



Life's god with our chemistry

# Archean Chemical Industries Limited

05<sup>th</sup> June 2024

National Stock Exchange of India Limited  
Exchange Plaza  
Bandra-Kurla Complex, Bandra (E)  
Mumbai-400051  
**Symbol-ACI**

BSE Limited  
Listing Operations  
Phiroze Jeejeebhoy Towers Dalal Street  
Mumbai-400001  
**Scrip Code- 543657**

Dear Sirs,

**Sub: Annual Report under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure) Regulations, 2015 ('Listing Regulations')**

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report of the Company along with the Notice of the 15<sup>th</sup> AGM and other Statutory Reports for the Financial Year 2023-24. The same is also being sent through electronic mode to those Members whose email addresses are registered with the Company/Registrar and Transfer Agent/Depository Participants in accordance with the circulars issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CFDPoD-2/P/CIR/P/2023/167 dated October 7, 2023, issued by SEBI.

The above information will also be available on the website of the Company at [www.archeanchemicals.com](http://www.archeanchemicals.com)

Kindly take the same on record.

Thanking you

Yours faithfully  
**For Archean Chemical Industries Limited**

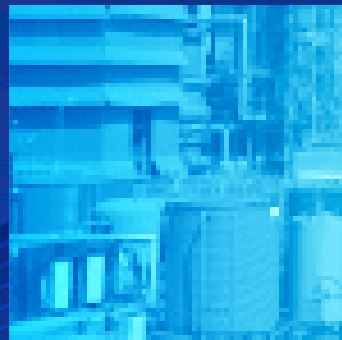
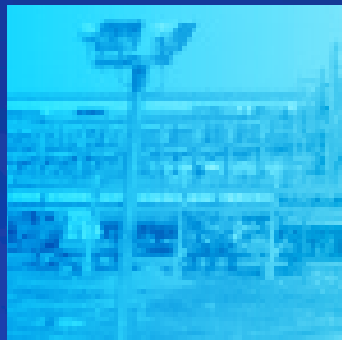
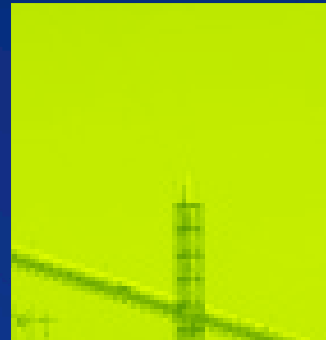
**P Ranjit**  
**Managing Director**  
**DIN: 01952929**

Enc- as above



Archean  
Chemical  
Industries  
Limited

*Life's good with our Chemistry*



# ANNUAL REPORT 2023 2024

# Across the Pages

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### Disclaimer

This document contains statements about expected future events and financials of Arcean Chemical Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

# Corporate Information

## Board of Directors

Mr. P Ranjit	Managing Director
Mr. P Ravi	Non-Independent Director
Mr. S Meenakshisundaram	Non-Independent Director
Mrs. Padma Chandrasekaran	Independent Director
Mr. C G Sethuram	Independent Director
Mr. K M Mohandass	Independent Director

## Audit Committee

Mr. K M Mohandass	Chairperson
Mrs Padma Chandrasekaran	Member
Mr. S Meenakshisundaram	Member

## Corporate Social Responsibility Committee

Mr. S Meenakshisundaram	Chairperson
Mrs. Padma Chandrasekaran	Member
Mr. P Ravi	Member

## Risk Management Committee

Mr. S. Meenakshisundaram	Chairperson
Mr. C G Sethuram	Member
Mr. P Ranjit	Member
Mr. R Raghunathan	Member

## Nomination and Remuneration Committee

Mrs. Padma Chandrasekaran	Chairperson
Mr. K M Mohandass	Member
Mr. S Meenakshisundaram	Member

## Stakeholder Relationship Committee

Mr. S Meenakshisundaram	Chairperson
Mr C G Sethuram	Member
Mr. P Ranjit	Member

## Chief Financial Officer

Mr R Raghunathan

## Company Secretary

Mr S Balasundharam

## Registered Office

No.2, North Crescent Road,  
T. Nagar, Chennai - 600 017

## Website

[www.archeanchemicals.com](http://www.archeanchemicals.com)

## CIN

L24298TN2009PLC072270

## Plant

Hajjipir, Bhuj Taluk,  
Kutch District, Gujarat.

## Auditors

**PKF Sridhar & Santhanam LLP,**  
7<sup>th</sup> Floor, KR D GEE GEE Crystal,  
91, 92, Dr Radha Krishnan Salai,  
Mylapore, Chennai, Tamil Nadu 600004

## Registrar and Transfer Agent

**Link Intime India Pvt. Ltd,**  
C 101, 247 Park, L.B.S.Marg,  
Vikhroli (West), Mumbai 400083.

## Bankers

ICICI Bank Limited, R A Puram  
HDFC Bank Limited, R K Salai

## Stock Exchange Listed

National Stock Exchange of India Limited,  
Mumbai  
BSE Limited, Mumbai

“We contribute to a sustainable world and a better future by delivering responsible products”

## Strong Product Portfolio

Product	Bromine	Industrial Salt	SOP																																				
<b>Overview</b>	<ul style="list-style-type: none"> <li>Bromine is the only non-metallic element that is a liquid at standard conditions</li> <li>It is a member of the halogen family and is found naturally in seawater, underground brine deposits and other water reservoirs</li> </ul>	<ul style="list-style-type: none"> <li>There are 14,000 commercial uses of Salt, a source of Sodium and Chlorine which are basic components of an array of materials – such as plastics, glass, synthetic rubber, cleansers, pesticides, paints, adhesives, fertilizers etc.</li> </ul>	<ul style="list-style-type: none"> <li>Sulphate of Potash, also known as potassium sulphate, is a high-end, specialty fertilizer for chlorine-sensitive crops.</li> </ul>																																				
<b>Archean's Position</b>	<ul style="list-style-type: none"> <li>Leadership position in Indian Bromine merchant sales</li> <li>~48% Export Business</li> </ul>	<ul style="list-style-type: none"> <li>Produced using the solar evaporation method.</li> <li>100% Export business</li> </ul>	<ul style="list-style-type: none"> <li>Only Manufacturer of SOP from natural sea brine, in India</li> <li>~70% Export business</li> <li>KTMS (kainite type mixed salt) had higher NaCl content (Sodium Chloride), which led to lower SOP production in the last few years</li> </ul>																																				
<b>End User Industries</b>	<ul style="list-style-type: none"> <li>Pharmaceuticals</li> <li>Agrochemicals</li> <li>Flame Retardants</li> <li>Water Treatment</li> <li>Oil &amp; Gas &amp; energy storage</li> </ul>	<ul style="list-style-type: none"> <li>Chloralkali Chemicals</li> <li>Food &amp; Beverage</li> <li>Water Treatment</li> <li>Oil &amp; Gas</li> </ul>	<ul style="list-style-type: none"> <li>Agrochemicals</li> <li>Various industries including glass, cosmetics etc.</li> <li>Medical uses</li> </ul>																																				
<b>* Revenue Trend</b> (₹ in Lakhs)	<table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Revenue (₹ in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>FY20</td> <td>21,550</td> </tr> <tr> <td>FY21</td> <td>34,441</td> </tr> <tr> <td>FY22</td> <td>60,528</td> </tr> <tr> <td>FY23</td> <td>70,839</td> </tr> <tr> <td>FY24</td> <td>42,743</td> </tr> </tbody> </table>	Fiscal Year	Revenue (₹ in Lakhs)	FY20	21,550	FY21	34,441	FY22	60,528	FY23	70,839	FY24	42,743	<table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Revenue (₹ in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>FY20</td> <td>35,201</td> </tr> <tr> <td>FY21</td> <td>36,372</td> </tr> <tr> <td>FY22</td> <td>51,289</td> </tr> <tr> <td>FY23</td> <td>72,812</td> </tr> <tr> <td>FY24</td> <td>84,006</td> </tr> </tbody> </table>	Fiscal Year	Revenue (₹ in Lakhs)	FY20	35,201	FY21	36,372	FY22	51,289	FY23	72,812	FY24	84,006	<table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Revenue (₹ in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>FY20</td> <td>3,984</td> </tr> <tr> <td>FY21</td> <td>3,254</td> </tr> <tr> <td>FY22</td> <td>1,140</td> </tr> <tr> <td>FY23</td> <td>306</td> </tr> <tr> <td>FY24</td> <td>3,595</td> </tr> </tbody> </table>	Fiscal Year	Revenue (₹ in Lakhs)	FY20	3,984	FY21	3,254	FY22	1,140	FY23	306	FY24	3,595
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# Integrated Production Facility at Hajjipir, Gujarat

**A**rchean use brine from own Reservoirs as raw material which include Industrial Salt, kainite and end bittern. Other raw materials are primarily sourced from third-party suppliers in India

Globally, two most popular Bromine production sites are near the Dead Sea (Israel & Jordan) and the underground well in Arkansas region in the USA

India is well placed with brine resources at the Great Rann of Kutch in Gujarat



**T**he manufacturing facility is located in close proximity to the Jakhau Jetty and Mundra Port. The Jakhau Jetty is a fair-weather facility, operating for seven to eight months a year from October to May

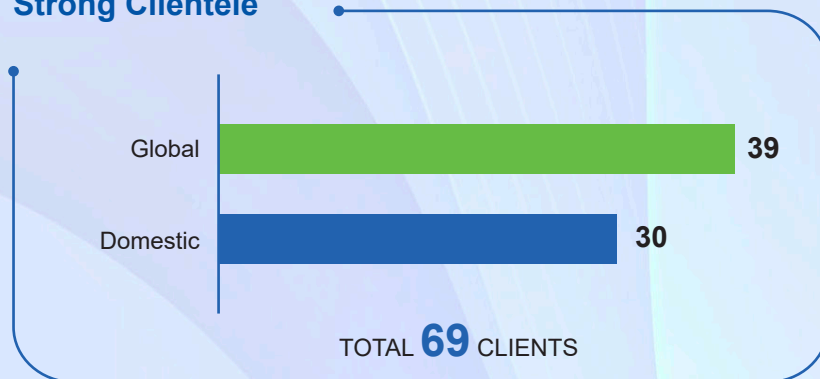
It has a designed capacity of 5 million MT per annum and a capacity to load 28,000 MT equipped with a twin conveyor system, diesel generator sets

An integrated manufacturing site with access to the Rann of Kutch reserves and a close connectivity to ports, results in production process efficiency, deliver superior quality and timely products

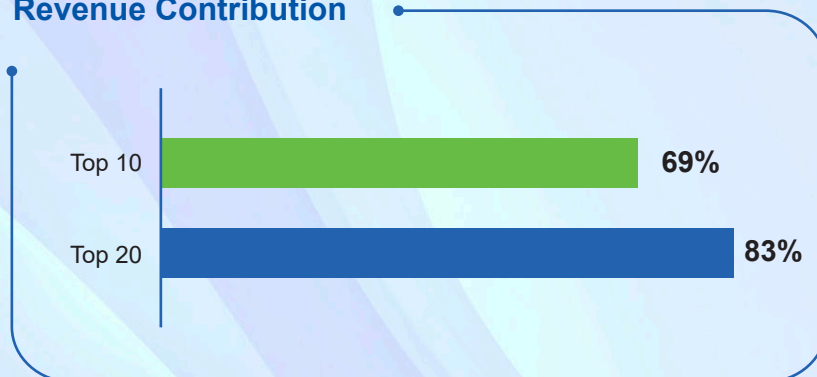
# Deep Engagement with Clients

Enduring customer relationships helped to expand product offerings and geographic reach

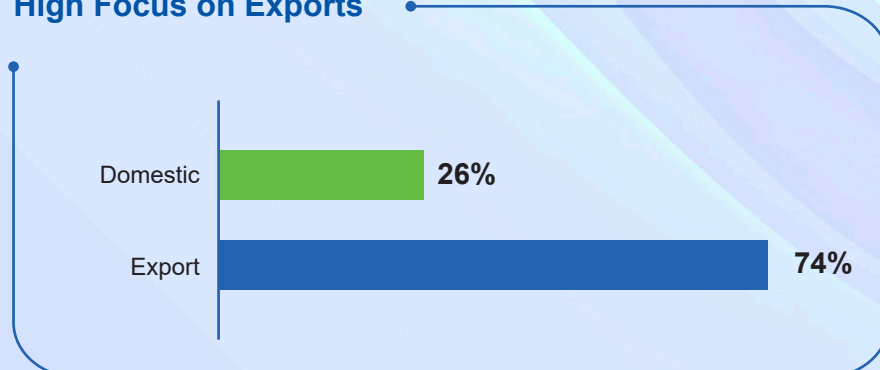
## Strong Clientele



## Revenue Contribution



## High Focus on Exports



# Financial Performance - Overview

## Revenue

₹ in Lakhs

FY22 1,13,044

FY23 1,44,107

FY24 1,32,958

## EBITDA

₹ in Lakhs

FY22 47,995

FY23 67,855

FY24 51,103

## Networth

₹ in Lakhs

FY22 26,269

FY23 1,43,252

FY24 1,70,642

## ROCE

%

FY22 35%

FY23 39%

FY24 24%

## Interest Coverage

Times

FY22 2.6

FY23 6.3

FY24 46.0

## Debt - Equity

Times

FY22 3.51

FY23 0.02

FY24 0.00



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## Notice to the Shareholders

**NOTICE** is hereby given that the Fifteenth Annual General Meeting of the Shareholders of the Company will be held on Friday, June 28, 2024 at 10.00 a.m. through Video Conferencing (“VC”/ Other Audio-Visual Means (“OAVM”), to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 1

To consider and approve standalone and consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March 2024, including the audited Balance Sheet as on 31<sup>st</sup> March 2024, the Statement of Profit and Loss and Cash Flow Statement of the Company, the reports of the Board of Directors and Auditors Report thereon.

#### Item No. 2

To declare dividend of Re.1/- (50%) on Equity Shares of the Company for the financial year ended 31<sup>st</sup> March 2024.

#### Item No. 3

To appoint a director in place of Mr. P Ravi, (DIN - 02334379) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification(s) the following resolutions: -

#### Item No. 4

**ORDINARY RESOLUTION** - Ratification of remuneration to the Cost Auditors.

**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and the appointment and remuneration as recommended by the Audit Committee, the remuneration of ₹1,10,000/- (Rupees One lakh ten thousand Only) and re-imbursement of

out-of-pocket expenses excluding applicable Tax payable to Mr. G Sundaresan, (Membership No. 11733) Cost Accountant, Chennai, for conducting cost audit of the Company for the financial year 2024-25, as approved by the Board of Directors of the Company, be and is hereby ratified and confirmed.

#### Item No.5

**SPECIAL RESOLUTION:** Reappointment of Mrs. Padma Chandrasekaran as Independent Director of the Company for a further period of 5 years from 13<sup>th</sup> November 2024 to 12<sup>th</sup> November 2029.

**RESOLVED THAT** pursuant to provisions of Sections 149, 152 of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other provisions as may be applicable, including any statutory modification or re-enactment thereof for the time being in force, Mrs. Padma Chandrasekaran (DIN : 06609477), who was appointed as an Independent Director of the Company by the members for a term up to 12<sup>th</sup> November 2024, who being eligible for re-appointment for a second term and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature to the office of Director of the Company, be and is hereby reappointed as an Independent Director of the Company, to hold office with effect from 13<sup>th</sup> November, 2024 up to 12<sup>th</sup> November 2029, and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board or any committee of directors or executives / officers of the Company authorised by them, be and are hereby authorised to do all such acts, deeds, matters and



things and execute such documentation as may be necessary to give effect to this Resolution.”

#### **Item No.6**

**SPECIAL RESOLUTION :** To ratify the “ARCHEAN CHEMICAL - EMPLOYEES STOCK OPTION PLAN, 2022” (ESOP 2022)

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions of Companies Act 2013 (“Act”) read with Rule 12 of the Companies (Share Capital and Debentures) Rules 2014 and other applicable rules, circulars, notifications issued thereunder including any statutory modification(s) or re-enactment(s) thereof for time being in force), provisions contained in Memorandum of Association & Articles of Association, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEBSE Regulations”) and the Foreign Exchange Management Act, 1999, and the regulations made thereunder and such other applicable laws (including any statutory modification(s) or re-enactments for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions Archean Chemical Employees Stock Option Plan 2022” (“ESOP 2022”), as approved by the shareholders of the Company in the Extra-ordinary General Meeting held on February 01 , 2022, prior to Initial Public Offering (IPO) of shares of the Company, be and is hereby ratified within the meaning of Regulation 12 of SEBI SBEBSE Regulations and the Board of directors of the Company ( hereinafter referred to as the “Board” which expression shall also include the Nomination and Remuneration

Committee or any other committee that may be constituted by the Board) be and is hereby authorized to create, grant, offer, issue, vest and allot from time to time, in one or more tranches to the eligible employees of the company, as defined under the ESOP 2022 and to such other persons as may from time to time be allowed to be eligible for the benefits of the employee stock option plan under applicable laws and regulations prevailing from time to time, under ESOP 2022, as may be decided by the Board, such number of options which shall not exceed 7,99,526 options exercisable into equity shares not exceeding 7,99,526 equity shares of the company (or such adjusted numbers from any bonus, stock splits, or consolidation or other re-organisation of the capital structure of the Company, as may be applicable, from time to time), subject to such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of applicable laws including SEBI SBEBSE Regulations, the Act and provisions of the ESOP 2022

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to make any modifications or revisions to ESOP 2022 as it may deem fit, from time to time, provided that the same is in conformity with the Act and the relevant Rules made thereunder, SEBI SBEBSE Regulations, the Memorandum and Articles of Association and any other applicable laws, rules and regulations thereunder, as amended from time to time.

**RESOLVED FURTHER THAT** the company shall confirm to the accounting standards and guidelines prescribed by the Institute of Chartered accountants of India (ICAI) from time to time and such other laws and regulations as may be applicable for the purposes of implementing and operating the ESOP2022.

**RESOLVED FURTHER THAT** in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others,

the Board be and is hereby authorised to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under applicable laws for the purpose of making a fair and reasonable adjustment to the Options granted earlier including issue of any additional equity shares by the Company to the Option grantees and the ceiling of the above number of options/ equity shares shall be deemed to increase to the extent of such additional equity shares issued.”

