

Ref: ASCL/SEC/2022-23/7

April 18, 2022

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

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

SUB: PRESS RELEASE

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

Dear Sir/Madam,

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

This is for your information and records.

Thanking you,

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



SAJI JOSEPH
Company Secretary and Compliance Officer



Encl: As above

Asahi Songwon Colors Ltd.

CIN: L24222GJ1990PLC014789

Regd. Office: "Asahi House", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road, Thaltej, Ahmedabad-380 059, Gujarat. India
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**ASAHI SONGWON COLORS ACQUIRES ATLAS LIFE SCIENCES
ENTERS INTO API BUSINESS**



Mr. Gokul Jaykrishna (left) and Mr. Jagdish Sheth signing Share Purchase Agreement (SPA)



ASAHI SONGWON COLORS ACQUIRES ATLAS LIFE SCIENCES ENTERS INTO API BUSINESS

Ahmedabad, 18th April 2022: Asahi Songwon Colors Limited ("the Company" or "Asahi"), a market leader in the Indian pigments industry, announced the acquisition of a 78 % in Atlas Life Sciences Private Limited ("Atlas"), a manufacturer of bulk pharmaceutical ingredients (APIs), for an all-cash consideration of INR 48 crores.

The Board of Directors unanimously approved the acquisition, which includes a fully operational WHO GMP certified manufacturing facility in Odhav, Ahmedabad, a 4,000 square-foot state-of-the-art R&D facility, a 5,000 square-foot corporate office, and a 15,000-square-meter land parcel in Chhatral with EC permission for 32 products, for future expansion activities.

ABOUT ATLAS LIFE SCIENCES PRIVATE LIMITED

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

SALIENT FEATURES

Incorporated in 2004	80 - member team strength	Key Products include <ul style="list-style-type: none">• Pergabalin• R-Compound• Levosulpiride• Amisulpride• Glicazide• Phenylephrine	
Market leader in Pregabalin	Established R&D center with team strength of 15 people	10 products under research and development, including 6 new molecules and intermediates for existing products	Currently plant running at optimum capacity utilizations

FINANCIAL HIGHLIGHTS

FY22 (₹ IN CRORE)
Unaudited Figures

REVENUE

119.23 cr.

EBITDA

8.64 cr.

PAT

4.34 cr.

KEY HIGHLIGHTS OF THE TRANSACTION

- The 78% acquisition of Atlas Life Sciences Private Limited will be financed through a mix of INR 28 crores of internal accruals and INR 20 crores of debt.
- Asahi Songwon Colors will acquire an additional 11% stake in Atlas Life Sciences Private Limited each year for the next two years based on performance metrics, bringing the company's equity stake to 100% by the end of FY25.
- Beginning Q1FY23, the existing plant will contribute to Asahi Songwon Colors Limited's consolidated financial results.
- Mr. Jagdish Sheth, the current promoter of Atlas Life Sciences Private Limited, will serve as a Joint Managing Director until March 2025.
- Asahi Songwon Colors will establish a new plant on the vacant land parcel in Chhatral in order to backward integrate the existing products and introduce newer high-value products.
- The Company intends to break ground on the greenfield project in Chhatral in July 2022.
- The greenfield project is estimated to cost INR 44 crores and will be funded through a combination of internal accrual and debt.



COMMENTING ON THE TRANSACTION, MR. GOKUL JAYKRISHNA, JOINT MANAGING DIRECTOR AND CEO, SAID

“Today marks a significant milestone in the journey of Asahi, as our Board of Directors unanimously approved Atlas Life Sciences' acquisition. We are very excited to enter the API business through the acquisition of Atlas, a company founded and managed exceptionally well by Mr. Jagdish Sheth. We are delighted to welcome the new team to Asahi and look forward to leveraging their skills and experience to help Asahi achieve its long-term goals. We hope to more than double the existing EBITDA margins after the acquisition, thus achieving much higher ROCE.”

COMMENTING ON THE TRANSACTION, MR. ARJUN JAYKRISHNA, EXECUTIVE DIRECTOR, SAID

“Asahi is now on a strong earnings growth trajectory as a result of the acquisition of Atlas. As the next critical step, we will channelize our energies toward establishing the greenfield project at the Chhatral site. This will provide incremental capacity for higher-value-added products and backward integration, enabling us to more than double the existing turnover. From a business perspective, Asahi is now well positioned for growth, with the existing pigments business acting as a free cash generator, which will be aided further by the scaling up of the Azo business at Dahej in the quarters to come.”

ABOUT ASAHI SONGWON COLORS LIMITED (ASCL)

Asahi is a leading player in the Indian Pigment industry and is one of the leading manufacturers of pigments. The company manufactures full range of blue pigments including blue crude. Recently, the company has also ventured into manufacturing yellow and red (AZO) pigments also. The company caters to a diverse base of global and Indian customers with more than 70% of business from exports to global MNC's. It is currently manufacturing products for over 40 international and domestic customers. The company 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

FOR FURTHER DETAILS PLEASE GET IN TOUCH WITH

SAJI JOSEPH

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