Capital Advances	264.30	120.89
Total	**3,329.59**	**1,302.78**

20 SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹	No. of Shares	₹
Authorised:				
Equity Shares of ₹ 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 ₹ 10 each	1,20,27,262	1,202.73	1,22,72,262	1,227.23
Total	**1,20,27,262**	**1,202.73**	**1,22,72,262**	**1,227.23**

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

(₹ in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹	No. of Shares	₹
Equity Shares				
At the beginning of the period	1,22,72,262	1,227.23	1,22,72,262	1,227.23
Less : Buy-back of equity shares (Refer note : 56)	(2,45,000)	(24.50)	-	-
Outstanding at the end of the period	**1,20,27,262**	**1,202.73**	**1,22,72,262**	**1,227.23**

b) Terms / rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Shares are entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after the payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

d) Details of shares in the Company held by each shareholder holding in the company more than 5 percent shares.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units of Equity Shares	% of holding	Units of Equity Shares	% of holding
Mrugesh Jaykrishna Family Trust - 1	52,76,651	43.87	53,23,811	43.38
Gokul M. Jaykrishna Family Trust	26,99,238	22.44	27,52,009	22.42
DIC Corporation	8,65,200	7.19	8,65,200	7.05
	88,41,089	**73.50**	**89,41,020**	**72.85**

e) 1. Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash: NIL

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

3. Aggregate number and class of shares bought back : During the year company has bought back 2,45,000 equity shares of ₹ 10 each @ 330 per share

4. Securities which are convertible into Equity Shares : NIL

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

21 OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium		
Balance as per last year	1,507.17	1,507.17
Less: Buy-back of Shares	(950.04)	-
Balance at the end of the Year	557.13	1,507.17
General Reserve		
Balance as per last year	2,787.00	2,787.00
Add: Appropriations From Current year's Profit	-	-
Less: Transfer to Capital Redemption Reserve	(24.50)	
Balance at the end of the Year	2,762.50	2,787.00
Capital Redemption Reserve		
Balance as per last year	-	-
Add: Transfer from General Reserve	24.50	-
Balance at the end of the Year	24.50	-
Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	14,641.06	13,838.10
Add: Profit after tax for the Year attributable to Owners of the Company	3,221.44	2,282.56
Other Comprehensive Income attributable to Owners of the Company	786.12	(591.89)
Gain on Transaction with controlling interest	(444.94)	-
Amount available for Approriation	18,203.68	15,528.77
Less: Appropriations		
Dividend	-	736.34

Dividend Disribution Tax	-	151.35
Total Appropriation	-	887.69
Balance at the end of the Year	18,203.68	14,641.06
Total	**21,547.81**	**18,935.23**

Description of nature and purpose of each reserves

General Reserve: General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. General Reserve is a free reserve available to the company. As per Companies Act 2013, transfer of profits to general reserve is not mandatory.

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

Capital Redemption Reserve: In accordance with Section 69 of the companies Act. 2013, the company has created capital redemption reserve equal to the nominal value of the shares bought back as an approppriation from general reserve.

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

Equity instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Other Comprehensive Income: Other Comprehensive Income includes re-measurement loss on defined benefit plans, net of taxes that will not be reclassified to profit and loss.

22 NON CONTROLLING INTEREST

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the Begining of the Year	**1,404.02**	**-**
Addition in Share of Non Controlling Interest in Total Equity	3,303.46	1,400.00
Profit Attributable to Non Controlling Interest	(26.82)	0.07
Other Comprehensive Income attributable to Owners of the Company	-	3.94
Balance at the end of the Year	**4,680.66**	**1,404.02**

23 NON CURRENT BORROWINGS

(₹ in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
	Secured		
a.	**Term Loans from Banks***		
	From Federal Bank Ltd.	750.00	1,250.00
	Net of Repayable in one year considered as Current Borowwings (Refer Note: 29)		
b.	**Other ***		
	Vehicle Loan	-	1.83
	Net of Repayable in one year considered as Current Borowwings (Refer Note: 29)		
	Total	**750.00**	**1,251.83**