**RESOLVED FURTHER THAT** the Board is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOP 2022 and such equity shares shall rank pari passu with all other shares of same class issued by the company after the date of allotment.

**RESOLVED FURTHER THAT** the Board is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOP 2022 and such equity shares allotted shall rank pari passu with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby severally authorized, without prejudice to the generality of the above, but subject to the terms as approved by the members, to implement, formulate, evolve, decide upon and bring into effect the ESOP2022 on such terms and conditions as broadly contained in the explanatory statement and to make any further modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of ESOP 2022 (within the contours of the ESOP 2022), from time to time, including but not limited to, amendment(s) with respect to vesting conditions, period and schedule, exercise price, exercise period, performance/ eligibility criteria for grant/ vesting or to suspend, withdraw, terminate or revise ESOP 2022 in such a manner as the Board or any other person authorized by the Board may determine.

**RESOLVED FURTHER THAT** the Board be and is hereby severally authorized to take such steps

as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above including but not limited to take necessary steps for listing of the equity shares under ESOP 2022 on the stock exchanges as per the provisions of the SEBI Listing Regulations, SEBI SBEBSE Regulations and other applicable laws, regulations and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions and to delegate all or any of the powers herein vested in the Board to any director(s), officer(s) of the Company as may be required to give effect to these resolutions.

**RESOLVED FURTHER THAT** any of the Directors and/or the Company Secretary of the Company are authorized to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action”

#### **Item No.7**

**ORDINARY RESOLUTION:** Payment of Commission to Directors other than Managing Director or Whole-time Director.

**RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a sum not exceeding ₹15 lakhs per non-executive Director, per annum out of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, be paid to and distributed amongst the Directors, other than the Managing Director or



Whole-time Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors / Nomination and Remuneration Committee and such payments shall be made in respect of the profits of the Company for each financial year, for a period of Five financial years commencing from April 01, 2023.

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever, and in the event there is no profit or inadequate profit, they shall be paid such amount as may be decided by the Board of

Directors, which shall not exceed the limits specified in Schedule V of the Companies Act, 2013, and they shall also be entitled to reimbursement of expenses for participation in the Board and other meetings.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to take such steps as the Board may consider necessary or expedient to give effect to this resolution.

For and on behalf of the Board

**S Balasundharam**

Company Secretary & Compliance Officer

M No.: A-11114

Dated : May 14, 2024

Place : Chennai

**Notes:**

1. The Ministry of Corporate Affairs ("MCA"), has vide their circulars dated, April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, May 05, 2022 and December 28, 2022 and September 25, 2023 (collectively referred to as "MCA Circulars") permitted to holding the Annual General Meeting ("AGM") through Video Conferencing (VC)/Other Audio-Visual Means (OAVM), on or before 30<sup>th</sup> September 2024 without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and the MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business set out in Item no. 4 to 7 above is annexed hereto.
3. M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration

Number: 003990S/S200018), Chennai were appointed as Statutory Auditors of the Company to hold office from the conclusion of Twelfth Annual General Meeting of the Company held on 29<sup>th</sup> December 2021 till the conclusion of the Seventeenth Annual General Meeting of the Company, subject to ratification by members every year as prescribed under then prevailing provisions of the Companies Act 2013. However, in accordance with the Companies Amendment Act, 2017, with effect from 7<sup>th</sup> May, 2018, the requirement of ratifying the appointment of the Statutory Auditors at every Annual General Meeting has been omitted. Hence, the same has not been considered.

4. Details of the Directors proposed to be appointed / re-appointed as required in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings ("Secretarial Standards – 2") issued by The Institute of Company Secretaries of India, are provided at the end, and form an integral part of this Notice.

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5. The meeting shall be deemed to be held at the Registered office of the Company at No.2, North Crescent Road, T Nagar, Chennai 600 017.
  6. The recorded transcript of the AGM will be hosted on the website of the Company.
  7. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time
  8. Dividend on equity shares, if declared at the meeting, will be credited / dispatched on or before 28<sup>th</sup> July 2024 to those Members whose names shall appear on the Company's register of Members as on record date i.e. 21<sup>st</sup> June 2024.
  9. Members holding shares in electronic form are requested to intimate immediately, any change in their address or bank mandates to their depository participant(s) with whom they are maintaining their demat accounts.
  10. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the Bankers' cheque/ demand draft to such Member, as soon as possible.
  11. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
  12. Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 36 of the SEBI Listing Regulations read with SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5 January 2023, companies can send Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses with the Depository Participant(s). Physical copy of the Annual Report shall be sent to those Members who request for the same.
  13. In compliance with the MCA Circulars, the Annual Report 2023-24 including, the Notice of the AGM and instructions to shareholders for e-voting / attending meeting through VC / OAVM are being sent only through electronic mode to those members whose email addresses are registered with the depositories.
  14. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number / folio number, e-mail ID, mobile number to [secretarial@archeanchemicals.com](mailto:secretarial@archeanchemicals.com) on or before 18<sup>th</sup> June 2024. The shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
  15. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. As the AGM is being held through VC / OAVM in accordance with the MCA circulars, physical attendance of 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 are not annexed to this Notice.
16. Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body Corporate can attend the AGM through VC/OAVM and cast their votes through e-voting. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the board resolution / authorization letter to the Company.
  17. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  18. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  19. Pursuant to 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 & Disclosure Requirements) Regulations, 2015 (as amended) and MCA Circulars, the Company is providing facility of e-voting to its members in respect of the business to be transacted at the AGM. In this regard, the Company has entered into an agreement with Link Intime India Private Limited (Link Intime) for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using e-voting as well as the e-voting system on the date of the AGM will be provided by Link Intime.
  20. The members who have cast their vote by e-voting prior to the meeting may also attend the meeting by way of VC/OAVM but shall not be entitled to cast their vote again. The details indicating the process and manner for voting by electronic means, the time, schedule including the time period during which the votes may be cast by e-voting, the details of the login ID, the process and manner for generating or receiving the password and for casting of vote in a secure manner are provided to the shareholders. The procedures and instructions for 'e-voting', 'attending the meeting through VC / OAVM' and 'e-voting at the meeting' are furnished as part of this Notice.
  21. The Board of Directors have appointed M/s. HVS & Associates, Practicing Company Secretaries, Chennai, as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. The Company has engaged the services of Link Intime India Private Limited to provide e-voting facilities

enabling the members to cast their vote in a secure manner. The e-voting facility will be available at <https://instavote.linkintime.co.in>. The e-voting period would commence on June 25, 2024 (Tuesday) 9:00 A.M. (IST) and conclude on June 27, 2024 (Thursday) 5:00 P.M. (IST)

22. Any person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date, i.e June 21, 2024 only shall be entitled to avail the facility of e-voting
23. The Scrutinizer shall, immediately after the conclusion of the meeting, count the votes cast at the meeting and thereafter, unblock the votes cast through e-voting in presence of atleast two witnesses not in employment of the Company. The Scrutinizer shall submit a Consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than two days after the conclusion of the Meeting. Thereafter, the Results of e-voting and e-voting during the 15<sup>th</sup> AGM shall be declared by the Chairman or a person authorized by him in writing. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website at [www.archeanchemicals.com](http://www.archeanchemicals.com) and also be displayed on the website of Link Intime India Private Limited at [www.linkintime.co.in](http://www.linkintime.co.in) immediately after the results are declared and simultaneously communicated to the Stock exchanges.
24. In case you have any queries or issues regarding e-voting, you may refer the frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an e-mail to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in).
25. The Securities and exchange board of

India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participants.

26. The Register of Directors and key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the Secretarial Auditor Certificate for implementation of ESOP Scheme under regulation 13 of SEBI (SBEB) Regulations, 2021 will be available electronically for inspection by the members during the AGM. Other documents referred to in the notice, if any, will be available for electronic inspection. The members seeking to inspect such documents can mail to [secretarial@archeanchemicals.com](mailto:secretarial@archeanchemicals.com).
27. In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the AGM has been uploaded on the website of the Company at [www.archeanchemicals.com](http://www.archeanchemicals.com). The Notice can also be accessed from the websites of the stock exchanges, National Stock exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) or [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of Link Intime India Private Limited (agency for providing the e-voting facility and e-voting system during the AGM) at <https://instavote.linkintime.co.in>
28. e-Voting Instructions for shareholders:  
The e-voting facility will be available during the following voting period:

Voting Starts on	Voting Ends on
09.00 A.M. (IST) June 25, 2024	05.00 P.M. (IST) June 27, 2024



As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts. Shareholders are advised to update their mobile number and email addresses in their Demat accounts in order to access the evoting facility.

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

**1. Individual Shareholders holding securities in demat mode with NSDL**

- a) Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nSDL.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the e-voting period.
- b) If you are 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>
- c) 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 hold 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 company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the e-voting period.

**2. Individual Shareholders holding securities in demat mode with CDSL**

- a) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
- b) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.



- c) If the user is not registered for Easi/Easiest, the option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
- d) Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://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, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

### 3. 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. After Successful 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 the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the e-voting period.

#### Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1) Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

2) Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

**A. User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

\*Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

\*Shareholders holding shares in NSDL form, shall provide 'D' above

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

- Click "confirm" (Your password is now generated).

3. Click on 'Login' under 'SHARE HOLDER' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.



### Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

### Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

### Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

### Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 22 55 33

### Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

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**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Other Instructions for Members attending the AGM through VC/OAVM:

- The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned in point no. 30 for e-voting.
- M/s. HVS & Associates, (Unique Code No: P2016TN048300) Company Secretaries, Chennai has been appointed as the Scrutinizer to scrutinize the e-voting and e-voting during the meeting in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent

to the Chairman or a person authorized by him, within 2 (two) working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

- The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.archeanchemicals.com](http://www.archeanchemicals.com) and on the website of LI IPL at <https://instavote.linkintime.co.in/>. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office for at least 3 days from the date of declaration of voting results.
- The Results of voting shall be intimated within 2 working days from the time of conclusion of the remote e-voting along with the Scrutinizer's Report to National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Company are listed. Additionally, the results will also be uploaded on the Company's website [www.archeanchemicals.com](http://www.archeanchemicals.com) and on the website of LI IPL at <https://instavote.linkintime.co.in/>. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office for at least 3 days from the date of declaration of voting results.
- Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. June 28, 2024.

For and On behalf of the Board

**S Balasundharam**

Company Secretary & Compliance Officer

M No.: A-11114

Dated : May 14, 2024

Place : Chennai



## ANNEXURE TO THE NOTICE

### Explanatory Statement pursuant to Section 102(1) and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”),

#### Item No.4

In accordance with the provisions of Section 148 of the Act, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of Mr. G Sundaresan (Membership No. 11733), Cost Accountant, as the Cost Auditor of the Company for the financial year 2024-25, for conducting the audit of the cost records of the Company at a remuneration of ₹1,10,000 (excluding all taxes and reimbursement of out-of-pocket expenses).

The remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of this Notice for ratification of remuneration payable to the Cost Auditors for the financial year 2024-25.

None of the Directors and/or, Key Managerial Personnel and their relatives are concerned with or interested, financially or otherwise, in the said Resolution.

#### Item No.5

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto 5 (five) consecutive years on the Board of a Company.

Mrs. Padma Chandrasekaran Independent Director was appointed for a period of 5 years commencing from 13<sup>th</sup> November 2019 till 12<sup>th</sup> November 2024.

NRC at its meeting held on 8<sup>th</sup> May 2024 evaluated qualification, skills, experience, integrity and knowledge of Mrs. Padma Chandrasekaran and felt that it would be sufficient / satisfactory to recommend her appointment as an Independent Director on the Board, as per the Nomination and Remuneration Policy of the Company. She has also enrolled herself with the database for Independent Directors as specified under the Section 150 of the Act, 2013. In the opinion of the NRC and the Board, she fulfils the conditions specified under the Act, 2013 and the rules made thereunder and SEBI Listing Regulations for the appointment as an Independent Director of the Company and she is independent of the management of the Company. The board as well at its meeting held on May 14, 2024 approved the above proposal of re-appointment.

In terms of Regulation 25(2A) of SEBI Listing Regulations, appointment of Mrs. Padma Chandrasekaran as a Non- Executive Independent Director requires approval of the members of the Company by way of a Special Resolution. In terms of proviso to Regulation 25(2A) of the SEBI Listing Regulations where a special resolution for the appointment of an independent director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an independent director shall be deemed to have been made under this regulation.

The Company has received notice under Section 160 of the Companies Act, 2013 signifying her candidature as an Independent Director of the Company. The Company has also received a declaration of independence from her. The Company has received a consent in writing from her to act as a Director intimating to the effect that she is not disqualified to be appointed as a director and a declaration in writing that she meets the criteria of independence and she is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgement and without any external influence as provided under Section 149(6) of the Act, 2013 and also under the SEBI Listing Regulations.

Mrs. Padma Chandrasekaran is entitled to receive remuneration by way of profit related commission, if any, in terms of Section 197 and other applicable provisions of the Act, 2013, as determined by the Board / NRC from time to time, within the overall limits specified under the Act, 2013 as well as the SEBI Listing Regulations and sitting fees.

A copy of the draft Letter of Appointment for Independent Director is available for inspection at the Registered Office of the Company during business hours on any working day. The same is also posted on the Company's website [www.archeanchemicals.com](http://www.archeanchemicals.com). The Board considers that association of the Independent Directors would be of immense benefit to the Company considering their expertise and experience and it is desirable to avail services of the Independent Director.

A brief profile of Independent Director Mrs. Padma Chandrasekaran, Independent Director and the requirements as per Secretarial Standard of ICSI is given in the Annexure to the Notice. The Board of Directors recommends the proposal to re-appoint her as Independent Director for a term as mentioned in the respective special resolution.

Except Mrs. Padma Chandrasekaran, none of the Directors or any Key Managerial Personnel or any of their relatives is, in anyway, concerned or interested, financially or otherwise in the above resolution as set out in this agenda item.

The Board recommends the Special Resolution set out in this Agenda item for the approval of Members.

#### **Item No.6**

The shareholders of the Company at the extraordinary general meeting held on Feb 01 2022, had approved Archean Chemical-Employee Stock Option Plan 2022 (ESOP2022).

The shareholders have given consent to create, offer, grant, issue and allot under the ESOP 2022, in one or more tranches, a maximum of 12,90,926 grants (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) exercisable into 12,90,926 equity shares of face value ₹2/- each on a fully diluted paid up share capital, to or for the benefit of, to such employees of the Company, and Subsidiary company as mentioned in the ESOP 2022 scheme, in one or more tranches

In accordance with the above approval, 4,91,400 options were granted by the Nomination and Remuneration Committee at its meeting held on 7<sup>th</sup> October 2022.

As per Regulation 12 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEBSE Regulations"), Company shall make any fresh grant (subsequent to the IPO) which involves allotment or transfer of shares to its employees under any employee stock option scheme formulated prior to its IPO and prior to the listing of its equity shares ('Pre-IPO scheme') only after ratification of such Pre-IPO schemes by the shareholders



As the Company's equity shares got listed during November 2022, the Company in line with above regulation obtained approval from the Shareholders by way of postal ballot and the shareholders approved the same on March 26, 2023.

The Company made application to National Stock Exchange of India Limited and BSE Limited, seeking in principle approval for listing 12,90,926 equity shares arising out of the ESOP, and the National Stock Exchange of India Limited and BSE Limited, have given in principle approval for listing of 4,91,400 shares (Pre IPO ESOP grant) arising out of the 12,90,926 options and advised the Company to approach shareholders once again for the issue of balance 7,99,526 options.

Even though the shareholders approved the pre-IPO ESOP scheme on March 26, 2023 as per SEBI SBEBSE Regulations, since both the exchanges advised the company to approach shareholders once again, it is proposed to place the ESOP2022 before the shareholders for their ratification and approval, in compliance with the SEBI SBEBSE Regulations.

The members are hereby informed that the Company has not made any fresh grant of options to employees after listing of its shares. The disclosures as per the SEBI SBEBSE Regulations are submitted hereunder.

No.	Requirement	Disclosure
1	A brief description of ESOP2022	<p>This employee stock option plan shall be called the Archean Chemical - Employee Stock Option Plan 2022' ("ESOP 2022" / "Plan").</p> <p>The primary objectives of the Plan are to reward the Employees for their association, dedication, and contribution to the goals of the Company. The Company intends to use this Plan to attract, retain and motivate the key talents by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Company views Option as a long-term incentive tool that would enable the Employees not only to become co-owners, but also to create wealth out of such ownership in future.</p>
2	Total number of options to be granted	7,99,526 (12,90,926 less 4,91,400 in principle approval received from BSE and NSE)
3	Identification of classes of employees entitled to participate in ESOP2022	The process for determining the eligibility of the Employees will include designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time
4	Requirements of vesting and period of vesting;	Options granted under Plan shall vest not earlier than one year and not later than maximum Vesting Period of 5 (Five) years from the date of Grant. The Committee at its discretion may grant Options with a specific Vesting Period ranging from minimum and maximum Vesting Period as mentioned above which may be different for different Employees or classes thereof
5	The maximum period within which the options shall be vested	Options granted under Plan shall vest not later than maximum Vesting Period of 5 (Five) years from the date of Grant

6	Exercise price or pricing formulae	The Exercise Price shall be decided by the Nomination and Remuneration Committee which shall in no case be less than the face value of Shares of the Company as on date of Grant.
7	Exercise period and process of exercise	Options granted under Plan shall vest not earlier than one year and not later than maximum Vesting Period of 5 (Five) years from the date of Grant
8	Appraisal process for determining the eligibility of employees under ESOP2022	Only Employees are eligible for being granted Options under Plan. The specific Employees to whom the Options would be granted, and their Eligibility Criteria would be determined by the Committee at its sole discretion. The process for determining the eligibility of the Employees will include designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.
9	Maximum number of options to be issued per employee and in aggregate	The maximum number of Options that may be granted to any Employee in any year and in aggregate under the Plan shall not exceed 7,99,526 i.e. (12,90,926 less 4,91,400 In-principle approval received from NSE and BSE) However, the Committee reserves the right to determine an individual ceiling. In case Grant of Options to any Employee exceeds 1% (one percent) of issued capital (excluding outstanding warrants and conversions) in any year, the Company shall obtain prior approval of the shareholders of the Company by way of special resolution, subject to SEBI SBEBSE Regulations
10	Whether ESOP2022 is to be implemented and administered directly by the Company or through a trust	The same shall be implemented and administered directly by the Company.
11	Whether ESOP2022 involves new issue of shares by the company or secondary acquisition by the trust or both	It is the new issue of the shares as approved at the EGM dated Feb 01, 2022.
12	Amount of loan to be provided for implementation of ESOP2022 by the Company to the trust, its tenure, utilisation, repayment terms, etc	As the ESOP2022 is implemented by the company no loan is required to give to the trust and the same is not applicable
13	Maximum percentage of secondary acquisition that can be made by the Trust for the purposes of ESOP2022	Not Applicable



14	Accounting and Disclosure Policies	The Company shall follow the rules/regulations applicable to accounting of Options with reference to Fair Market Value of Shares as on date of Grant. The rules/regulations to be followed shall include but not limited to the IND AS / Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein
	Method of valuation of Options by the Company	The company shall use the Black Scholes method for valuation of the options granted
15	Lock-in period	Upon Listing, the Shares issued upon Exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such issue except as required under the Applicable Laws including that under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, or code of conduct framed, if any, by the Company after Listing, under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015
16	Terms & conditions for buyback, if any, of specified securities/ Options covered granted under ESOP2022	the procedure for buy-back of Shares issued under the Plan, if to be undertaken at any time by the Company, and the applicable terms and conditions in accordance with the SEBI SBEB Regulations;
17	The conditions under which options vested in employees may lapse e.g in the case of termination of employment or misconduct	As per the ESOP policy
18	The specified time period within which the employee shall exercise the vested options in the event of proposed termination of employment or resignation of the employee	As per the ESOP policy



The relevant documents referred to in the resolutions, would be available for inspection by the members as set out in the Notice. None of the Directors and key managerial personnel of the Company, including their relatives, are interested or concerned in the resolutions, except to the extent they may be lawfully granted Options under ESOP2022. The Board recommends the Resolutions set out at Item 6 in this Notice, for approval of the members by way of Special Resolution.