***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 Federal Bank Ltd. ₹ 12,50,00,000/- (Previous year ₹ 17,50,00,000/-), Repayable in 10 equal Instalments of ₹ 1,25,00,000/-.

ii Vehicle loans are repayable in equal monthly installment over the terms of 01 installments (Previous Year 13)

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

24 NON CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provisions for employees benefits		
Provision for Gratuity	164.68	226.77
Total	**164.68**	**226.77**

25 DEFERRED TAX LIABILITIES

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	**Deferred Tax Liabilities**		
	Opening Balance	1,142.25	1,959.02
	Accumulated depreciation	54.45	(616.31)
	Other comprehensive income from investments	378.48	(200.46)
		1,575.18	**1,142.25**
b.	**Deferred Tax Assets**		
	Opening Balance	62.48	88.00
	Defined benefit plan for employees	(3.92)	(25.52)
		58.56	**62.48**
	Liabilities (Net)	**1,516.62**	**1,079.77**

26 OTHER NON CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits from customers	0.20	0.20
Other Non Current Liabilities	**0.20**	**0.20**

27 CURRENT BORROWING

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loans *		
Loans repayable on demand from bank		
From State Bank of India		
Working Capital Loans	1,157.22	377.96
From Kotak Mahindra Bank Ltd		
Working Capital Loans	605.75	-
Unsecured Loans		
Loans repayable on demand from bank		
From Federal Bank Ltd		
Working Capital Loans	1,000.00	-
From HDFC Bank Ltd		
Working Capital Loans	1,000.00	
Total	**3,762.97**	**377.96**

a) The working capital limits from State Bank of India are secured by:

i Primary Security:

First charge in favour of State Bank of India by way of hypothecation over entire present and future current assets of Company.

ii Collateral Security:

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

- Equitable mortgage and / or hypothecation charge on entire Fixed Assets (Land, Building, Plant and Machinery) both present and future of the Company situated at Survey No. 437 to 440 ECP Channel Road, Village Dudhwada, Taluka Padra, District Vadodara, Gujarat.

- First Charge by way of Hypothecation of Wind Mill with all it's accessories purchased out of Bank Finance situated at 582,Mota Vadiya Jam Jodhpur, Jamnagar, Gujarat.

- Lien of TDR worth of ₹ 25 lakhs.

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

i Primary Security:

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

ii Collateral Security:

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

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

28 TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payable		
Dues to Micro and Small Enterprises	260.85	32.73
Dues to Creditors other than Micro and Small Enterprises	3,903.05	2,364.54
Total	**4,163.90**	**2,397.27**

28.1 DISCLOSURES AS REQUIRED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(₹ in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Principal amount remaining unpaid to any supplier as at the end of accounting year	260.85	32.73
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	**260.85**	**32.73**

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.

29 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Unpaid Dividends #	4.99	4.47
b.	Current maturities of long term borrowings (Refer Note: 23)	501.83	521.00
c.	Interest accrued	2.51	-
	Total	**509.33**	**525.47**

The Company has transferred ₹85,295/-(Previous Year ₹ 56,062/-) to the Investors Education and Protection Fund (IEPF) during the year.

30 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	**Other payables**		
	Advances from customers	1.52	80.32
	Statutory liabilities	47.94	58.44
	Payable for fixed assets	407.94	126.79
	Other Current liabilities and payables	77.07	67.68
	Total	**534.47**	**333.23**

31 CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	75.13	21.83
Other Provisions	-	0.06
Total	**75.13**	**21.89**

32 CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax	38.85	-
Total	**38.85**	**-**

33 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
	Reveune from Sale of Products		
a.	Export Sales	16,632.57	17,971.67
b.	Domestic Sales	11,362.85	9,428.46
	Total Sale of Products	**27,995.42**	**27,400.13**
c.	**Other operating revenues**		
	Export incentives	235.00	332.46
	Interest Income on FDR	7.52	22.17
	Other Operating Income	70.08	609.22
	Total - Other Operating revenues	**312.60**	**963.85**
	Total	**28,308.02**	**28,363.98**

34 OTHER INCOME

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
a.	Dividend Income	3.87	3.52
b.	Others	27.15	74.90
	Total	**31.02**	**78.42**

35 COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
a.	**Raw Materials**		
	Opening Stock	1,092.48	1,337.08
	Add : Purchases	17,302.55	13,848.28
		18,395.03	**15,185.36**
	Less : Closing Stock	1,747.55	1,092.48
	Cost of Raw Material Consumed	16,647.48	14,092.88
b.	**Packing Material**		
	Opening Stock	56.24	100.51
	Add : Purchases	346.32	294.53
		402.56	**395.04**
	Less : Closing Stock	70.47	56.24
	Cost of Packing Material Consumed	332.09	338.80
	Cost of Total material consumed	**16,979.57**	**14,431.68**

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

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
a.	Inventories at the end of the year		
	Finished goods	2,230.29	1,213.91
	Work-in-progress	220.28	83.24
	Total	**2,450.57**	**1,297.15**
b.	Inventories at the beginning 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**
	Net (Increase) / decrease	**(1,153.42)**	**3,049.06**

37 EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
a.	Salaries, Wages & Bonus *	705.81	712.33
b.	Contribution to Provident and other funds	49.19	37.69
c.	Staff welfare expenses	35.55	32.36
d.	Directors Remuneration including perquisites and commission	246.85	159.92
	Total	**1,037.40**	**942.30**

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

38 FINANCE COSTS

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
a.	**Interest**		
	Term Loans	72.34	141.66
	Working Capitals	78.95	172.24
b.	**Other Financial Costs**		
	Bank and other charges	42.84	45.89
	Total	**194.13**	**359.79**

39 DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and amortization for the year on tangible assets	869.38	831.69
Depreciation and amortization relating to continuing operations	**869.38**	**831.69**

40 OTHER EXPENSES

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power and Fuel	3,169.41	3,225.95
Consumption of Stores and Spare parts	303.06	301.59
Pollution Treatment Expenses	548.53	488.07
Repairs to Machinery	314.46	164.13
Repairs to Building	8.68	18.56
Repairs to Other Assets	14.83	9.67
Manufacturing & Labour Charges	717.93	887.09
Freight and forwarding Expenses	689.66	674.20
Other Selling and Distribution Expenses	106.48	85.75
Rent	40.22	34.97
Rates & Taxes (excluding taxes on income)	3.89	6.48

Insurance	46.91	28.18
Travelling, Conveyance & Vehicle Expenses	40.37	53.50
Directors Travelling Expenses	20.76	121.95
Auditors Remuneration *	4.30	4.08
Directors Sitting Fees	2.16	1.52
Legal & Professional Expenses	140.94	87.12
General Charges	68.42	68.07
Research and Development Expenses (Refer Note: 46)	93.29	94.97
Donation	-	5.47
Expenditure towards Corporate Social Responsibility activities (Refer Note: 50)	55.92	67.71
Inter Corporate Deposit written off	-	27.04
Resource Sharing	6.10	
Prelimnary Expenditure written off	1.15	
Loss on sales of Property , Plant & Equipments	34.80	-
Total	**6,432.27**	**6,456.07**

40.1 * PAYMENT TO AUDITORS

(₹ in lakhs)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Audit fees	3.25	2.75
Others (Certification work)	0.02	0.05
Out of pocket expenses	1.03	1.28
Total	**4.30**	**4.08**