#### **Item No.7**

As per the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 197 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), all fees / compensation, payable to Non-Executive Directors shall be fixed by the Board of Directors, including amount payable in case of no profit or inadequate profit requires prior approval of Shareholders in General Meeting. Pursuant to the same, the approval of the Members, is being sought for payment of commission to Directors other than Managing

Director and Whole-time Directors as set out in the resolution at Item No.7 of this Notice.

The Board recommends the Ordinary Resolution as set out at Item No.7 for the approval of the Members. The disclosures as required under the Secretarial Standard of ICSI is forming part of this notice

#### **Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives:**

The Non-Executive Directors to whom the commission is payable are interested / their relatives are deemed to be interested in the Special Resolution set out at Item No. 7.

Other than the above, no Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way, financial or otherwise, concerned or interested in the said resolution.

For and On behalf of the Board

**S Balasundharam**

Company Secretary & Compliance Officer

M No.: A-11114

Dated : May 14, 2024

Place : Chennai



## Annexure-1

Name, Age, DIN, and Qualification	Mr. Ravi Pendurthi, Non-Executive Director, DIN: 02334379, Age: 52 years, Qualification: Bachelor of Science (Business Administration with a Concentration in Management)	Mr. Subrahmanyam Meenakshisundaram, Non Executive Director, DIN: 01176085, Age: 70 years; Qualification: Associate and Fellow of the Institute of Chartered Accountants of India and holds a degree of Bachelor of Commerce from University of Madras
Experience and other details	He has 14 years of experience in the chemical industry.	He has approximately four decades of experience in accounting, finance and tax.
Details of remuneration sought to be paid	As per the resolution mentioned in Item No 7	As per the resolution mentioned in Item No 7
Current remuneration (last drawn remuneration)	No remuneration paid, other than Sitting Fee for attending the Board and Committee Meeting(s).	No remuneration paid, other than Sitting Fee for attending the Board and Committee Meeting(s) and amount paid consequent to exercise of ESOP.
Date of first appointment on the Board, terms and conditions of appointment or re-appointment	<ul style="list-style-type: none"> <li>• January 29, 2022</li> <li>• Liable to retire by rotation</li> </ul>	<ul style="list-style-type: none"> <li>• March 24, 2010</li> <li>• Liable to retire by rotation</li> </ul>
Shareholding in the Company	Nil	1,35,000
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Brother of Managing Director	Nil
Number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards	Number of Meetings of the Board attended during FY 23-24: 4 Other Directorships/ Membership/Chairmanship of the committees: Nil	Number of Meetings of the Board attended during FY 23-24: 5 Other Directorships/ Membership/Chairmanship of the committees: Nil

	<p>i. Jakhau Salt Company Private Limited</p> <p>ii. KGF Granites Private Limited</p> <p>iii. Seleccion Consulting Private Limited</p>	<p>i. Acume Chemicals Private Limited</p> <p>ii. Idealis Chemicals Private Limited</p> <p>iii. Neun Infra Private Limited</p> <p>iv. Archean Salt Holdings Private Limited</p> <p>v. Bharath Salt Refineries Limited</p>
Name, Age, DIN, and qualification	<p>Mrs. Padma Chandrasekaran, Independent Director DIN: 06609477 Age: 63 years Qualification: Post Graduate Diploma in Business Administration from Indian Institute of Management, Ahmedabad, a degree of Bachelor of Science from University of Calcutta and a degree of Master of Business Administration with prime emphasis in Telecommunication from University of San Francisco</p>	<p>Mr. Chittoor Ghatambu Sethuram, Independent Director DIN: 01081951 Age: 69 years Qualification: Post Graduate Diploma in Business Administration from Indian Institute of Management, Ahmedabad and a Degree of Bachelor of Technology in Chemical Engineering from Regional Engineering College, Jawaharlal Nehru Technology University, Andhra Pradesh</p>
Experience and other details	<p>She has several year of experience in various field such as Information Technology and Financial Service.</p>	<p>He has over three decades of experience in chemical industry</p>
Details of remuneration sought to be paid	<p>As per the resolution mentioned in Item No 7</p>	<p>As per the resolution mentioned in Item No 7</p>
Current remuneration (last drawn remuneration)	<p>No remuneration paid, other than Sitting Fee for attending the Board and Committee Meeting(s).</p>	<p>No remuneration paid, other than Sitting Fee for attending the Board and Committee Meeting(s).</p>
Date of first appointment on the Board, terms and conditions of appointment or re-appointment	<ul style="list-style-type: none"> <li>• November 13, 2019</li> <li>• Period of five years from November 13, 2019 to November 12, 2024</li> </ul>	<ul style="list-style-type: none"> <li>• December 6, 2021</li> <li>• Period of five years from December 6, 2021</li> </ul>



Shareholding in the Company	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil	Nil
Number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards	<p>Number of Meetings of the Board attended during FY 23-24: 5</p> <p>Other Directorships/ Membership/Chairmanship of the committees:</p> <p>i. PNB Metlife India Insurance Company Limited</p> <p>a. Audit Committee - Member</p> <p>b. Corporate Social Responsibility Committee - Member</p> <p>c. Nomination &amp; Remuneration Committee - Member</p> <p>ii. Health Sensei India Private Limited</p> <p>iii. Adani Capital Private Limited</p> <p>a. Audit Committee – Member</p> <p>b. Corporate Social Responsibility Committee - Member</p> <p>c. Nomination &amp; Remuneration Committee - Member</p> <p>iv. Skyfi Education Labs Private Limited</p>	<p>Number of Meetings of the Board attended during FY 23-24: 5</p> <p>Other Directorships/ Membership/Chairmanship of the committees:</p> <p>i. Best Value Chem Private Limited</p> <p>a. Business Review Committee - Member</p> <p>b. Audit Committee – Member</p> <p>c. Risk Management Committee - Member</p> <p>d. Compliance Committee - Member</p>

Name, Age, DIN and Qualification	Mr. Kandheri Munaswamy Mohandass, Independent Director Age: 72 years DIN: 00707839 Qualification: Associate and Fellow of the Institute of Chartered Accountants of India and holds a degree of bachelor of science from University of Madras
Experience and other details restructuring and corporate laws advisory.	He has over four decades of experience in audit, tax, project finance, corporate
Details of remuneration sought to be paid	As per the resolution mentioned in Item No 7
Current remuneration (last drawn remuneration)	No remuneration paid, other than Sitting Fee for attending the Board and Committee Meeting(s).
Date of first appointment on the Board, Terms and conditions of appointment or re-appointment	<ul style="list-style-type: none"> <li>• December 6, 2021</li> <li>• Period of five years from December 6, 2021</li> </ul>
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
Number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards	<p>Number of Meetings of the Board attended during FY 23-24: 5</p> <p>Other Directorships/Membership/Chairmanship of the committees:</p> <ul style="list-style-type: none"> <li>i. Acume Chemicals Private Limited</li> <li>ii. Aptus Value Housing Finance India Limited <ul style="list-style-type: none"> <li>a. Audit Committee – Chairman</li> <li>b. Nomination and Remuneration Committee – Member</li> <li>c. Corporate Social Responsibility Committee – Member</li> <li>d. Resourcing and Business Committee - Member</li> </ul> </li> <li>iii. Aptus Finance India Private Limited <ul style="list-style-type: none"> <li>a. Audit Committee – Chairman</li> <li>b. Nomination and Remuneration Committee – Chairman</li> <li>c. Corporate Social Responsibility Committee – Member</li> <li>d. Resourcing and Business Committee – Member</li> <li>e. IT Strategy Committee – Chairman</li> <li>f. Risk Management Committee - Member</li> </ul> </li> </ul>



## DIRECTORS' REPORT

### To the Members of Archean Chemical Industries Limited

Your directors have pleasure in presenting the Fifteenth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2024.

#### Financial Performance

For financial year 2023-24, the standalone revenue from operations was ₹1,32,958.31 lakhs as against ₹1,44,106.59 lakhs during 2022-23, with a decrease of 7.74%. Net Profit after tax for the year was ₹32,234.56 lakhs as against ₹ 38,365.38 lakhs in the previous year.

The standalone financial highlights of the Company for the year are:

₹ in Lakhs

Particulars	2023-24	2022-23
Profit before depreciation and finance cost	51,102.73	67,854.65
Depreciation	6,999.66	6,850.89
Finance Cost	966.75	9,695.89
Profit before Tax	43,136.32	51,307.87
Tax expenses	10,901.76	12,942.49
Profit after Tax	32,234.56	38,365.38
Total comprehensive income	32,203.57	38,393.90
Earnings per share (Basic)	26.17	34.76
Earnings per Share (Diluted)	26.14	34.69

#### State of the Company's affairs

On the performance highlights specifically, despite the uncertainties, your Company is pleased to report a resilient performance for the financial year 2023- 2024, registering a total income of INR 13,763 million. Overall, demand from the end-user market of bromine derivatives or bromine compounds continues to remain on stream, albeit a bit slower than it is expected, however, stable.

The second segment is Industrial Salt segment and as you all are aware, Industrial Salt is an important product for the business and at the moment, contributing nearly 65% of your Company's total revenue. This chemical being a grade 1 category is primarily manufactured by very few players around the world. Your Company is one of those and one of the largest in the world in that segment. For the year, your Company has crossed the 4 million marks in terms of volume. Your Company continues to remain optimistic in the Salt segment and expects to sustain its growth momentum in the coming years. Your Company's focus will continue to be on leveraging market opportunities and to do more improvements on the ground in terms of the process and cost efficiencies to drive sustainable growth.

#### Dividend and transfer to General Reserve

The Board of Directors at their meeting held on 31<sup>st</sup> October 2023 had declared the first interim dividend of Re. 1/- per equity share for the financial year 2023-24 and the same was paid on 24<sup>th</sup> November 2023. Subsequently the Board at the meeting held on 03<sup>rd</sup> February 2024 had declared the second interim dividend of Re. 1/- per equity share for the financial year 2023-24 and the same was paid on 24<sup>th</sup> February 2024.

The Board has recommended a final dividend of Re. 1/- per equity share for the financial year ended 31<sup>st</sup> March 2024 subject to the approval of Members at the ensuing Annual General Meeting of the Company.

The dividend recommended, subject to approval of members at the 15<sup>th</sup> Annual General Meeting will be paid to all the members whose name appears in the register of members as on June 21, 2024 (being the record date fixed for this purpose).

The above recommendation of the dividend by the directors is in accordance with the "Dividend Distribution Policy" of the Company. The Policy is available on the website of the Company under the link <https://www.archeanchemicals.com/investor-relations/admin/assets/products/Dividend%20Distribution%20Policy.pdf>

### **Share Capital**

During the year under review, the Nomination and Remuneration Committee (NRC) allotted 3,43,980 equity shares of face value of ₹2/- each upon exercise of stock options granted under "Archean Employee Stock Option Plan 2022 (ESOP 2022)".

As on 31<sup>st</sup> March 2024, the authorised share Capital of the Company stood at ₹32,00,00,000 divided into 16,00,00,000 equity shares of ₹2/- each and consequent to the above allotment the paid-up share capital of the Company increased from ₹24,63,02,538 divided into 12,31,51,269 equity shares of ₹2/- each to ₹24,67,93,938 divided into 12,33,96,969 equity shares of ₹2/- each. Other than the above there is no change in the capital structure of the Company.

### **Employee Stock Option Scheme**

The Employee Stock Option scheme enables the Company to hire and retain the best talent for its senior management and key positions. The Nomination and Remuneration Committee of the

Board of Directors of the Company, inter alia, administers and monitors the Employee Stock Option Scheme in accordance with the applicable ESOP Regulations

The details of the stock options granted under "ESOP 2022" and the disclosures in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 (ESOP Regulations) and Section 62(1)(b) of the Companies Act 2013, (Act) read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is available on the website of the Company at [www.archeanchemicals.com](http://www.archeanchemicals.com). The scheme is in compliance with the ESOP Regulations.

### **Directors and Key Managerial Personnel**

There is no change in composition of the Board. Mr. P Ranjit, Managing Director of the Company was re-appointed for further period of 5 years from 27<sup>th</sup> November 2023 to 26<sup>th</sup> November 2028 by the shareholders of the Company at the Annual General Meeting held on 26<sup>th</sup> July 2023.

Mrs. Padma Chandrasekaran (DIN 06609477) was appointed as Independent Director of the Company with effect from 13<sup>th</sup> November 2019 approved by the shareholders for a period of five years from 13<sup>th</sup> November 2019 to 12<sup>th</sup> November 2024. In accordance with the provisions of Section 149 (10) of the Act Mrs. Padma Chandrasekaran fulfils the eligibility criteria laid down for Independent Directors under the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, after consideration of the evaluation of Mrs. Padma Chandrasekaran performance by the Nomination and Remuneration Committee and the Board of Directors, the Board has thought it fit to re-appoint her as Independent Director for a further term of five (5) consecutive years from the date



of expiry of their present term of office, subject to approval of the shareholders, in accordance with the provisions of Section 149 (10) of the Act. The re-appointment of Mrs. Padma Chandrasekaran is placed in the ensuing Annual General Meeting (AGM) for the approval of the shareholders of the Company.

In accordance with Section 152(6)(c) of the Act Mr. P Ravi a Non-Executive Director of the Company, is due to retire by rotation. Being eligible for re-appointment, Mr. P Ravi has expressed his willingness to continue serving as a director of the company. The re-appointment of Mr. P. Ravi is placed in the ensuing Annual General Meeting (AGM) for the approval of the shareholders of the Company.

Pursuant to the provisions of Section 2(51) and 203 of the Act, the Key Managerial Personnel of the Company are Mr. P Ranjit, Managing Director, Mr. R Raganathan, Chief Financial Officer and Mr. S Balasundharam, Company Secretary. During the year under review, Mr. S Balasundharam has been appointed as Company Secretary of the Company with effect from 11th August 2023 and Mr. G Arunmozhi, Company Secretary resigned on 11th August 2023.

### **Board of Directors and Committees**

The composition of the Board of Directors and its Committees are in accordance with the Act and the SEBI LODR. The Corporate Governance Report given in Annexure IV to this report contains the composition of the Board of Directors of the Company and its Committees.

### **Number of meetings of Board of Directors**

The Board met 5 (five) times during the year under review. The details of Board meetings and attendance of the Directors are provided in the Corporate Governance Report.

### **Management Discussion and Analysis**

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 (2) (e) of the SEBI (LODR) Regulations 2015 is presented in a separate Annexure -I and forms part of this report.

### **Consolidated Financial Statements**

In accordance with the provisions of Section 129(3) of the Act, the Consolidated Financial Statements, drawn up with the applicable Indian Accounting Standards (IndAs), forms part of this Annual Report.

The Consolidated profit after tax for the year 2023-24 was ₹31,897.07 lakhs and the Consolidated Net Worth is ₹1,70,155.05 lakhs as on March 31, 2024, as against ₹38,255.92 lakhs and ₹1,43,101.98 lakhs as on March 31, 2023, respectively.

### **Subsidiary Company**

During the year under review the Company has incorporated two new subsidiary companies namely Idealis Chemicals Private Limited (Idealis) and Neun Infra Private Limited (Neun).

#### ***Idealis Chemicals Private Limited***

Idealis was incorporated on 05<sup>th</sup> October 2023 as a wholly owned subsidiary company, which has been declared as the successful bidder for acquiring Oren Hydrocarbons Private Limited (Oren) as a going concern in the auction conducted by the liquidator of Oren in terms of the Insolvency and Bankruptcy Code, 2016. In consideration of having paid the full sale consideration in two tranches with the EMD of ₹7,65,00,000 paid on 19.01.2024 and ₹69,25,74,066 paid on 05.02.2024, the liquidator conveyed M/s. Oren Hydrocarbons Private Limited (in Liquidation) along with its assets (without liabilities and excluding plant & machinery located at company's Gummidipoondi plant) to Idealis as



a going concern basis under Regulation 32(e) of the IBBI (Liquidation Process) Regulations, 2016 on 'as is where is, as is what is, whatever there is and without recourse basis'. Your Company has made application to Hon'ble National Company Law Tribunal (NCLT), Chennai Bench for approval. The order of the NCLT is reserved.