41 OTHER COMPREHENSIVE INCOME

(₹ in lakhs)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Items that will not be reclassified to Profit and Loss		
Equity Instruments through FVOCI	1,021.70	(710.20)
Re-measerement of Defined Benefit Plan	(1.24)	(3.93)
Income tax relating to items that will not be reclassified to profit or loss	(342.20)	180.54
Items that will be reclassified to Profit and Loss		
Mark to Market Forex gain (Loss)	144.14	(72.64)
Income tax relating to items that will be reclassified to profit or loss	(36.28)	18.28
	786.12	**(587.95)**

42 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	March 31, 2021	March 31, 2020
Profit for the year	3,194.62	2,282.63
Net Profit attributable to Equity Shareholders	3,194.62	2,282.63
Profit after taxation before Extra Ordinary Items	3,194.62	2,282.63
Number of Equity Shares for Basic EPS	1,20,27,262	1,22,72,262
Number of Equity Shares for Diluted EPS	1,20,27,262	1,22,72,262
Nominal Value Per Share	10	10
Basic Earning Per Share	26.29	18.60
Diluted Earning Per Share	26.29	18.60

43 INCOME TAXES

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
A.	**The major components of income tax expense for the year as under:**		
	Current tax		
	In respect of current year	1,123.63	636.61
	Deferred tax		
	In respect of Accumulated Depreciation	118.93	(618.18)
	In respect of Other comprehensive income from investments	(75.97)	-
	In respect of defined benefit plan for emloyees	2.70	25.72
	Total deferred tax	**45.66**	**(592.45)**
	Total tax expenes charged to statement of Profit and Loss	**1,169.29**	**44.15**

B. RECONCILIATION OF EFFECTIVE TAX RATE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Applicable Tax Rate	**25.168%**	**25.168%**
Profit before tax	3,918.67	2,326.79
Income not considered for tax purpose	786.12	(595.99)
Expenses not allowed for tax purpose	(3.02)	783.68
Tax payable at lower rate	(575.71)	-
Net Taxable income for the year	**4,126.06**	**2,514.48**
Effective Tax for the year	**1,038.45**	**632.86**
Effective tax at lower rate	84.27	-
Total current tax calculated for the year	1,122.72	632.86
Excess provision	**0.91**	**3.75**
Effective current tax rate for the year	**28.65%**	**27.20%**

44 CONTINGENT LIABILITIES

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
In Respect of Income Tax	-	58.68
Letter of Credit and Bank Guarantees issued by bankers and outstanding at the end of the year	674.78	549.95

45 CAPITAL COMMITMENT

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Estimated amount of Contracts / purchase orders remaining to be executed and not provided for Capital goods / Capital work in progress	1,320.70	3,486.19

46 RESEARCH AND DEVELOPEMENT

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Capital Goods		
Machinery and Equipments for Research Laboratory	-	-
Total Capital Expenditure	**-**	**-**
Revenue Expenses		
Salaries & Wages	76.01	77.94
Laboratory Chemicals and other goods	16.45	15.58
Stationery	-	-
Conusmable stores	-	0.31
Travelling Expenses	-	-
Conveyance Expenses	-	-
Testing Expenses	0.35	0.55
Seminar for R & D	-	-
Sampling Expenses	0.17	0.58
Electricity Expenses	0.31	-
Total Revenue Expenditure	**93.29**	**94.96**
Total Expenditure towards R & D	**93.29**	**94.96**

47 EMPLOYEES BENEFITS

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

1. Defined Contribution Plan:

The Company has recognized the following amount as an expense:

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Contribution to Provident and other Funds	51.73	38.25

2. Defined Benefit Plan

Table Showing Change in the Present Value of Projected Benefit Obligation

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	248.60	222.70
Interest Cost	20.12	17.00
Current Service Cost	17.81	13.13
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)	(0.82)	(8.43)
(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
Actuarial (Gains)/Losses on Obligations - Due to Experience	4.10	(9.41)
Present Value of Benefit Obligation at the End of the Period	289.81	248.60