#### ***Neun Infra Private Limited***

It was incorporated on October 3, 2023 as a wholly owned subsidiary of the Company with a paid-up capital of ₹3,00,00,000/- divided into 30,00,000 shares of ₹10 each towards the initial subscription.

#### ***SiCSem Private Limited (SiCSem)***

Neun has incorporated a subsidiary Company SiCSem with an Authorised share capital amounting to ₹5,00,000, divided into 50,000 equity shares of ₹10/- each. Neun has invested ₹3,50,000 out of ₹5,00,000 in the Capital of SiCSem constituting 70% of the Capital. The main objects of SiCSem are setting up of a facility for manufacturing semiconductor. Thus, SiCSem will be the step-down subsidiary of your company.

#### ***Acume Chemicals Private Limited (Acume)***

Acume has commissioned Phase1 of the production facility of Bromine derivative products at its manufacturing factory situated in the state of Gujarat with effect from March 14, 2024.

During the year the Company has invested an amount of ₹3 crores each in equity shares of Idealis and Neun, wholly owned subsidiaries. Statement containing the salient features of the financial statements of the Subsidiary Companies as per Form AOC-1 is given in Annexure-II which forms part of the Director's report.

Pursuant to the provisions of Section 136 of the Act, the financial statements along with relevant documents and separate audited financial

statements in respect of the subsidiaries are available on the website of the Company <https://www.archeanchemicals.com/investor-relations/annual-report.php?id=MTc4>.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed <https://www.archeanchemicals.com/investor-relations/admin/assets/products/Policy%20on%20Material%20Subsidiaries.pdf>

#### **Fixed Deposits**

The Company has not accepted any deposit from the public within the meaning of Section 76 of the Act, for the year ended 31<sup>st</sup> March 2024.

#### **Particulars of Loans, Guarantees or Investments**

Particulars of Loans, Guarantees or Investments are provided in the notes to the financial statements.

#### **Board Evaluation**

Pursuant to the provisions of Section 134 (3) (p), Section 149(8) and Schedule IV of the Act, SEBI LODR an annual performance evaluation of the Board, the Directors as well as Committees of the Board have been carried out. The criteria for evaluation of the Board and Non-Independent Directors at a separate meeting of Independent Directors were carried out in accordance with the Nomination & Remuneration Policy adopted by the Board.

The evaluation was carried out, taking into consideration the composition of the Board and availability of commitment to good corporate governance practices, adherence to regulatory compliance, grievance redressal mechanism, track record of financial performance, existence of integrated risk management system to corporate social responsibility.



## Independent Directors

The Company has received declarations from the Independent Directors to the effect that they meet the criteria of independence as provided in Section 149 of the Act.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act & SEBI LODR and are independent of the Management. All the Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and the SEBI LODR. They have also confirmed compliance with Section 150 of the Act regarding registration with Independence Directors databank maintained by the Indian Institute of Corporate Affairs.

As per the above provisions, every independent director shall submit a declaration of compliance with sub-rule (1) and sub-rule (2) to the Board each time he/she submits the declaration required under sub-section (7) of section 149 of the Act. The Company has obtained a declaration to that effect from the Independent Directors.

## Corporate Social Responsibility

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. In compliance to the above, the Company has constituted Corporate Social Responsibility Committee in accordance with the requirements of Section 135 of Act, and a Corporate Social Responsibility Policy containing the list of CSR projects/ programmes to be undertaken were formulated and approved by the Board. The policy is available on the website of the Company <https://www.archeanchemicals.com/investor-relations/admin/assets/products/Corporate%20Social%20Responsibility%20Policy.pdf>

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company

and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure-III of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Further, the Board has taken on record the certificate from the Chief Financial Officer that CSR spends of the Company for financial year 2023-24 have been utilized for the purpose and in the manner approved by the Board of Directors of the Company.

## Risk Management

Your Company has constituted a Risk Management Committee and has formulated a Risk Management Policy aligned with the requirements of the Act and the SEBI (LODR). The details of the Committee and the terms of reference are set out in the Corporate Governance Report forming part of the Report.

## Internal Financial Control System

The Management is responsible for establishing & maintaining internal controls for financial reporting. The Statutory Auditors have evaluated the system of internal controls of the Company and also reviewed their effectiveness and have reported that the same are adequate & commensurate with the size of the Company and the nature of its business.

They have also reviewed the internal controls pertaining to financial reporting of the Company to ensure that financial statements of the Company present a true and fair view of the state of affairs of the Company. In addition, Auditors in their report have also opined that the Company has in all material respects adequate internal financial control systems over financial reporting and the same were operating effectively as on 31<sup>st</sup> March 2024.

The summary of the Internal Audit findings and status of implementation of action plans for risk

mitigation, are submitted to the Audit Committee every quarter for review, and concerns around residual risks if any, are presented to the Board.

### **Vigil Mechanism/Whistle Blower Policy**

The Company has adopted a Whistle Blower Policy on Vigil Mechanism in accordance with the provisions of the Act and Regulation 22 of the SEBI (LODR), which provides a formal mechanism for all Directors, Employees and other Stakeholders of the Company to report to the management, their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics.

The Code as well provides a direct access to the Chairman of the Audit Committee to make protective disclosures about grievances or violation of the Company's Code. Brief details about the policy are provided in the Corporate Governance Report attached to this report.

### **Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Act, the Directors confirm:

- a) that in the preparation of the annual financial statements, the applicable IndAS have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the financial statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the 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 fraud and other irregularities;

- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Related Party Transactions**

The Company has formulated a policy on Related Party Transactions (RPT) and approved by the Board. The policy on RPT is available on the Company's website at <https://www.archeanchemicals.com/investor-relations/admin/assets/products/Related%20Party%20Transaction%20Policy.pdf>

All Related Party transactions that were entered into by the Company during the financial year 2023-24, were in the ordinary course of business and on arm's length basis. The Company did not enter into any material transaction with related parties under Section 188 of the Act and the Rules framed thereunder. There are no "Material" contracts or arrangement or transactions at arm's length basis and hence disclosure in form AOC-2 is not applicable.

All Related Party transactions were placed before the Audit Committee for their prior approval in accordance with the requirements of the SEBI LODR. The transactions entered into pursuant to such approval are placed periodically before the Audit Committee for its review.

### **Significant and material orders passed by the regulators or courts**

There were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.



### Employees and details of remuneration:

The statement of disclosure of remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules") is provided below:

- a) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

Sl. No.	Name of the Director/KMP	Designation	Ratio to Median Remuneration	% increase in the remuneration for the financial year
1	Mr. P Ranjit	Managing Director	424.56:1	20%
2	Mr. S Meenakshisundaram	Non- Executive Director	169.28:1	NA
3	Mr. C G Sethuram	Independent Director	0.72:1	NA
4	Mrs. Padma Chandrasekaran		1.01:1	NA
5	Mr. K M Mohandass		0.97:1	NA
6	Mr P Ravi	Non- Executive Director	0.46:1	NA

Note:

- i. The Commission to Non-executive Directors including Independent Directors for the financial year ended March 31, 2024 will be paid subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company in accordance with SEBI LODR.
- ii. The details of Sitting fee/ commission to Non-Executive directors are provided in the Corporate Governance report.

- b) Percentage increase in remuneration of the following KMPs in the financial year:

Mr P Ranjit	Managing Director	20%
Mr R Raghunathan	Chief Financial Officer	15%
Mr G Arunmozhi*	Company Secretary (upto August 11, 2023)	NA
Mr S Balasundharam*	Company Secretary (from August 11, 2023)	NA

\* not applicable during the FY ended March 31, 2024

- c) Percentage increase in the median remuneration of employees in the financial year

Increase in the median remuneration of employees in the financial year : 7.41%.

- d) Number of permanent employees on the rolls of Company:

There were 288 numbers of permanent employees in the Company as on 31<sup>st</sup> March 2024.

- e) 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:

Increase in remuneration is based on remuneration policy of the Company.

f) The key parameters for any variable component of remuneration availed by the directors

There was no variable component of remuneration availed by the directors except to the Commission paid to the Managing Director, proposed to be paid to the Non-executive Directors (subject to the approval of the shareholders). The parameters are in accordance with the Remuneration policy of the Company.

The Company affirms that the remuneration is as per the remuneration policy of the Company as approved by the Board of Directors

The information as per Rule 5(2) and Rule 5(3) of the Rules, forms part of this Report. However, as per first proviso to Section 136(1) of the Act and Second Proviso to Rule 5 of the Rules, the report and financial statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) and Rule 5(3) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered office of the Company. The said statement is also available for inspection by the members at registered office of the Company during office hours till the date of Annual General meeting.

#### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place the Anti Sexual Harassment policy in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassments. The following is a summary of sexual harassments complaints received and disposed off during each calendar year:

Sl. No	Particulars	Action Taken
1	Number of complaints received in the year	Nil
2	Number of Complaints disposed off during the year	Nil
3	Number of cases pending for more than 90 days	Nil
4	Number of workshops or awareness programmes carried out	2
5	Nature of action taken by the employer or distinct officer	Nil

#### **Corporate Governance**

The Company strongly believes that the spirit of Corporate Governance goes beyond the statutory form. Sound corporate governance is the key driver of sustainable corporate growth and long-term value creation for the stakeholders and the protection of their interests. Your Company endeavors to meet the growing aspirations of all stakeholders including shareholders, employees and customers.

Your Company is committed to maintaining the highest standard of Corporate Governance. All the Directors and the Senior Management personnel have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company.

A report on Corporate Governance along with the Statutory Auditor's Certificate on its compliance in accordance with the provisions of SEBI LODR is given in Annexure-IV and forms an integral part of this Report.

#### **Statutory Auditors**

As per Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company in 12<sup>th</sup> AGM approved



the appointment of PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration Number: 003990S/S200018), as Statutory Auditors of the Company for a term of Five (5) years i.e from the conclusion of 12<sup>th</sup> AGM till the conclusion of the 17<sup>th</sup> AGM of the Company, to be held in the year 2026 at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

### **Cost Auditor**

Pursuant to Section 148 of the Companies Act 2013 read with the amended rules thereof, the Board of Directors on the recommendation of the Audit Committee appointed Mr. G Sundaresan, Cost Accountant as the Cost Auditor of the Company for the financial year 2024-2025. The Board has recommended the remuneration to the shareholders for ratification at the ensuing Annual General Meeting.

Mr. G Sundaresan has confirmed that his appointment is within the limits of Section 139 of the Companies Act, 2013, and has also certified that he is free from any disqualifications specified under Section 141 of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditor certifying his independence and arm's length relationship with the Company. Pursuant to section 148 of the Companies Act 2013, the Company is required to maintain the cost records and the Company is accordingly maintaining such accounts and records and same are being audited as per the requirement of the Act. The report of the Cost Auditor shall be filed with the Central Government in accordance with the rules framed thereunder.

### **Secretarial Auditor**

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. HVS &

Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for the financial year ended 31<sup>st</sup> March 2024.

The report of the Secretarial Auditor is attached as Annexure V. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Company is in compliance with the Secretarial Standards, specified by the Institute of Company Secretaries of India ('ICSI').

### **Comments on Auditors' Report**

There were no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditor and Secretarial Auditor in their reports, respectively. However, Statutory Auditors have cited the discrepancies on physical verification of inventory, which according to the company, it is consequent to natural calamities (Biparjoy cyclone). The Statutory Auditors have mentioned in the report that the same has been properly dealt within the books of accounts. Further they have cited that there is a slight delay in the remittance of Provident Fund, which according to the Company it is mainly due to non-seeding of Aadhar against UAN by the concerned Employee. During the year, there have been no incidents of fraud reported to the Audit Committee in terms of Section 143(12) of the Act.

### **Managing Director/Chief Financial Officer Certificate**

A compliance certificate by Managing Director and Chief Financial Officer as stipulated under regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements), 2015 is given in Annexure-VI and forms part of the Directors' Report.

### **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3) of the Act read with the Companies (Accounts) Rules, 2014 are under:

**a. Conservation of energy:**

(i)	the steps taken or impact on conservation of energy	On water conservation, Rain water harvesting 3.83 Mn m3, ground water saving of 2.1 Mn m3 utilizing rain water.  For energy conservation, the company conserved a total of 2947 MWh of power from the Brine field section by water circuit modification.  DM water reduction of 27131 M3 achieved by condensate recovery system.
(ii)	the steps taken by the Company for utilizing alternate sources of energy.	The company installed a solar panel system of 1.35 MW capacity. It will be operational on end of May
(iii)	the capital investment on energy conservation equipment's	NIL

**b. Technology absorption:**

(i)	the effort made towards technology absorption	We have developed potassium schoenite manufacturing process for commercial scale operation
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	Indigenization of CLR for Bromine developed
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) and its details	NIL
(iv)	the expenditure incurred on Research and Development	NIL

**c. Foreign exchange earnings and outgo:**

(Amount in ₹ Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Foreign Exchange Earnings	95,944.46	1,04,502.79
Foreign Exchange Outgo	8,817.44	17,301.61



### **Business Responsibility and Sustainability Report:**

The Company practices various business responsibility initiatives as per the Business Responsibility and Sustainability policy laying down the broad principles guiding the Company in delivering various responsibilities to its stakeholders. The Business Responsibility and Sustainability Report in terms of Regulation 34(2) of SEBI LODR as applicable to the Company for the year 2023-24 is given in Annexure-VII and forms part of this report.

### **Annual Return**

In terms of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company <https://www.archeanchemicals.com/investor-relations/admin/assets/products/MGT-7.pdf>

### **Proceedings under Insolvency and Bankruptcy Code**

No application has been made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against the Company during the year under review.

### **Change in the nature of business, if any**

There was no change in the nature of business activities during the year under review.

### **Details in respect of frauds reported by the Auditors**

During the year under review, there were no instances of fraud in the Company. This was also evidenced by the report of the Statutory Auditors of the Company as no fraud has been reported in their audit report for the financial year ended 31<sup>st</sup> March 2024.

### **Company's policy relating to directors' appointment, payment of remuneration and discharge of their duties**

Nomination and Remuneration Policy was adopted by the Board on 10<sup>th</sup> August 2022 relating to directors' appointment, payment of remuneration and discharge of their duties. The NRC Policy is available on the website of the Company <https://www.archeanchemicals.com/investor-relations/admin/assets/products/Nomination%20and%20Remuneration%20Policy.pdf>

### **Material changes and commitments, if any, affecting the financial position of the Company which has occurred during the financial year of the Company to which the financial statements relate and to the date of this report**

There were no material changes and commitments affecting the financial position of the Company occurred during the financial year ended, i.e. 31<sup>st</sup> March 2024 to which these financial statements relate and to the date of this report.

### **Transfer of Unclaimed Dividend to Investor Education & Protection Fund**

Pursuant to Sections 124 and 125 of the Act" read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven consecutive years from the date of transfer of such amount to unpaid dividend account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority. There were no such instances requiring any transfer by the company to the IEPF as of now.



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### Dematerialization of Equity Shares

As on 31<sup>st</sup> March 2024, 12,33,96,969 equity shares representing 100% of the paid-up share capital of the Company are in Dematerialized mode.

### Code of Conduct

The Company has received confirmations from the Board and the Senior Management Personnel regarding their adherence to the Code of Conduct.

### Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

The Company has not made any one-time settlement during the year under review with banks or financial institutions and therefore, this clause is not applicable.

### Acknowledgements

The Directors wish to place on record their appreciation for the valuable support received by the Company from Banks & Financial Institutions. The Board thanks the employees at all levels for their dedication, commitment and the hard work put in by them for Company's achievements. The Directors are grateful to the Shareholders/ Stakeholders for their confidence and faith reposed in Board.

For and behalf of the Board of Directors

Date : May 14, 2024

Place: Chennai

**P Ranjit**

Managing Director

DIN: 01952929

**S Meenakshisundaram**

Director

DIN: 01176085

### Annexure to Directors' Report:

1. Annexure I - Management Discussion and Analysis
2. Annexure II - Form AOC - 1 Statement of Subsidiaries
3. Annexure III - Annual Report on CSR Activities for the Financial Year 2023-24
4. Annexure IV - Corporate Governance Report
5. Annexure V - Secretarial Audit Report in Form MR-3
6. Annexure VI - Compliance Certificate by MD/CFO
7. Annexure VII - Business Responsibility and Sustainability Report



## Management Discussion and Analysis

### Global Economy

The world economy is currently seeing a deceleration in its growth, with global GDP growth expected to slow down from an estimated 2.7% in 2023 to 2.4% in 2024. This deceleration is due to various crises, including geopolitical conflicts and severe weather occurrences, which have heightened the risks to international trade and manufacturing. Additionally, stringent financial conditions further jeopardize global trade and production.

There are noticeable differences in growth rates across regions. The United States, as the leading economy globally, is forecasted to experience a decline in GDP growth from 2.5% in 2023 to 1.4% in 2024. This is mainly attributed to reduced consumer spending resulting from elevated interest rates and a weakening job market. China, facing both domestic and international challenges, is expected to see a modest growth slowdown, with an estimated growth of 4.7% in 2024, down from 5.3% in 2023.

Europe and Japan are also confronting significant economic challenges, with growth rates predicted at 1.2% for both regions in 2024. Meanwhile, developing countries present a mixed picture. Africa's growth is projected to rise slightly from 3.3% in 2023 to 3.5% in 2024. However, the least developed countries (LDCs) are anticipated to grow by 5.0% in 2024, which falls short of the 7.0% growth target outlined in the Sustainable Development Goals (SDGs).

To sum up, the global economy is undergoing a growth slowdown marked by regional variations and labor market complexities. Factors like geopolitical conflicts, severe weather events, and stringent financial conditions are significant risks affecting international trade and production.

### Indian Economy

The Indian economy has seen notable changes in recent years, driven by strong domestic demand, vigorous investment activity, and active private consumption, especially among the affluent. The nature of domestic demand has shifted, with reduced government spending due to fiscal consolidation.

India's economic growth is supported by diverse sectors such as agriculture, telecommunications, automotive, IT, and pharmaceuticals. The agricultural sector has undergone modernization and transformation through policy initiatives and investments. India's telecommunications industry ranks second globally, contributing 6.5% to the country's GDP. The automotive industry in India is the world's second-fastest growing, with both domestic sales and exports witnessing significant growth in recent times. The IT sector employed 2.8 million professionals in 2011, generating revenues nearing US\$100 billion and accounting for 26% of India's merchandise exports. Furthermore, the pharmaceutical industry has established itself as a global contender, emphasizing research and development.