Amount Recognized in the Balance Sheet

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
(Present Value of Benefit Obligation at the end of the Period)	(289.81)	(248.60)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(289.81)	(248.60)
Net (Liability)/Asset Recognized in the Balance Sheet	(289.81)	(248.60)

Net Interest Cost for Current Period

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	248.60	206.90
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	248.60	206.90
Interest Cost	20.12	17.00
(Interest Income)	-	-
Net Interest Cost for Current Period	20.12	17.00

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

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Current Service Cost	17.81	13.13
Net Interest Cost	20.12	17.00
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Transfer In / (Out)	-	(0.90)
Expenses Recognized	37.93	29.23

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

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Actuarial (Gains)/Losses on Obligation For the Period	4.10	5.10
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	4.10	5.10

Balance Sheet Reconciliation

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening Net Liability	248.60	222.70
Expenses Recognized in Statement of Profit or Loss	37.93	29.23
Expenses Recognized in OCI	4.10	5.10
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(0.82)	(8.43)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	289.81	248.60

Other Details

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
No of Active Members	158	152
Per Month Salary For Active Members	46.34	39.69
Weighted Average Duration of the Projected Benefit Obligation	10	9
Average Expected Future Service	18	15
Projected Benefit Obligation	289.81	248.60
Prescribed Contribution For Next Year (12 Months)	-	-

Net Interest Cost for Next Year

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Present Value of Benefit Obligation at the End of the Period	289.81	248.60
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	289.81	248.60
Interest Cost	15.68	16.36
(Interest Income)	-	-
Net Interest Cost for Next Year	15.68	16.36

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

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Current Service Cost	20.43	17.73
Net Interest Cost	15.68	16.36
(Expected Contributions by the Employees)	-	-
Expenses Recognized	36.11	34.09

Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
1st Following Year	20.69	20.66
2nd Following Year	113.18	113.13
3rd Following Year	6.81	6.72
4th Following Year	9.44	9.31
5th Following Year	6.96	6.04
Sum of Years 6 To 10	181.41	147.00

Senstivity Analysis

(₹ in lakhs)

Impact of change in discount rate when base assumption is decreased/ increased by 100 basis point	March 31, 2021	March 31, 2020
Present Value of Obligation for Discount Rate @ 5.90%	309.74	267.45
Present Value of Obligation for Discount Rate @ 7.90%	272.77	232.27
Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point	**March 31, 2021**	**March 31, 2020**
Present Value of Obligation for Salary Increment Rate @ 5.00%	273.98	234.20
Present Value of Obligation for Salary Increment Rate @ 7.00%	307.90	262.44
Impact of change in discount rate when base assumption is decreased/ increased by 100 basis point	**March 31, 2021**	**March 31, 2020**
Present Value of Obligation for Withdrawal Rate @ 1.00%	288.40	247.39
Present Value of Obligation for Withdrawal Rate @ 3.00%	291.05	249.67

48 SEGMENT REPORTING

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

49 RELATED PARTY DISCLOSURES AND THEIR RELATIVES

Related Party Disclosures as required by Accounting Standard Ind AS 24 issued by Institute of Chartered Accountants of India are given below:

1 Related Parties and Nature of Relationship

a) Enterprises in which Key Managerial Personnel (KMP) and their relatives have significant influence:

AksharChem (India) Ltd

Skyjet Aviation Pvt Ltd

Skyways

Gokul M. Jaykrishna HUF

Hunter Wealth Management LLP

b) Key Managerial Personnel:

Mrs. Paru M. Jaykrishna - Chairperson and Managing Derector

Mr. Gokul M. Jaykrishna - Joint Managing Director and CEO

Mr. Arjun M. Jaykrishna - Executive Director

Mr. 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)

	Particulars	March 31, 2021	March 31, 2020
A	**Enterprises own or significantly influenced by key managerial personnel or their relatives**		
1	Aksharchem (India) Ltd		
	Purchase of Goods	52.71	45.03
	Sales of Goods / Services	30.74	45.10
2	Skyways		
	Rent Paid	1.86	1.86
3	Hunter Wealth Management LLP		
	Rent / Maintenance Income	1.20	1.20
4	Gokul M. Jaykrishna HUF		
	Rent Paid	9.50	6.00
5	Skyjet Aviation Pvt Ltd.		
	Air Tickets booking services	-	45.06
B	**Key Managerial Personnel and their relatives**		
1	Mrs. Paru M. Jaykrishna		
	Remuneration	97.00	40.60
	Perquisites	1.05	21.49
	Provident Fund Contribution	8.64	5.04

2	Mr. Gokul M. Jaykrishna		
	Remuneration	141.80	88.13
	Perquisites	4.00	4.16
	Provident Fund Contribution	5.76	5.76
3	Mr. Arjun G. Jaykrishna		
	Remuneration	75.00	25.81
	Perquisites	-	0.13
	Provident Fund Contribution	-	-
	Salary and allowances	-	5.80
3	Mr. Mrugesh Jaykrishna		
	Consultancy	29.31	29.31
4	Mr. Utsav Pandwar (W.e.f from 14.10.2019)		
	Salary and allowances	30.58	13.97
5	Mr. Chandravadan R. Raval (Till 13.10.2019)		
	Salary and allowances	-	6.96
6	Mr. Saji V Joseph		
	Salary and allowances	14.34	12.99
C	**Outstaning payables / (receivables) to / from Related parties and key Managerial persons**		
1	Aksharchem (India) Ltd	24.69	17.62
2	Skyways	0.14	0.14
3	Skyjet Aviation Pvt Ltd	(1.78)	0.21
4	Hunter Wealth Management LLP	-	0.60
5	Gokul M. Jaykrishna HUF	0.69	0.90
6	Mr. Paru M. Jaykrishna	2.16	-
7	Mr. Gokul M. Jaykrishna	5.65	4.77
8	Mr. Mrugesh Jaykrishna	2.29	2.24
9	Mr. Arjun G. Jaykrishna	3.50	3.49
10	Mr. Utsav Pandwar	2.15	1.75
11	Mr. Saji V Joseph	0.61	0.79

50 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: ₹ 56.34 lakhs (Previous year ₹ 66.59 lakhs)

b. Amount spent and utilized during the year on:

(₹ in lakhs)

Sr. No.	Particulars	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	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	On purpose other than (i) above	55.92	0.00	0.00	66.46	0.00	66.46
		55.92	0.00	55.92	66.46	0.00	66.46

51 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, 2021	March 31, 2020
Borrowings (Note No: 23 & 27)	5,014.80	2,150.79
Less : cash and cash equivalents (Note No: 14)	(44.83)	(248.27)
Net Debt	4,969.97	1,902.52
Toatl Equity	27,431.20	21,566.48
Total Equity and net debt	32,401.17	23,469.00
Gearing Ratio	0.15 : 1	0.08 : 1

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowing in the current period.

As at March 31, 2021, 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, 2021 and March 31, 2020.

52 DIVIDEND

Final Dividend

The Board of Directors has recommended final dividend for the financial year 2020-2021 on Equity Share Capital 35% (₹ 3.50 Per Equity of face value of ₹10/- each) subject to approval of the shareholders in the ensuing Annual General Meeting (AGM)

53 FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Group's financial liabilities comprise other than derivatives mainly of borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets, other than derivatives, include trade and other receivables, other balances with banks, loans, investments and cash and cash equivalents that arise directly from its operations.

The Group's activities are exposed to Credit risk, Market risk and Liquidity risk.

The Board of directors of the Group are overall responsible for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

53.1 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 ₹ 44.83 lakhs at March 31, 2021 (March 31, 2020: ₹ 248.27 lakhs). The cash and cash equivalents are held with bank and cash on hand.