India's economic prospects appear promising, with growth expected to remain robust in the short term. The government's dedication to augmenting capital expenditure, especially on infrastructure, is anticipated to bolster growth and enhance competitiveness. Additionally, India's emphasis on manufacturing, sustainable energy sources, and exports will further fortify its economic foundation.

### Indian Chemical Industry

The chemical sector plays a vital role in India's economy, contributing significantly to its GDP and ranking among the fastest-growing industries. As of 2022, the chemical industry accounts for

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7% of India's GDP, making India the sixth-largest chemical producer globally and the third-largest in Asia.

India boasts several niche specialty chemical firms that rank among the world's largest in their respective specialized sectors.

For a decade, India's chemical industry has consistently surpassed global averages in demand growth and wealth creation for shareholders. With its rapid economic expansion, growing middle class, and competitive capital and operational costs, India has the potential to emerge as a key consumer and producer in the global chemical sector. Nonetheless, challenges such as limited access to domestic raw materials, regulatory delays, and a shortage of skilled R&D professionals continue to be obstacles for the Indian chemical industry.

### Key Opportunities

- **Specialty Chemicals:** The specialty chemical sector in India offers local manufacturers a chance to enrich and diversify their product range. Incorporating specialty chemicals such as polymer additives, lubricant additives, and water treatment chemicals can enable manufacturers to meet the rising demand for value-added products.
- **Export Opportunities in Growing Markets:** Emerging markets in the Asia Pacific and Africa regions present significant growth prospects for both small and large-scale Indian chemical manufacturers. With these regions experiencing rapid growth, Indian chemical companies should explore these markets to broaden their customer base.
- **Fine and Specialty Chemicals:** Venturing into the fine and specialty chemicals sector offers substantial growth opportunities for India's chemical firms. This sector allows companies to capitalize on their technical expertise and cost-effective innovation capabilities without

being hindered by challenges like high capital costs, limited hydrocarbon access, or elevated energy expenses.

- **Decentralized Manufacturing Systems:** Transitioning from a single-country manufacturing approach to a multi-country operational model is gaining traction among manufacturers. Adopting this strategy can offer a more resilient and diversified supply chain, presenting an advantage for Indian specialty chemical companies aiming for global expansion.

### Key Challenges

- **Raw Materials:** Securing the necessary raw materials for chemical processes can be challenging in India, often resulting in higher feedstock costs compared to countries like the Middle East, China, and other Southeast Asian nations.
- **Infrastructure Challenges:** Limited access to railway depots, ports, and inadequate pipeline connectivity pose obstacles to the seamless delivery of raw materials. Additionally, small and medium-sized industries face power supply issues as they may not have access to captive power plants.
- **Logistics:** While most chemical industries are located on the west coast, primarily in Gujarat, to be close to raw material sources and ports, the main demand from end-users often comes from the south and east regions. This geographical disparity leads to increased transportation costs and raises overall production expenses.
- **Global Competition:** Cheaper chemical imports from low-cost manufacturing centers like China have intensified competition in India. Since joining the World Trade Organization, India has reduced import tariffs on various products, further increasing competitive pressures.



- **Plant Underutilization:** Due to oversupply in the global petrochemical market, the cost of petrochemicals has decreased, causing domestic manufacturers to underutilize their production facilities.
- **R&D Limitations:** The high cost associated with research and development discourages domestic manufacturers from introducing new products to the market, hindering their ability to innovate and adapt.
- **Skilled Labor Shortage:** The chemical industry in India grapples with a significant shortage of skilled workers, impacting productivity. A study by FICCI-NASSCOM & EY highlighted that out of India's 600 million-strong workforce, 9% will be in jobs that currently don't exist, and 37% will require entirely new skill sets. Over the next decade, the manufacturing sector alone is projected to face a shortfall of 7.9 million workers.

### Outlook:

The Indian specialty chemical industry is poised for growth driven by increasing demand from various sectors, technological advancements, and favourable government policies. Despite challenges like raw material availability, infrastructure limitations, and skill shortages, the industry's focus on innovation, collaboration, and product diversification presents a promising outlook for becoming a major player in the global market. By addressing these challenges and leveraging opportunities, the Indian specialty chemical industry can continue its growth trajectory and contribute significantly to the country's economic development.

### Bromine

The global Bromine market is on a growth trajectory and is anticipated to continue expanding in the coming years. Valued at approximately USD 2.8 billion in 2022, the market is forecasted to reach around USD 4.7 billion by 2033, with a compound

annual growth rate (CAGR) of about 2.7%. The market is segmented by derivatives such as organobromine, clear brine fluids, and hydrogen bromide, and by applications including flame retardants, oil & gas drilling, water treatment, among others.

The Asia-Pacific region is expected to dominate the market share, driven by increasing demand from sectors like electronics, automotive, and pharmaceuticals. Countries like China and India are key players in bromine production.

### Industrial Salt

The industrial salt market is propelled by its growing applications across various sectors and the cost-effective, availability of salt reserves. Industrial salt finds use in diverse industries including chemical processing, de-icing, water treatment, oil & gas, and agriculture.

A significant portion of the global industrial salt is dedicated to de-icing roads to enhance driving safety. Moreover, the chemical industry relies on salt as a filler to expedite the dissolution of chemicals in water, and energy-producing facilities like solar ponds that require substantial amounts of salt to maintain optimal salinity levels.

The global industrial salt market was valued at US\$ 14.7 billion in 2023 and is projected to grow at a CAGR of 4.0% from 2023 to 2033. The market's growth is fuelled by rising demand from the chemical processing, oil & gas, and de-icing sectors. Additionally, the increasing demand for chlorine alkali in the production of vinyl and other downstream chemicals contributes to market expansion.

### SOP

The Sulphate of Potash (SOP) market is poised for a promising future. The global Potassium Sulphate market is projected to reach US\$5.4 billion by 2027, with a CAGR of 4.8% from 2022 to 2027. In the Asia-Pacific region, the SOP market is expected to grow from USD million in 2022 to USD million by 2028, at a CAGR of 5%.

This growth is fuelled by the rising demand for potassium sulphate across industries such as agriculture, pharmaceuticals, cosmetics, and food & beverages. Key drivers for the SOP market include the increasing adoption of high-efficiency fertilizers, growing urbanization, and the emphasis on food security, particularly in regions like Asia and Latin America. The market is characterized by its segmentation based on grade, form, end-use industry, and geography, highlighting the diverse applications and growth opportunities within the SOP sector.

### Company Overview

Archean Chemical Industries Limited (ACIL) is an India-based specialty chemicals manufacturing company that produces and supplies marine chemicals. The company is engaged in the production and supply of industrial salt, liquid bromine, sulphate of potash (SOP). ACIL serves a range of industries, including agriculture, pharmaceutical, water treatment, aluminium, glass, and textiles.

### Product wise performance

Revenue (₹ in Cr)	FY 2023-24	FY 2022-23	FY 2021-22
Bromine	427.43	708.39	605.28
Industrial Salt	840.06	728.12	512.89
Sulphate of Potash	35.96	3.05	11.39

Bromine is a naturally occurring element. The most recoverable form of bromine is from soluble salts in seawater, salt lakes, inland sea and brine wells. Bromine in much higher concentration is found in inland sea and brine wells. Much of the bromine and brominated compounds are manufactured at the Dead Sea in Israel, Jordan, and the US. It is widely used as a reactant and catalyst for manufacturing various products, such as agrochemicals, biocides, water disinfectants, pharmaceutical intermediates, dyes, completion fluids, flame retardants, and photographic chemicals. Bromine

finds applications in chemicals, rubbers, plastics, agrochemicals, oil and gas, pharmaceuticals, electronics, textiles and other industries. The global bromine market can be segmented into applications such as flame retardants, clear brine fluids, biocides, brominated organic intermediates, fungicides, etc. The company increased bromine's capacity to 42,500 MTPA in January 2023 from 28,500 MTPA earlier. The increased bromine capacities will be used for captive consumption in the bromine derivatives plant, leading to expansion in its product portfolio.

Bromine Derivatives a class of bromine second-derivative products with multiple use cases. The company is gearing up to introduce a range of bromine second-derivative products known as Bromine Derivatives. These products include BFR (bromine flame retardants), CBF (clear brine fluids), and PTA. The company plans to launch them to the market in the second half of the fiscal year 2024. To facilitate this, ACIL is establishing a new production facility with a capacity of 28,000 metric tons per annum (MTPA) through its subsidiary, Acume Chemicals Private Ltd (ACPL). ACPL has commissioned its phase 1 of the facility on March 14, 2024 and has started its commercial production from this date onwards.

During the year, ACIL through one of its subsidiary company, acquired Oren Hydrocarbons Private Ltd. The Company will thus be able to offer other specialized products for oil drilling beyond those CBR bromine derivatives. It will be able to expand its portfolio of products.

**Industrial salt** is another main product. ACIL is India's largest producer of industrial salt, with a capacity of 4 million MT in FY24. Industrial salt has 14,000 commercial uses of salt, a source of sodium and chlorine, which are essential components of an array of materials, glass, synthetic rubber, cleansers, pesticides, paints, adhesives, fertilizers, explosives and metal coatings. The company exported 100% of its industrial salt production and benefits from its nearness to the captive



Jakhau Jetty and Mundra Port, where it transports industrial salt to its customers globally.

With respect to Sulphate of potash (SOP), ACIL is India's only large-scale producer of fertilizer grade water soluble SOP. It is produced through sea brine, which has a low cost of production and is green (no chemical process involved). Globally, only 15% of SOP is produced through this brine route, and the majority are by the Mannheim process, which consists of converting MOP (muriate of potash) into SOP by using sulphuric acid. The cost of production of SOP is lowest for brine-based production.

## RISKS AND CONCERNS

The Company recognises, assesses, and manages

risks by placing suitable mitigation measures against each identified risk. The Company is engaged in formulating and recommending an appropriate Risk Management Policy to the Board on a continuous basis. The Risk Management Committee ensures (a) that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company (b) monitoring and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems. (c) periodically review the risk management policy (d) to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

**In the constantly changing environment in which the Company operates, risk analysis and mitigation are crucial.**

Risk	Impact	Mitigation
Competition	The Company might fail to act on the underlying opportunities in a timely manner- - Increased and intensified competition might hurt the Company's market share, margin profile, and return on capital employed	The Company is always aware of new prospects in the chemical industry and responds proactively by introducing new products to its portfolio. - Our long-standing client connections help us manage this risk as a chosen supplier and dependable partner. Constantly review peers and focus on quality of the product and timely servicing the customer.
Raw material price risk	Increase in crude oil prices and the pricing of other raw materials might have an impact on the bottom line.	Our backward integration enables us to receive a consistent supply of Inputs at a low cost. Further, the Company is constantly working towards Multi supplier approach so as to lessen our reliance on single supplier, reducing the risk
Disaster risks	The Company might be hit by force majeure events such as cyclone etc.,	We ensure our preparedness to face such events. Our manufacturing plant(s) are insured against natural risks.
Foreign currency exchange rate risk	Foreign exchange rate changes might have a substantial influence on our financial performance with our exports accounting for more than 70% of our revenue, and significant portion of our raw material being imported	Our strong foreign exchange hedging mechanism and processes, such as forward contracts, help us to manage this risk

## INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Management is responsible for establishing & maintaining internal controls for financial reporting. The Statutory Auditors have evaluated the system of internal controls of the Company and also reviewed their effectiveness and have reported that the same are adequate & commensurate with the size of the Company and the nature of its business.

They have also reviewed the internal controls pertaining to financial reporting of the Company to ensure that financial statements of the Company present a true and fair view of the state of affairs of the Company. In addition, Auditors in their report have also opined that the Company has in all material respects adequate internal financial control systems over financial reporting and the same were operating effectively as on 31<sup>st</sup> March 2023.

## DISCUSSION ON FINANCIAL PERFORMANCE / OPERATION PERFORMANCE

Archean Chemical Industries Limited's total revenue on a standalone basis is ₹ 1329.58 crores. In FY 24, the EBITDA stands at ₹ 511.03 crores, compared to ₹ 678.55 crores in FY 23. In FY 24,

the PAT is ₹ 322.35 crores, compared to ₹ 383.65 million in FY 23. EPS in FY 24 is ₹ 26.17.

On a consolidated basis, the total revenue is ₹ 1330.09 crores. EBITDA stands at ₹ 505.98 crores in FY 24, compared to ₹ 677.27 crores in FY 23. PAT stands at ₹ 318.97 crores in FY 24, compared to ₹ 382.56 crores in FY 23. EPS stands at ₹ 25.90 in FY 24.

## MATERIAL DEVELOPMENT IN HUMAN RESOURCE & INDUSTRIAL RELATIONS

The Company is a people centric organisation. It treats its employees as most integral asset. The Company has an excellent HR system and well-structured policies for the healthy development of this asset. The Company strives to achieve inclusive growth for its employees, thereby ensuring its goals are aligned with its employees. Further, the Company has a strong people policy aimed at recruiting the best talent, training the people, engaging with them continuously, and ensuring strong retention, thereby, laying foundation to a robust human capital. The Company periodically conducts programs and initiatives to strengthen talent management, capability development, and performance of its employees. As on 31 March 2024, the Company had 288 employees working at both plant and Registered Office.

## Key Ratios

Metric	FY 23-24	FY 22-23	% Change	Explanation
Current ratio	5.7	3.4	68%	Increase in current assets due to increase in investment in Mutual funds.
Debt-Equity Ratio	0.00	0.02	-97%	Due to reduction in short term borrowings.
Return on Net Worth	20.5%	45.3%	-55%	Due to increase in Average Shareholder's Equity.
Inventory turnover	9.0	10.0	-10%	-
Debtors turnover	9.7	10.7	-9%	-
Operating Profit Margin	37.2%	45.7%	-19%	-
Net profit Margin	24.2%	26.6%	-9%	-
Interest Coverage Ratio	45.6	6.3	625%	Due to reduction in interest on account of redemption of NCD's in FY 22-23.

**Form AOC-1**

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

**Part A - Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rupees lakhs, unless otherwise stated)

Name of the subsidiary	Acume Chemicals Private Limited	Neun Infra Private Limited	Idealis Chemicals Private Limited	Sicsem Private Limited
The date since when subsidiary was acquired / Incorporated	18/11/2021	03/10/2023	05/10/2023	30/12/2023
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	-	-	-	-
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	INR	INR	INR
Share capital	500.00	300.00	300.00	5.00
Reserves and surplus	(404.94)	2.63	(81.62)	(2.28)
Total assets	14,018.04	303.62	7,763.12	275
Total Liabilities	13,922.98	0.99	7,544.74	272.28
Investments	1,404.09	3.50	0.00	0.00
Turnover	51.44	0.00	0.00	0.00
Profit/(Loss) before taxation	(310.08)	3.52	(109.07)	(2.28)
Profit/(Loss) after taxation	(256.22)	2.63	(81.62)	(2.28)
Proposed Dividend	-	-	-	-
Extent of shareholding (in percentage)	100%	100%	100%	70%

Notes:

- Names of subsidiaries which are yet to commence operations – Neun Infra Private Limited and Sicsem Private Limited are yet to commence its commercial operations.
- No subsidiaries have been liquidated or sold during the year.

**Part “B”: Associate Company and Joint Venture - Nil**

Date : May 14, 2024

Place : Chennai

**P Ranjit**

Managing Director

DIN: 01952929

**R Raghunathan**

Chief Financial Officer

**S Meenakshisundaram**

Director

DIN: 01176085

**S Balasundharam**

Company Secretary

M.No: A-11114



## ANNUAL REPORT ON CSR ACTIVITIES

### 1) Brief outline of CSR Policy

The Company in its endeavour to contribute for the sustained development and growth of the Society has formulated its CSR Policy to achieve any or all of the following objectives.

- a) To create positive and sustainable impact on society and invest in improving lives of nearby community.
- b) To engage with nearby community in identifying local needs and requirements.
- c) To identify opportunity and initiatives to enhance - Social, Environmental and Economic Value to the Society along with desired impact.
- d) To Institute a process and a suitable mechanism for the implementation and monitoring of the CSR activities.

### 2) Composition of CSR Committee as on 31.03.2024

Sl. No	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. S Meenakshisundaram	Chairman	1	1
2.	Mr. P Ravi	Member	1	1
3.	Mrs. Padma Chandrasekaran	Member	1	0

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	<a href="https://www.archeanchemicals.com/investor-relations/admin/assets/products/Corporate%20Social%20Responsibility%20Policy.pdf">https://www.archeanchemicals.com/investor-relations/admin/assets/products/Corporate%20Social%20Responsibility%20Policy.pdf</a>
4	Provide the executive summary along with the web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable	Not Applicable
5	(a). Average net profit of the company as per sub-section (5) of Section 135	₹28,555.55 Lakhs
	(b) Two percent of average net profit of the company as per sub-section (5) of Section 135	₹571.11 Lakhs
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	₹21.95 lakhs
	(d) Amount required to be set-off for the financial year, if any	₹21.95 Lakhs
	(e) Total CSR obligation for the financial year $\{(b)+(c)-(d)\}$	₹549.16 Lakhs
6	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹559.96 Lakhs



(b) Amount spent in Administrative Overheads	Nil
(c) Amount spent on Impact Assessment, if applicable	Not Applicable
(d) Total amount spent for the Financial year [(a)+(b)+(c)]	₹559.96 lakhs
(e) CSR amount spent or unspent for the financial year:	Spent: ₹559.96 lakhs Unspent : Nil

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹In Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	571.11
(ii)	Total amount spent for the Financial Year	559.96
(iii)	Excess amount spent for the Financial Year	10.80
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	10.80

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

Sl. No	Preceding Financial year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Year (in ₹)	Deficiency, if any
1	FY - 1			Nil		
2	FY - 2					
3	FY - 3					

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

No

If Yes, enter the number of Capital assets created / acquired - Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial year:

Sl No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner
(1)	(2)	(3)	(4)	(5)	(6)

	CSR Registration Number, if applicable	Name	Registered address
1.	Not Applicable		

**9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135**

Not Applicable

**P Ranjit**  
Managing Director  
DIN: 01952929

**S Meenakshisundaram**  
Chairman of the CSR Committee  
DIN: 01176085

Date : May 14, 2024

Place : Chennai



## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Code of Corporate Governance

The governance philosophy of your Company is inspired by its core values of professionalism, integrity, and excellence. It provides the framework for attaining the Company's objectives while balancing the interests of all its stakeholders and ensuring that the business is being conducted in a fair manner. At Arcean, we believe effective leadership, robust corporate governance practices and a rich legacy of values form the hallmark of our best corporate governance practices.