53.2 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.

53.3 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.

53.4 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)

Nature of Borrowing	Change in basis points	Impact on PAT	
		As at 31-03-2021	As at 31-03-2020
Borrowings from Bank	0.5%	18.76	8.05
	-0.5%	(18.76)	(8.05)

53.5 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	As at March 31, 2021	As at March 31, 2020
Trade Receivables		
Rupees	3,802.21	3,534.05
Trade Payables		
Rupees	364.56	316.47
Net Exposure in Rupees	3,437.65	3,217.58

Forward Exchange Contracts:

Forward Contracts outstanding

Particulars	Currency	As at March 31, 2021	As at March 31, 2020	Cross Currency
Net Exposure	US $	47,78,644	42,36,959	Rupees

Risk over uncovered foreign currency:

Particulars	Currency	As at March 31, 2021	As at March 31, 2020	Cross Currency
Exposure covered	US $	47,78,644	39,50,204	Rupees
Un hedged Exposure	US $	-	2,86,755	Rupees
Un hedged Exposure	INR	-	216.96	
Risk over uncovered exposure @ 5% +/- Forex Rate fluctuation	INR	-	8.12	

Price Risk

Investment Price Risk

The company's exposure to price risk arises from investments in equity and mutual fund held by the company and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investments, the company diversifies its portfolio.

Sensitivity Analysis

The table below summarises the impact of increase/decrease of the index on the company's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 3% or decreased by 3% with all other variables held constant.

(₹ in lakhs)

Particulars	Movement in Rate	Impact on OCI	
		2020-21	2019-20
Equity Shares (Quoted)	3%	2.83	27.45
Equity Shares (Quoted)	-3%	(2.83)	27.45

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.

54 FINANCIAL INSTRUMENTS - FAIR VALUES & RISK MANAGEMENT

Accounting Classifications & Fair Value Measurements

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All financial instruments are initially recognized and subsequently re-measured at fair value as described below :

1	The fair value of investment in quoted equity shares and mutual funds is measured at quoted price or NAV.
2	Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.

3	Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.
4	The fair value of forward foreign exchange contracts and currency swaps is determined using forward exchange rates and yield curves at the balance sheet date.

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : This includes financial instruments measured using quoted prices. The fair value of all equity instruments that are traded on the stock exchanges is valued using the closing price as at the reporting period..

Level 2 : The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

II. Figures as at March 31, 2020

(₹ in lakhs)

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments (Non-Current)	50.44	-	-	50.44
Non Current Loans	25.37	-	-	25.37
Other Non Current Financial Assets	4.47	-	-	4.47
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
Current Loans	4.80	-	-	4.80
Other Current Financial Assets	19.32	-	-	19.32
Total	**6,004.55**	**-**	**-**	**6,004.55**
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**

III. Figures as at March 31, 2021

(₹ in lakhs)

Particulars	Carrying Amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments (Non-Current)	50.78	-	-	50.78
Non Current Loans	193.20	-	-	193.20
Other Non Current Financial Assets	4.99	-	-	4.99
Trade Receivables	7,818.06	-	-	7,818.06
Cash and Cash Equivalents	44.83	-	-	44.83
Bank Balances Other than Cash and Cash Equivalents	185.69	-	-	185.69
Current Loans	13.36	-	-	13.36
Other Current Financial Assets	8.81	-	-	8.81
Total	**8,319.72**	**-**	**-**	**8,319.72**
Financial assets at fair value through profit or loss:				
Investments (Current)	-	-	-	-
Investments (Non-Current)	126.22	126.22	-	-
Total	**126.22**	**126.22**	**-**	**-**
Financial liabilities at amortised cost:				
Borrowings (Non-Current)	750.00	-	-	750.00
Borrowings (Current)	3,762.97	-	-	3,762.97
Trade Payables	4,163.90	-	-	4,163.90
Other financial liabilities	509.33	-	-	509.33
Total	**9,186.20**	**-**	**-**	**9,186.20**