Your Company is cognizant of the fact that effective corporate governance is about creating long-term sustainable value for its stakeholders. While Arcean strives to achieve the highest governance standards, it continues to refine its ongoing practices to ensure the fulfilment of this goal.

The detailed report on Corporate Governance for the Financial Year ended March 31, 2024, as per Regulation 34(3), read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 SEBI (LODR) is set out below.

### 2. Board of Directors

The Board has an optimum combination of executive and Non-executive Directors. The composition of the Board is in conformity with Regulation 17 of the 5 ("SEBI LODR"). As on March 31, 2024, the Board consists of Six (6) Directors, headed by the Managing Director as mentioned below:

Sl. No	Name of the Directors / DIN	Category	No. of Directorship in other public limited Companies in India	No. of Membership in Committees of Boards of other public limited Companies	No. of Chairmanship in Committees of Boards of other public limited Companies	No. of shares held
1	Mr. Ranjit Pendurthi DIN: 01952929	Managing Director	Nil	Nil	Nil	2,82,65,965
2	Mr. Ravi Pendurthi DIN: 02334379	Non-executive	Nil	Nil	Nil	-
3	Mr. S Meenakshisundaram DIN: 01176085	Non-executive	1	1	1	1,35,000
4	Mr. Padma Chandrasekaran DIN: 06609477	Independent	1	2	Nil	-
5	Mr. K M Mohandass DIN: 00707839	Independent	1	4	1	-
6	Mr. C G Sethuram DIN: 01081951	Independent	Nil	Nil	Nil	-

Note: The Chairmanship / Membership are in accordance with Regulation 26 of the SEBI LODR. The Committee positions held by the Directors across all Companies in which they are Directors are in accordance with Regulation 26 of the SEBI LODR. The Independent Directors maintain their limits of Directorship as per SEBI LODR.

During the year under review Mr. P. Ravi has transferred 16,08,768 shares to Mr. P. Ranjit and hence there is an increase / decrease in the respective shareholdings. The transfer of shares were in compliance with applicable Companies Act, 2013, SEBI SAST and other regulations.

Mr. Ravi Pendurthi Non-executive Director is the brother of Mr. Ranjit Pendurthi, Managing Director. There is no inter-se relationship among other Directors of the Company.

There are no Alternate Directors on the Board. The woman Director of the Company is an Independent Director.

In the opinion of Board, the Independent Directors fulfil the conditions specified in SEBI LODR and the provisions of the Companies Act, 2013 (Act) and are independent of the management of the Company. Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration under Section 149(7) of the Act that he/ she meets the criteria of independence as required under Section 149(6) of the Act.

All Independent Directors have confirmed that they meet the “independence” criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Act. The Independent Directors have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. Your Company has issued formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been hosted on the website of the Company [https://www.archeanchemicals.com/investor-relations/admin/assets/products/5888\\_Draft-Letter-of-Appointment-Independent-Director.pdf](https://www.archeanchemicals.com/investor-relations/admin/assets/products/5888_Draft-Letter-of-Appointment-Independent-Director.pdf)

All the Directors have complied with the provisions of maximum number of Directorships permitted under the Act read with Regulation 17A of SEBI LODR. The Directors periodically notify the Company about changes in the Directorship / Committee positions as and when they take place. The names of the listed entities (including this Company) and the category of directorship of existing as on March 31, 2024 Directors are as follows: Other directorships do not include directorships of private limited companies, Section 8 companies and companies incorporated outside India. Chairmanships/ memberships of Board committees shall include only Audit Committee and Stakeholders' Relationship Committee as per Regulation 26(1)(b) of the SEBI (LODR).

Name of the Director	Name of the Listed entity	Category of directorship	No. of Membership/ Chairmanship in any other public limited companies
Mr. Ranjit Pendurthi	Archean Chemical Industries Limited	Executive Director	-
Mr. Ravi Pendurthi	Archean Chemical Industries Limited	Non-executive	-
Mr. S Meenakshisundaram	Archean Chemical Industries Limited	Non-executive	-
Mrs. Padma Chandrasekaran	Archean Chemical Industries Limited	Independent	-
Mr. K M Mohandass	i. Archean Chemical Industries Limited ii. Aptus Value Housing Finance India Limited	Independent	1
Mr. C G Sethuram	Archean Chemical Industries Limited	Independent	-



### Attendance at Board Meetings and last Annual General Meeting (AGM):

During the financial year 2023-24, the Board met five (5) times on May 26, 2023, August 11, 2023, September 25, 2023, October 31, 2023 and February 03, 2024 with requisite quorum present throughout these meetings. The attendance particulars of the Directors are as under:

Name of the Director	No. of Board meetings held during the year	No. of Board meetings attended	Attendance at AGM held on July 26, 2023
Mr. Ranjit Pendurthi	5	5	Yes
Mr. Ravi Pendurthi	5	4	Yes
Mr. S Meenakshisundaram	5	5	Yes
Mrs. Padma Chandrasekaran	5	5	Yes
Mr. K M Mohandass	5	5	Yes
Mr. C G Sethuram	5	5	Yes

### Pecuniary transactions with Non-Executive Directors

During the financial year, there were no pecuniary transactions with Non-executive Directors.

### Chart / matrix setting out the skills / expertise / competence of the Directors

The Board comprises of qualified members who have skills, competence and expertise that allows them to make effective contributions to the Board and Committees. The Board ensures and maintains the highest standard of Corporate Governance. The skills, expertise and competencies of each of the Directors are as follows:

Name of the Director	Mr. Ranjit Pendurthi	Mr. Ravi Pendurthi	Mr. S Meenakshisundaram	Mrs. Padma Chandrasekaran	Mr. K M Mohandass	Mr. C G Sethuram
Experience and Industry knowledge	✓	✓	✓	✓	✓	✓
Finance & Accounts	✓	✓	✓	✓	✓	-
Corporate Governance	✓	✓	✓	✓	✓	✓
General Management & Leadership	✓	✓	✓	✓	✓	✓
Technology and Development	✓	✓	-	-	-	✓
Sales & Marketing	✓	✓	-	-	-	-
Business Development	✓	✓	-	-	-	-

### Familiarization program

Pursuant to Regulation 25 of SEBI LODR, the Company is required to conduct various program for the

Independent Directors of the Company to familiarize them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The Company has done familiarization program of the Independent Directors.

The weblink of the familiarisation programme can be accessed on the website of the Company <https://www.archeanchemicals.com/investor-relations/annual-report.php?id=MTc0>.

### 3. Audit Committee

#### Terms of reference

The Audit Committee is governed by the terms of reference which are as defined under the relevant provisions of the Act and SEBI LODR.

#### Composition, Meetings and Attendance

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Act and Regulation 18 of the SEBI LODR. The Committee met four (4) times during the year on May 26, 2023, August 11, 2023, October 31, 2023 and February 03, 2024 with requisite quorum present throughout these meetings. The Company Secretary acts as Secretary to the Committee. Chief Financial Officer attend meetings of the Audit Committee, as invitees. The Statutory Auditors/ Internal Auditor attend the Audit Committee Meetings for matters relating to discussion on financials results/ respective audit reports.

The details of members and their attendance are as below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. K M Mohandass, Chairman	Independent Director	4	4
Mr. S Meenakshisundaram	Non-executive Director	4	4
Mrs. Padma Chandrasekaran	Independent Director	4	4

All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board. The Chairman of the Audit Committee was present at the last AGM of the Company held on July 26, 2023.

### 4. Nomination and Remuneration Committee

#### Terms of Reference

The role of the Committee is in accordance with the provisions of the Act and SEBI LODR read with relevant rules framed thereunder. The Nomination & Remuneration Committee (NRC) constituted by the Board of Directors of the Company, shall identify, ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level. The Committee has powers to decide whether qualification, expertise and experience possessed by a person are sufficient for such position.



## Composition, Meetings and Attendance

The NRC consists of two Independent Directors and one Non-Executive Director constituted in accordance with Section 178 of the Act read with Regulation 19 of the SEBI LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met four (4) during the year on May 26, 2023, August 10, 2023, September 25, 2023 and February 03, 2024 with requisite quorum present throughout the meeting. The Chairman of the NRC had attended the AGM of the Company held on July 26, 2023. The details of members and their attendance are as below. The Committee as well acts as a Compensation Committee in accordance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEB) for dealing with matters relating to the implementation of the Employee Stock Option Plan of the Company. The NRC of the Board is authorised to perform all the functions and execute all powers as bestowed under the SEBI SBEB regulations.

Name	Category	No. of Meetings	
		Held	Attended
Mrs. Padma Chandrasekaran Chairperson	Non-executive and Independent	4	4
Mr. K M Mohandass	Non-executive and Independent	4	4
Mr. S Meenakshisundaram	Non-executive and Non Independent	4	4

## Nomination and Remuneration policy

Remuneration of the Directors, KMP shall be based on their scope of duties, role and nature of responsibilities, level of skill, knowledge and experience, core performance, requirements, the Company's performance and such other parameters as the Company may decide from time to time. The remuneration for Senior Management and KMP will be decided by the Committee and power to fix the remuneration to other employees has been delegated to the human Resources Department of the Company. The criteria for making payment to Non-executive directors are in accordance with the policy framed by the Nomination and Remuneration Committee. The said Policy forms part of the Directors report. The performance evaluation criteria for Independent Directors are also as per the said policy.

The remuneration policy of the Company is annexed to the Board's Report and can also be accessed on the Company's website at <https://www.archeanchemicals.com/investor-relations/admin/assets/products/Nomination%20and%20Remuneration%20Policy.pdf>

## Performance Evaluation of non-executive and Independent Directors

Pursuant to the provisions of the Act and Regulation 37(10) of the SEBI LODR, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Statutory Committees constituted by the Board. A peer review was done by all the Directors evaluating every other Director. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board



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Diversity, execution and performance of specific duties, obligations and governance. Feedback on the appraisal has been provided to the Board members

### **Criteria for making payments to Non-Executive Directors**

The Non-Executive Directors of the Company are / will be paid remuneration based on the criteria laid down by the NRC and the Board which may include: Performance of the Company. Members' attendance, position held in the Committee(s); and Time spent by each Member

## **5. Stakeholders Relationship Committee**

### **Terms of reference**

The Stakeholders Relationship Committee ("SRC") was constituted in compliance with the provisions of Section 178(5) of the Act, read with Regulation 20 and Part D of Schedule II of SEBI LODR. The Committee is governed by the terms of reference which are as defined under the relevant provisions of the Act and SEBI LODR.

### **Composition, Meetings and Attendance**

The Committee consists of Mr. S Meenakshisundaram as Chairman, Mr. P Ranjit and Mr. C G Sethuram as its members. Mr. S Balasundharam, Company Secretary is the compliance officer of the Company and acts as the Secretary to the Committee. The Committee met once (1) on February 28, 2024 which was attended by all the members of Committee and the requisite quorum present throughout these meetings. The Chairman of the SRC had attended the AGM of the Company held on July 26, 2023.

The details of complaints are reported to the Board of Directors in each meeting in accordance with the SEBI LODR. The details of investor complaints for the year are as under:

Number of pending complaints during the start of the financial year	Nil
Number of Shareholders' complaints received during the year	11
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

## **5A) Risk Management Committee (RMC)**

### **Terms of Reference**

The role of the Committee is in accordance with the provisions of the Act read with relevant rules framed as per SEBI LODR.

The terms of reference of this Committee are as specified under Regulation 21 of SEBI (LODR) read with Part D of Schedule II. The RMC monitor and review the risk management plan of the Company and perform such other functions as mandated by the Board of Directors. The Company has been regularly reviewing and upgrading the Cyber Security measures for safeguarding the network, systems and data.

The risk management policy is available on the company's website <https://www.archeanchemicals.com/investor-relations/admin/assets/products/Risk%20Management%20Policy-15.01.2022.pdf>



## Composition, Meetings and Attendance

The Company Secretary acts as the Secretary to the Committee. The Committee met twice (2) on August 10, 2023 and January 31, 2024. The requisite quorum was present throughout these meetings. The details of members and their attendance are as below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. S Meenakshisundaram	Non-Executive Director	2	2
Mr. P Ranjit	Managing Director	2	2
Mr. C G Sethuram	Independent Director	2	2
Mr. R Raghunathan	Chief Financial Officer	2	2

### 5B) Senior Management

There are no changes in the Senior Management/ KMP otherwise than disclosed in the Directors' Report.

### 6. Remuneration of Directors

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for attending meetings of the Company.

The remuneration paid to the directors of the Company is within the limits prescribed under the Companies Act, 2013 and the SEBI (LODR).

#### Criteria for making payments to Non-Executive Directors

The Non-Executive Directors of the Company are paid remuneration by way of sitting fee and profit related commission based on the criteria laid down by the NRC and the Board. The details on the criteria for making payments to the Non-Executive Director(s) is available on the Company's website [www.archeonchemicals.com](http://www.archeonchemicals.com).

#### Details of the Remuneration for Non-Executive Directors for the year ended March 31, 2024

S. No	Name of the Director	Sitting fees (₹)	Employee Stock Option (₹)	Total (₹)
1	Mr. S Meenakshisundaram	6,75,000	9,95,08,500*	10,01,83,500
2	Mr. P Ravi	2,75,000	-	2,75,000
3	Mrs. Padma Chandrasekaran	6,00,000	-	6,00,000
4	Mr. K M Mohandass	5,75,000	-	5,75,000
5	Mr. C G Sethuram	4,25,000	-	4,25,000

\* Consequent to the exercise of ESOP.

Note: The Commission of Rs. 15,00,000 to each of the Non-executive Directors including Independent Directors for the financial year ended March 31, 2024 will be paid subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company in accordance with SEBI LODR. Hence Commission part is not included in the above table. The above payment of Commission is in accordance with the NRC Policy of the Company.

### Details of Remuneration for the Executive Director for the year ended March 31, 2024

S. No	Particulars of Remuneration	Mr. P Ranjit, Managing Director
1	Gross Salary (Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 and Value of perquisites under Section 17(2) of the Income-tax Act, 1961)	6,51,13,000
2	Others (Commission on the Net Profit)	12,66,56,000

### Service Contract, Severance Fees and Notice Period

Terms of agreement	Mr. P Ranjit Managing Director
Period of Contract	5 years from November 27, 2023

Severance fees/Notice period: There is no separate provision for payment of severance fees.

### Corporate Social Responsibility Committee

In terms of Section 135 of the 2013 Act, the Board of Directors have constituted the Corporate Social Responsibility Committee (CSR Committee).

The CSR Committee formulates and recommends to the Board, a CSR Policy and the annual action plan indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. The Committee recommends the amount of expenditure to be incurred on the activities mentioned in the CSR Policy and monitors the implementation of the CSR Policy.

The Chairman of the Committee is Non-Executive Director and the Committee consists of another Non-Executive Director and Independent Director. The Company Secretary acts as the Secretary to the Committee. The Committee met once (1) on May 25, 2023. The requisite quorum was present throughout the meeting. The attendance of member of the Committee are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. S Meenakshisundaram	Chairman, Non-Executive Director	1	1
Mr. P Ravi,	Non-Executive Director	1	1
Mrs. Padma Chandrasekaran	Independent Director	1	1

### Independent Directors' Meeting

During the year under review, a Separate Meeting of Independent Directors were held on January 30, 2024 inter alia, to evaluate the performance of the non-Independent Directors, Chairman and the Board of Directors as a whole. Evaluation was done on the basis of attendance, quality of discussion in the meetings, content 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. All the Independent Directors attended the meeting.



## 7. Shareholders information - Details of Annual General meetings

### a. Location and time where the last three Annual General Meetings were held and the Special Resolutions passed thereat

Financial year 2022-23	Date	July 26, 2023
	Location	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")
	Time	10.30 A.M
	Special Resolution Passed	Reappointment of Mr. P Ranjit as Managing Director of the Company for a further period of 5 years from 27 <sup>th</sup> November 2023 to 26 <sup>th</sup> November 2028.
Financial year 2021-22	Date	July 08, 2022
	Location	No.2, North Crescent Road, T Nagar, Chennai 600 017
	Time	05.30 P.M.
	Special Resolution Passed	NIL
Financial year 2020-21	Date	December 29, 2021
	Location	No.2, North Crescent Road, T Nagar, Chennai 600 017
	Time	04.30 P.M.
	Special Resolution Passed	<ul style="list-style-type: none"> <li>• Approval for investment of Compulsory Convertible Preference Shares to the extent of 200 crores</li> <li>• Approval for creation, offer and issue of 4,80,000 Compulsory Convertible Debentures (CCDs) of ₹100/- each.</li> <li>• Approval for issuance of Unlisted Redeemable and Secured NCDs</li> <li>• Approval to increase the Borrowing Power of the Company to ₹1,250 crores.</li> </ul>

### b. Extraordinary General Meeting/Postal Ballot

No Extra-Ordinary General Meeting was held during the financial year 2023-24.

#### Postal Ballot:

During the year, approval of the Shareholders in respect of the following matters were obtained by way of Special Resolutions passed through Postal Ballot.

Nature of business	Period	Date of declaration
Adoption of new set of Articles of Association of the Company	June 10, 2023 to July 09, 2023	July 11, 2023
Approval for payment of remuneration to Mr. S Meenakshisundaram (DIN: 01176085) Non- Executive Director under Section 197 of the Companies Act 2013 & Regulation 17(6) (ca) SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015	October 17, 2023 to November 15, 2023	November 17, 2023

The Board had appointed Mr. R Satheesh Kumar, Practicing Company Secretary, Chennai (FCS: 10945) for conducting the first ballot process and M/s. B Chandra & Associates, Practicing Company Secretaries, Chennai (Regn No: P2017TN065700) as Scrutinizer for conducting the other postal ballot process in a fair and transparent manner.

### Procedure of Postal Ballot

The Postal Ballot was conducted in accordance with Section 110 and 108 of the Act read together with Rule 22 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, read with the General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (“MCA”), in continuation to the circulars issued earlier in this regard (“MCA Circulars”) (including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time). The shareholders were provided the facility to vote through e-voting. The postal ballot notice was sent to shareholders in electronic form having email addresses. The Company also published notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

### Details of special resolution proposed to be conducted through postal ballot

None of the businesses proposed to be transacted in the ensuing AGM requires the passing of a special resolution through postal ballot.

## 8. Means of Communication

The quarterly / annual financial results were published in business Standard (English) and Makkal Kural (Tamil – vernacular) within the stipulated time. The shareholding pattern and other disclosures / filings required to be made pursuant to relevant provisions of SEBI LODR, wherever applicable, have been uploaded on the websites of the Stock exchanges and the Company at [www. archeanchemicals.com](http://www.archeanchemicals.com).

During the year, press release, details of investors meet including its transcripts were made available on the website of the Company.

## 9. General Shareholder Information

Financial Year	2023-24
Date of Annual General Meeting	June 28, 2024
Time	10.00 am
Venue	Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
Date of book Closure/Record Date	NA/June 21, 2024
Dividend Payment Date	On or before July 27, 2024
Approval of financial results / statements (both standalone and consolidated) for the:	Financial Year: April 01, 2024 to March 31, 2025
Quarter ending June 30, 2023	Second week of August 2024
Quarter ending September 30, 2023	Second week of November 2024
Quarter ending December 31, 2023	Second week of February 2025
Year ending March 31, 2024	Last week of May 2025
	The above dates are only tentative in nature and may undergo changes based on the administrative / legal requirements.



Listing on Stock exchanges (including its address)	<ol style="list-style-type: none"><li>1) National Stock exchange of India Ltd. (NSE) Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G block, Bandra Kurla Complex, Bandra (e), Mumbai - 400 051</li><li>2) BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001</li></ol>
Listing fees	Annual listing fee for the financial year 2023-24 has been paid to both the Stock Exchanges.
ISIN Code in NSDL and CDSL	INE128X01021
Stock Code	NSE Symbol: ACI BSE Scrip code: 543657
Registrar and Share Transfer Agent	Link Intime India Private Limited C 101, 247 Park, L.B.S Marg Vikhroli (West), Mumbai, Maharashtra-400083
Share Transfer System	As on 31 <sup>st</sup> March 2024, the entire shares of the company is in Demat mode and there is no physical shareholding.
Dematerialization of shares and liquidity:	The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. M/s Link Intime Private Limited., is the RTA of the Company for establishing connectivity with NSDL and CDSL to facilitate dematerialization of the shares held by the Members.  As on March 31, 2024, 100% of the equity shares are held in dematerialized form.
Pattern of Shareholding as on March 31, 2024	Data in statement form – forming part of this Report
Distribution of shareholding as on March 31, 2024	Data in statement form – forming part of this Report
Share Performance	NSE & BSE vs Index Graph form - forming part of this Report
Share Price Data – high / Low	NSE & BSE – Data in statement form – forming part of this Report
Address for Investors' correspondence:	Registrar and Share Transfer Agents: Link Intime India Private Limited C 101, 247 Park L.B.S Marg Vikhroli (West), Mumbai, Maharashtra-400083, Phone: 8108114949  Investor Correspondence / Compliance Officer Mr. S Balasundharam, Company Secretary & Compliance Officer Arcean Chemical Industries Limited, No.2, North Crescent Road, T Nagar, Chennai 600 017 Phone: 044 - 61099999 e-mail ID: <a href="mailto:secretarial@arceanchemicals.com">secretarial@arceanchemicals.com</a>
Details of Unclaimed Shares Suspense Account	Not Applicable
Details of Shares transferred to IEPF Authority during 2023-24	Not Applicable

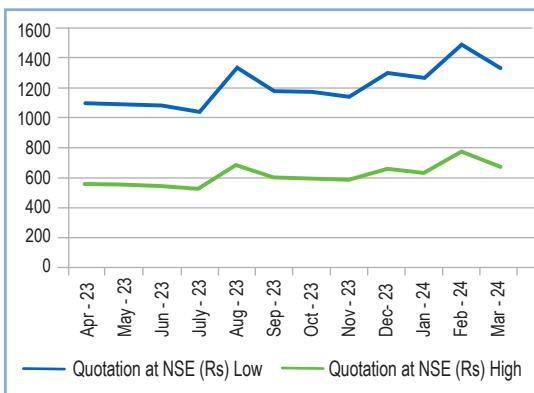
## Market price data

FY 2023-24 Quotation at NSE (₹)		
Month	High	Low
Apr-23	553.00	543.95
May-23	548.35	539.05
Jun-23	544.00	531.60
Jul-23	528.5	515.35
Aug-23	678.95	651.05
Sep-23	599.00	580.10
Oct-23	599.85	570.00
Nov-23	591.90	553.00
Dec-23	654.15	644.10
Jan-24	637.00	625.25
Feb-24	770.00	721.10
Mar-24	676.95	655.85

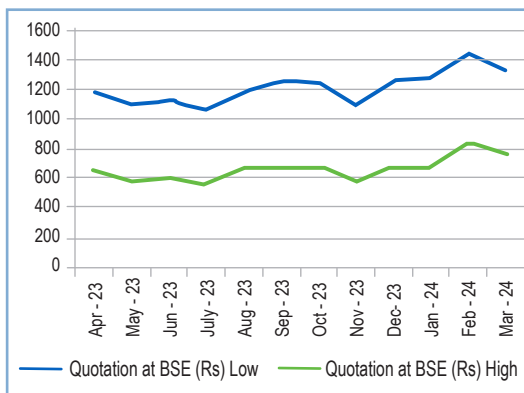
FY 2023-24 Quotation at BSE (₹)		
Month	High	Low
Apr-23	654.00	521.60
May-23	577.95	520.00
Jun-23	609.00	518.90
Jul-23	551.90	515.05
Aug-23	681.30	495.00
Sep-23	685.00	580.40
Oct-23	687.90	555.00
Nov-23	590.95	510.30
Dec-23	674.90	578.55
Jan-24	677.00	593.80
Feb-24	838.20	608.50
Mar-24	758.90	571.50

## Performance in Comparison to Broad Based Indices

### National Stock Exchange of India Limited:

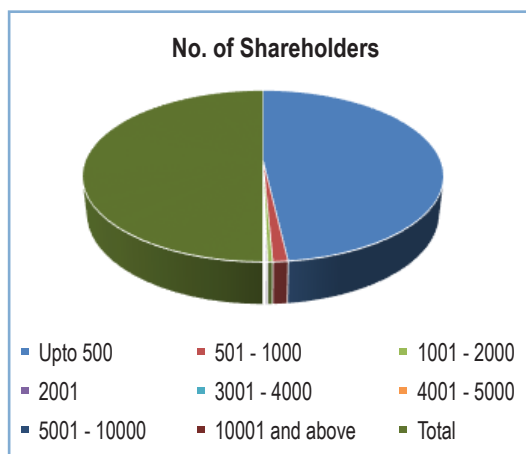


### BSE Limited



## Distribution Pattern

No. of shares	Shareholders		No. of shares Held	
	Number	%		%
Upto 500	104300	96.31	5584155	4.53
501 - 1000	2433	2.25	1729829	1.40
1001 - 2000	838	0.77	1215874	0.99
2001 - 3000	260	0.24	655019	0.53
3001 - 4000	105	0.10	374509	0.30
4001 - 5000	75	0.07	350109	0.28
5001 - 10000	122	0.11	897072	0.73
10001 and above	165	0.15	112590402	91.24
<b>Total</b>	<b>108298</b>	<b>100.00</b>	<b>123396969</b>	<b>100.00</b>





### Global Deposit Receipts/American Deposit Receipts

There is no outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity.

### Commodity price risk / foreign exchange risk and hedging activities

The Board has put in place a risk management policy to manage the risks inter-alia but not limited to risk arising out of foreign currency fluctuations. The Company enters into forward contracts to hedge the foreign currency risks.

### Plant locations

Hajjipir, Bhuj Taluk, Kutch District, Gujarat.

### Details of credit ratings obtained by the Company are as under:

Credit ratings given by: ICRA Limited

Name of the Instrument	Ratings obtained on March 2024
Long Term Rating for Term Loan	Crisil A-/Stable

### 10. Other Disclosures

- a) There were no materially significant related party transactions that may have potential conflict with the interest of listed entity at large. The transactions entered with related parties during the year were in the ordinary course, at arms' length and not in conflict with the interests of the Company.
- b) There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years.

- c) Vigil mechanism /whistle blower policy is in place and we affirm that no personnel has been denied access to the audit committee The whistle blower policy of the Company is available on the Company's website [www.archeanchemicals.com](http://www.archeanchemicals.com).
- d) details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

**Mandatory Requirements:** The Company has complied with the mandatory requirements of Part C of Sub-Paras (2) to (10) of Schedule V of the SEBI LODR. Company has adopted following requirements of SEBI LODR:

- i. Reporting of Internal Auditor: The Internal Auditor of the Company reports directly to the Audit Committee.
- ii. Audit Opinion: The Company is already in the regime of financial statements with unmodified opinion.
- e) The policies on Material Subsidiaries are available on the Company's website at <https://www.archeanchemicals.com/investor-relations/admin/assets/products/Policy%20on%20Material%20Subsidiaries.pdf>
- f) The policies on Related Party Transactions are available on the Company's website at <https://www.archeanchemicals.com/investor-relations/admin/assets/products/Related%20Party%20Transaction%20Policy.pdf>
- g) The Company has prepared the Financial Statements in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable.



- h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). – Not applicable.
- i) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. – Certificate from HVS & Associates, Company Secretaries is attached as Annexure A.
- j) There is no such instance occurred where the board had not accepted any recommendation of committee of the board which is mandatorily required, during the financial year under review.
- k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

	₹in Lakhs
Audit fees	43.30
Tax Audit fees	9.55
For Other Services	8.45
Reimbursement of expenses	0.60
<b>Total</b>	<b>61.90</b>

- l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- i) number of complaints filed during the financial year - Nil
- ii) number of complaints disposed of during the financial year - Nil
- iii) number of complaints pending as on end of the financial year. – Nil
- m) The Company has not given any loan or advances to any firm/company in which its Directors are interested.
- n) The company is not having any material subsidiary.
11. There is no non-compliance of any requirement of Corporate governance report. There are no disclosure requirements falling under Regulation 30A of the SEBI LODR.
12. The Company complied with all mandatory requirements prescribed under SEBI LODR.
13. The necessary disclosures of compliance with Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI LODR have been complied with.
14. Code of conduct: All Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct approved and adopted by the board of Directors and the declaration in this regard by the Managing Director is forming part of this Report as Annexure B.
15. As required in Schedule-V(E) of the SEBI LODR, the Auditor's Certificate is forming part of this report.
16. There is no demat suspense account/unclaimed suspense account.



## 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

Members of

**Archean Chemical Industries Limited**

No.2, North Crescent Road, T. Nagar,  
Chennai - 600 017.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ARCHEAN CHEMICAL INDUSTRIES LIMITED (formerly known as Archean Chemical Industries Private Limited) bearing CIN: L24298TN2009PLC072270 and having its registered office at No.2, North Crescent Road, T. Nagar, Chennai – 600 017 (hereinafter referred to as 'the Company'), produced before us 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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 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 in Company
1	Mr. Ranjit Pendurthi	01952929	27/11/2018
2	Mr. Ravi Pendurthi	02334379	29/01/2022
3	Mr. Subrahmanyam Meenakshisundaram	01176085	24/03/2010
4	Mrs. Padma Chandrasekaran	06609477	13/11/2019
5	Mr. Chittoor Ghatambu Sethuram	01081951	06/12/2021
6	Mr. Kandheri Munaswamy Mohandass	00707839	06/12/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our 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.

For **HVS & Associates**

Company Secretaries

Firm Unique Code: P2016TN048300

Peer Review No: 641/2019

**VINU THOMAS**

M.No: 10306, CoP:13428

UDIN: F010306F000362097

Place: Chennai

Date : May 14, 2024

### Code of Conduct Certification

The board of **ARCHEAN CHEMICAL INDUSTRIES LIMITED** laid down a code of conduct for all board members and Senior Management. The Code of Conduct has been posted in the Company's website [www.archeanchemicals.com](http://www.archeanchemicals.com).

Pursuant to regulation 26(3) of SEBI (LODR) Regulations 2015, this is to certify that all the members of the board and designated Senior Management personnel have affirmed compliance with the code of conduct for Directors and Senior Management, for the year ended 31<sup>st</sup> March 2024.

Place: Chennai  
Date : May 14, 2024

**P Ranjit**  
Managing Director  
DIN: 01952929

### Auditor's Certificate on Corporate Governance

#### AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Board of Directors of Archeon Chemical Industries Limited (Formerly known as Archeon Chemical Industries Private Limited).

1. This Certificate is issued in accordance with the terms of our engagement letter dated 1<sup>st</sup> March 2024.
2. We have examined the compliance of conditions of Corporate Governance by Archeon Chemical Industries Limited ('the Company') for the year ended 31<sup>st</sup> March 2024, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

#### Management's Responsibility

3. The compliance of the conditions of Corporate Governance is the responsibility of the Management. The responsibility includes the designing, implementing, and maintaining operating effectiveness of internal controls to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

#### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in the Paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with



conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Standards on Auditing, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI') and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on the procedures performed by us and to the best of our information, according to the explanations provided to us and the representation made by the management, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2024.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restrictions on use

9. This certificate is addressed and provided to the Board of Directors of the Company solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **PKF Sridhar & Santhanam, LLP**

Chartered Accountants

Firm's Registration No. 003990S/S200018

**S. Prasana Kumar**

Partner

Membership No. 212354

UDIN: 24212354BKGYYI8547

Place: Chennai

Date: 14 May 2024

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

#### **ARCHEAN CHEMICAL INDUSTRIES LIMITED**

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ARCHEAN CHEMICAL INDUSTRIES LIMITED (formerly known as Archean Chemical Industries Private Limited) (CIN: L24298TN2009PLC072270) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024, made available to us, according to the provisions of the following Laws and Regulations, as applicable to the Company, during the period of audit:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to extent applicable.
- (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 (Prohibition of Insider Trading) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - d. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - e. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable)
  - f. Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2018



- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable)
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable)
- (vi) The Management has identified and confirmed the Sector Specific Laws as applicable to the Company, being in Chemical Sector as given in Annexure – A.

During the period under review, we have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder (“the Listing Regulations”).

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India with effect from 1<sup>st</sup> July 2015, as amended from time to time.

The Management has identified and confirmed the Sector Specific Laws as applicable to the Company, being in Chemical Sector as given in Annexure – A.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the

provisions of the Act. During the year under review, Mr. P Ranjit, Managing Director, was reappointed for further period of 5 years from 27<sup>th</sup> November, 2023, in the Nomination and Remuneration Committee meeting held on 26<sup>th</sup> May, 2023.

- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the Companies Act, 2013, 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.
- (iii) Based on the Minutes made available to us, we report that all the Board and Committee decisions were passed unanimously.
- (iv) As represented by the Management and relied upon the same by us, there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (v) The Compliance by the Company of applicable financial laws like Direct and Indirect Tax Laws, and other financial laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

We further report that during the audit period:

- a) The Company has incorporated two Wholly-Owned Subsidiaries, namely, Neun Infra Private Limited and Idealis Chemicals Private Limited on 3<sup>rd</sup> October 2023 and 5<sup>th</sup> October 2023 respectively.
- b) The Company has incorporated a Step-down Subsidiary, SiCSem Private Limited (70% of the capital is held by the WOS - Neun Infra Private Limited) on 30<sup>th</sup> December 2023.

- 
- c) The Company has allotted equity shares against the exercise of the 3,43,980 Options, granted to certain employees of the Company at face value of ₹2/- each fully paid-up under the Archean Employee Stock Option Plan 2022' ("ESOP 2022" / "Plan").
- d) The Company has altered its Articles of Association by adopting new set of Articles of Association of the Company by approval of members through Postal Ballot.
- e) During the year under review there were no instances of buy-back of securities.
- f) During the year under review there were no instances of Merger / amalgamation / reconstruction, etc. other events involving the Company.
- g) Foreign technical collaborations- No Foreign technical collaborations were entered in to by the Company during the year under review.

**For HVS & Associates**  
 Company Secretaries  
 Firm Unique Code: P2016TN048300  
 Peer Review No: 641/2019

**VINU THOMAS**

Place: Chennai      M.No: 10306, CoP:13428  
 Date: 14/05/2024      UDIN: F010306F000329207

## ANNEXURE -A

### SECTOR SPECIFIC LAWS AS APPLICABLE TO THE COMPANY, BEING IN CHEMICAL INDUSTRY

- Air & Water (Prevention and Control of Pollution) Acts, 1981
- Environment Protection Act, 1986 read with Environment (Protection) Rules, 1986
- Atomic energy Act, 1962
- Factories Act, 1948
- Minimum Wages Act, 1948
- Explosives Act, 1884 and Gas Cylinders Rules, 2016
- Indian boilers Act, 1923
- Petroleum Act, 1934 with Petroleum Rules, 2002
- Food Safety and Standards Act, 2006
- Gujarat state specific laws.

**For HVS & Associates**  
 Company Secretaries  
 Firm Unique Code: P2016TN048300  
 Peer Review No: 641/2019

**VINU THOMAS**

Place: Chennai  
 Date: 14/05/2024

M.No: 10306, CoP:13428  
 UDIN: F010306F000329207

This Report is to be read with our letter of even date which is annexed as Annexure and Forms an integral part of this report.



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## ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,

The Members,

### ARCHEAN CHEMICAL INDUSTRIES LIMITED

Our Secretarial Audit Report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards are the responsibility of the management. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. Subject to paragraph 1 above of this Annexure, our examination was limited to the verification of procedure on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained Management Representation from the Company and relied upon the same with regard to the compliance of laws, rules and regulations and happenings of events, etc.
- 5) The Secretarial audit 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.

For **HVS & Associates**

Company Secretaries

Firm Unique Code: P2016TN048300

Peer Review No: 641/2019

**VINU THOMAS**

M.No: 10306, CoP:13428

UDIN: F010306F000329207

Place: Chennai

Date: 14/05/2024

This Report is to be read with our letter of even date which is annexed as Annexure and Forms an integral part of this report.