55 OFFSETTING FINANCIAL ASSETS AND LIABILITIES

The Group has not offset any financial asset and financial liability. It offsets a financial asset and a financial liability when it currently has a legal enforceable right to set-off the recognised amounts and it intends either to settle on a net basis, or to realise the asset and settle theliability simultaneously.

a) Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements are considered as terminated. As the Company does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Standalone Balance Sheet.

b) Collateral against borrowings

The Company has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit (Refer Note 23) for further information on assets hypothecated | mortgaged as security). In case of default as per borrowing arrangement, such collateral can be adjusted against the amounts due.

56 BUY-BACK OF SHARES

In accordance with the provisions contained in the SEBI (Buy-back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, the board of directors in its meeting held on November 6, 2020 had approved a proposal of buyback of 2,45,000 Equity Shares (representing 2% of the total paid-up equity share capital of the Company) at a price of ₹ 330/- per Equtiy Share, which opened on December 10, 2020 and closed on December 23, 2020 and settlement date for the Buyback offer was January 4, 2021. Accordingly, the Company has bought back and extinguished a total of 2,45,000 Equtiy Shares at an buyback price of ₹ 330/- per Equity Shares. The buyback resulted in a cash outflow of ₹ 976 lakhs (excluding transaction costs)

Particulars	As at March 31, 2021
Date of Board meeting approving the buy-back	November 06 ,2020
Date of Buy Back opening date	December 10, 2020
Date of Buy Back closing date	December 23, 2020
Date of Buy Back settlement date	January 04, 2021
Numbers of shares bought back	2,45,000
Face value of shares bought back	₹ 10.00
Buy-back of price approved by the Board	₹ 330.00
Consideration paid towards buy-back (excluding transaction costs)	₹ 974.54 lakhs

Pursuant to the buy-back, the Company has adjusted premium per share and expenses on buy-back of aggregating ₹ 950.04 lakhs from securities premium. Further, an amount of ₹ 24.50 lakhs (equivalent to the face value of shares) has been transferred to capital redemption reserve and debited to general reserve.

57 EXCEPTIONAL ITEMS

Exceptional Items includes of ₹ 445.24 lakhs gain from sale of land and utilities connected to land at Dahej, Bharuch.

58 EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the end of the reporting period, which require any adjustment or disclosure in the Standalone Financial Statements.

59 AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements were authorised for issue by the Board on June 04, 2021.

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

In terms of our report attached

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

Chirag M. Shah
Partner
Membership No. 045706

Place: Ahmedabad
Date: 04-06-2021

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

Saji V. Joseph
Company Secretary
Membership No. F9596

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 Gokul Jaykrishna - Executive Director

CHIEF FINANCIAL OFFICER

Mr. Pratik Shah

COMPANY SECRETARY

Mr. Saji V. Joseph

AUDITORS

Mahendra N. Shah & Co.

BANKERS

State Bank of India
Federal Bank Limited
HDFC Bank Limited

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited

C-101, 247 Park, L.B. S Marg,
Vikhroli (West)
Mumbai – 400 083
Tel : 022- 49186270

Works: Pigment Blue Division
429-432 Village Dudhwada
ECP Channel Road,
Taluka – Padra, District – Vadodara
Gujarat - 391 450 (India)

AZO Pigment Division
D-2-CH-39, GIDC Estate, Dahej - II

Ta : Vagra, Bharuch, Gujarat – 392 110, India

AsahiSongwon

ASAHI SONGWON COLORS LTD

"ASAHI HOUSE"
13, AARYANS CORPORATE PARK
NR. SHILAJ RAILWAY CROSSING, THALTEJ – SHILAJ ROAD
THALTEJ, AHMEDABAD – 380 059, INDIA

CIN: L24222GJ1990PLC014789