## Compliance Certificate

(Regulation 17 (8) of SEBI (LODR) Regulations 2015)

### MD / CFO CERTIFICATE

To

The Board of Directors

**Archean Chemical Industries Limited**

We here by certify to the best of our knowledge and belief, that

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31<sup>st</sup> March 2024 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material act 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. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year 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 I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Company's Auditors and the Audit Committee of Archean Chemical Industries Limited that:
  - a) significant changes, if any in the Company's internal control over financial reporting during the year
  - b) significant changes, if any in accounting policies during the year and the same have been disclosed in the notes to the financial statements
  - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Archean Chemical Industries Limited**

Date : May 14 2024

Place : Chennai

**P Ranjit**

Managing Director

DIN: 01952929

**R Raghunathan**

Chief Financial Officer



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### BRSR OVERVIEW

#### SECTION A – General disclosures

#### SECTION B – Management and process disclosures

#### SECTION C – Principle-wise performance disclosure

Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

#### Dear Shareholders,

In today's dynamic business landscape, Environmental, Social and Governance (ESG) principles have emerged as crucial pillars of sustainable and responsible corporate practices. In our company, we recognize the paramount importance of integrating ESG considerations into every facet of our operations. These principles not only align with our values but also contribute significantly to long-term value creation and resilience.

Environmental stewardship underscores our commitment to minimizing our ecological footprint, conserving resources, and mitigating environmental risks. Social responsibility drives us to foster inclusive workplace, prioritize employee well-being and engage meaningfully with communities. Governance excellence ensures transparency, ethical conduct, and accountability across all levels of our organization.

By embracing ESG principles, we not only fulfil our moral obligations but also unlock opportunities for

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innovation, growth and competitive advantage. Our dedication to ESG not only benefits our stakeholders but also contributes positively to the broader societal and environmental goals we aspire to achieve.

We are committed to integrating Environmental, Social, and Governance (ESG) principles into our operations. By enhancing the positive impact on our products on health, safety, and the environment throughout their life cycles, we adhere to the principles of product stewardship. Our goal is to enhance the quality of life in the communities where we operate. We prioritize addressing critical issues such as climate change, resource management, (including energy and water), waste management, and preserving nature and biodiversity.

To support our journey in addressing the ESG issues, we have implemented robust policies such as Business Responsibility and Sustainability Policy, Integrated Management System (IMS) policy, Code of Conduct etc. We conduct our business in a manner that benefits the community, our workforce, and human capital. We provide clean, safe, healthy, and fair working conditions to our employees and business partners.

Our aim is to be a trusted neighbour in the communities we serve, promoting inclusive and equitable growth. Through Corporate Social Responsibility (CSR) measures, we contribute to the development of these communities, striving to create a positive impact that extends beyond operations.

Our short-term vision (0-3 year) focuses on energy efficiency upgrades, waste reduction initiatives, and employee engagement programs. Our goal is to strengthen our dialogue with key stakeholders to understand their sustainability expectations and concerns and incorporate their feedback into actionable plans.

Moving into our medium-term vision (3-5 years), we are committed to integrate sustainability considerations into our core business processes and decision-making frameworks. This includes embedding sustainability principles throughout our organization, aligning with UN Sustainability Development Goals (UNSDGs), and developing action plans to achieve them. We will also prioritize strengthening partnerships with suppliers, customers, and other stakeholders to drive collective action on shared sustainability challenges, leveraging collective expertise and resources.

Looking further ahead, our long-term vision aims for transformative changes by reimagining our business models and value chains, with sustainable development as a core driver of our business strategy. This involves continuous investment in research and development to drive innovation in sustainable products, services, and business models, while actively exploring new opportunities aligned with our long-term sustainability goals and building resilience to emerging sustainability risks and opportunities such as climate change impacts, resource scarcity and social inequality through proactive risk management and adaptive strategies.

The integration of ESG principles into our business strategy is not just a commitment; it is a strategic imperative. We recognize that businesses with strong ESG practices are better positioned to navigate risks, capitalize the opportunities, and create long-term value for all stakeholders. As we embark on this journey towards sustainability and impact, we invite our partners, employees, customers, and communities to join us in shaping a brighter, more sustainable future for generation to come.



## HIGHLIGHTS

<b>Principle 1: Ethical and Transparent Business</b>	<b>Principle 2: Product Stewardship</b>	<b>Principle 3: Employee Well-being</b>
<ul style="list-style-type: none"> <li>• 100% of the BoD, KMPs and employees have undergone training/awareness in the 9 NGRBC principles.</li> <li>• NIL monetary/non-monetary proceedings or actions by the regulatory enforcement agency/ judicial institutions</li> <li>• 90% of the Value Chain Partners attended awareness programs like Road Safety Week, World Environmental day etc.</li> </ul>	<ul style="list-style-type: none"> <li>• 100 % R&amp;D &amp; 8% CapEx utilized to improve Environmental and Social Impacts of products.</li> <li>• 80% Inputs are sustainably sourced.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% employees covered under Health Insurance, Accident Insurance, Maternity and Paternity benefits.</li> <li>• 100% employees received Training on Health and Safety and Skill Upgradation.</li> <li>• NIL Safety related incidents reported.</li> <li>• Third Party Audits for Health &amp; Safety and Working Condition assessment conducted every year.</li> </ul>
<b>Principle 4: Stakeholder Engagement</b>	<b>Principle 5: Human Rights</b>	<b>Principle 6: Environment</b>
<ul style="list-style-type: none"> <li>• Robust mechanisms for Stakeholder Identification and Engagement</li> </ul>	<ul style="list-style-type: none"> <li>• 100% training for employees on Human Rights issues and policies.</li> <li>• 100% employees paid more than minimum wages.</li> <li>• 0 incidents of Sexual Harassment, Forced Labour, Child Labour, Discrimination at Workplace, wages issue.</li> </ul>	<ul style="list-style-type: none"> <li>• 1361.19 Tera Joules of Energy utilized in FY 23-24</li> <li>• 5,922,457 Kilo Litres of Water Consumed in the current reporting period.</li> <li>• Baselining of Scope 1 and Scope 2 Emissions done in FY23-24</li> <li>• 128793 Mt CO2e of Scope 1 and 3596 Mt CO2e of Greenhouse gases emitted in FY24.</li> </ul>
<b>Principle 7: Public Policy Advocacy</b>	<b>Principle 8: CSR Initiatives</b>	<b>Principle 9: Customer Relations</b>
<ul style="list-style-type: none"> <li>• 0 cases filed against unfair trade practices and Anti-competitive behaviour.</li> <li>• 2 affiliations with trade and industry chambers/ associations</li> </ul>	<ul style="list-style-type: none"> <li>• 79.9% Input Materials directly sources from MSME/ Small Producers</li> <li>• 88.1% Input Materials sourced from within India.</li> <li>• 62% wages as % of total wage cost paid to employees from Rural locations.</li> <li>• Numerous CSR initiatives to support Marginalised and Vulnerable communities.</li> </ul>	<ul style="list-style-type: none"> <li>• 0 Customer complaints received with respect to Data privacy, Adverting, Cyber Security, Restrictive Trade Practices, Unfair Trade Practices etc.</li> <li>• 0 Forced or Voluntary Product Recalls.</li> <li>• 0 instances of Data Breach</li> </ul>

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24298TN2009PLC072270
2	Name of the company	Archean Chemical Industries Limited (Company / Archean Chemical)
3	Year of incorporation	14.07.2009
4	Registered office address	No.2, North Crescent Road, T Nagar, Chennai, Tamil Nadu 600017
5	Corporate address	No.2, North Crescent Road, T Nagar, Chennai, Tamil Nadu 600017
6	E-mail	<a href="mailto:secretarial@archeanchemicals.com">secretarial@archeanchemicals.com</a>
7	Telephone	044-61099999
8	Website	<a href="http://www.archeanchemicals.com">www.archeanchemicals.com</a>
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	Rs 24,67,93,938
12	Name of contact details of the person who may be contacted in case of any queries on the BRSR Report	Mr. Balasundharam. S, Mobile : 91+ 98403 40416 Email : <a href="mailto:balasundharam.s@archeangroup.com">balasundharam.s@archeangroup.com</a>
13	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain only to Archean Chemical Industries Limited
14	Name of assurance provider	The report is not assured by an external assurance provider
15	Type of assurance obtained	Not applicable



## II. Products and Services

### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1	Production of Marine Chemicals	Manufacturing, distribution, sales and marketing of Marine Chemicals	99.90%

\* No single product sold by the company account for more than 90 percent of the Turnover.

### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% Of total Turnover contributed
1	Production of Marine Chemicals	08932, 08919	99.90%

\* No single product sold by the company account for more than 90 percent of the Turnover.

## III. Operations

### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of offices	Total
National			
- Hajjipir (Gujarat)	1	-	1
- Chennai (Tamil Nadu)	-	1	1
- Bhuj (Gujarat)	-	1	1
- Gandhidham (Gujarat)	-	1	1
International	-	-	-

### 19. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States)	9 (Nine)
International (No. of Countries)	8 (Eight) Countries

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

For FY 2023-24, the exports contribution was 74%.

**c. A brief on types of customers**

All the customers of the company are industrial customers. Their end users are in agriculture, Pharmaceuticals, water treatment, flame retardant, Oil, gas & energy storage, Chloralkaline Chemicals, Food & Beverage, medical uses, aluminium, glass, and textile industry. The company is serving to 63 such customers in which 23 are global and 40 are in domestic market.

**IV. Employees**

**20. Details as at the end of Financial Year:**

**a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	288	284	99%	4	1%
2.	Other than Permanent (E)	386	386	100%	-	-
<b>3.</b>	<b>Total employees (D + E)</b>	<b>674</b>	<b>670</b>	<b>99%</b>	<b>4</b>	<b>1%</b>
<b>WORKERS</b>						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
<b>6.</b>	<b>Total workers (F + G)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**b. Differently abled Employees and workers:**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	NA	NA	NA	NA	NA
2.	Other than Permanent (E)	NA	NA	NA	NA	NA
<b>3.</b>	<b>Total differently abled employees (D + E)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	NA	NA	NA	NA	NA
<b>6.</b>	<b>Total differently abled workers (F + G)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>



## 21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67
Key Management Personnel	3*	-	-

\*KMP includes the Managing Director as per the Companies Act 2013

## 22. Turnover rate for permanent employees and workers

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	30%	1%	31%	33%	-	33%	31%	1%	32%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Acume Chemicals Private Limited	Subsidiary	100	No
2.	Idealis Chemicals Private Limited	Subsidiary	100	No
3.	Neun Infra Private Limited	Subsidiary	100	No
4.	SICSEM Private Limited	Step Down Subsidiary	70	No

## VI. CSR

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)  
Yes, CSR is applicable for Archean Chemical as per section 135 of Companies Act, 2013.

(ii) Turnover (in ₹) – 13,295.8 Million

(iii) Net worth (in ₹) – 17,064.2 Million



## VII. Transparency and Disclosure Compliances

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24		FY 2022-23		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
<b>Communities</b>	Yes, External Grievance policy <a href="https://www.archeanchemicals.com/investor-relations/admin/assets/products/External%20Grievance%20Mechanism%20Policy.pdf">https://www.archeanchemicals.com/investor-relations/admin/assets/products/External%20Grievance%20Mechanism%20Policy.pdf</a>	Nil	Nil	Nil	Nil	Nil
<b>Shareholders</b>	<a href="https://scores.gov.in/admin/Chk_login.html">https://scores.gov.in/admin/Chk_login.html</a>	11	Nil	9	-	All complaints were duly addressed and closed
<b>Employees &amp; Workers</b>	Yes, Internal Grievance policy <a href="https://www.archeanchemicals.com/investor-relations/admin/assets/products/Internal%20Grievance%20Policy.pdf">https://www.archeanchemicals.com/investor-relations/admin/assets/products/Internal%20Grievance%20Policy.pdf</a>	Nil	Nil	Nil	Nil	Nil
<b>Customers</b>	Yes, External Grievance Policy <a href="https://www.archeanchemicals.com/investor-relations/admin/assets/products/External%20Grievance%20Mechanism%20Policy.pdf">https://www.archeanchemicals.com/investor-relations/admin/assets/products/External%20Grievance%20Mechanism%20Policy.pdf</a>	Nil	Nil	Nil	Nil	Nil
<b>Value Chain Partner</b>	Yes, External Grievance Policy <a href="https://www.archeanchemicals.com/investor-relations/admin/assets/products/External%20Grievance%20Mechanism%20Policy.pdf">https://www.archeanchemicals.com/investor-relations/admin/assets/products/External%20Grievance%20Mechanism%20Policy.pdf</a>	Nil	Nil	Nil	Nil	Nil



## 26. Overview of the entity's material responsible business conduct issues

In this reporting period, FY2023-24, we conducted a desktop-based materiality assessment, and the process we followed in detailed below.

We began by identifying key ESG issues under leading standards such as SASB, DJSI, and MSCI, specially focussing on the speciality chemicals sector. This involved a thorough analysis of the ESG criteria outlines by these international standards, ensuring we captured the most relevant and pressing topics for our organization. Following this, we reviewed the ESG material topics of both local and global peers and we considered four local and three global peers for our analysis. The identified material topics were then classified into the pillars of Environment, Social and Governance.

Next, we mapped these material topics against both peers and Industry standards. This process involved listing the material topics across the ESG pillars to identify the most relevant and critical issues for the organization. We also considered additional selection and rating criteria by assessing the performance of our peers across various rating agencies. This helped us identify potential gaps and focus areas that could be important to us. Furthermore, we collated risks identified by our organization, general industry risks noted by rating agencies and national bodies, as well as sector-specific risks by geography. Based on this comprehensive assessment, we provided a final list of material topics for management's internal review and assessment. Following a detailed review and discussion, the management validated and firmed up the material topics, ensuring they accurately reflect the company's impact and objectives.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Carbon Emission	R	Considering the global climate change and given the nature of our operations, carbon emissions is a material issue that could adversely impact the environment, and pose a risk to our business and ESG goals	Our mitigation plan involves a strategic shift towards energy efficient methods of operation and sustainable sources of energy. Towards this initiative we are currently exploring alternative low carbon resources and Solar power	Negative
2.	Water Stewardship	O	Water stewardship presents a significant opportunity for our company through implementation of robust water management practices and embracing sustainable water usage strategies. We not only look to contribute to water conservation and protection but also enhance operational efficiency and cost effectiveness. This approach allows to minimize water-related risks, improve regulatory compliance, and strengthen our reputation as a responsible corporate citizen.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Energy Efficiency	R	Higher dependency on coal and diesel poses a significant risk to higher operational costs. This also increases our carbon footprint and adversely affects the environment. Inefficient usage of energy resources results in wastage, which further impacts achieving the sustainability goals	Increased usage of more efficient forms of energy such as low carbon electricity and solar plants. The other initiatives which can be undertaken would be 1. Conducting regular energy audits 2. Investing in energy-efficient technologies 3. Implementing energy management systems	Positive
4.	Health & Safety	R	Health and Safety risks are paramount in our industry due to the nature of chemical processes and substances involved. These risks include potential exposure to hazardous substances, accidents due to spills and leaks, fire and explosion hazards and ergonomic issues from manual handling or repetitive tasks. Additionally, inadequate safety protocols and trainings can lead to increased incidents and injuries amongst employees affecting productivity, morale and overall operational efficiency.	We conduct regular safety training sessions to enhance employee well-being and maintain a safe work environment. We also ensure robust health and safety measures, comprehensive training programs, regular risk assessment, and compliance to regulatory standards are essential to mitigate these risks and create a safe working environment.	Negative
5	Talent attraction, retention & development	O	Retaining skilled and experienced employees not only ensures continuity and stability but also fosters a positive work culture and enhances productivity. Attracting top talent enables us to bring fresh perspectives, diverse skills, and innovative ideas to drive our business forward. Moreover, investing in talent development through training mentorship programs, career advancement opportunities, and continuous learning initiatives not only empowers our employees but also strengthens our competitive advantage in the industry. By prioritizing talent retention, attraction, and development, we can build a strong and capable workforce that contributes to our long-term success and sustainability.	-	Positive



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Corporate Governance	O	Ensures transparency, accountability, and ethical conduct. It establishes clear guidelines and processes for decision-making, risk management, and compliance with regulatory requirements. Effective corporate governance practices foster trust among stakeholders, enhancing our reputation and credibility in the market. By upholding principles of integrity, fairness, and responsibility at all levels of the organization, we can create a culture of good governance that supports long-term sustainability, value creation, and stakeholder confidence.	-	Positive
7	Innovation	O	Innovation is paramount for our organization as it drives growth, competitiveness, and relevance in a dynamic market landscape. By fostering a culture of innovation, we continuously explore new ideas, technologies, and approaches to solve challenges, improve processes, and deliver value to our customers. Innovation fuels our ability to adapt to changing trends, anticipate customer needs, and stay ahead of the competition. It also inspires creativity, empowers our teams and drives continuous improvement across all aspects of our business. Embracing innovation as a core value propels us towards sustainable success, differentiation, and leadership in our industry.	-	Positive

## SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>									
1.									
a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c) Web Link of the Policies, if available	<a href="https://www.archeanchemicals.com/investor-relations/annual-report.php?id=MTYx">https://www.archeanchemicals.com/investor-relations/annual-report.php?id=MTYx</a>								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Our facility has an ISO 9001:2015 certification. The business upholds Nicer Globe's IMS (Integrated Management System) standard (Safe transport of Chemicals) and we are an IBP member (India Bromine platform). We hold REACH certification in Europe. We intend to collaborate with the ICC (Indian Chemical Council) and CCPS (Centre for Chemical Process Safety).								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>We have set out short, medium and long-term vision on various ESG initiatives. We are in the process of setting our goals and targets aligning to our ESG vision with a defined timeline. Our focus areas on E, S and G are as follows</p> <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>a. Greenhouse gas emissions reduction</li> <li>b. Implementation of 1.2 MW solar energy projects by FY 2025 and increase it to 3MW solar plant by FY 2026.</li> <li>c. Reduction in Water usage by improvement in water recycling and reuse practices by rainwater harvesting initiatives.</li> <li>d. Greenbelt development through plant sapling across the sites.</li> <li>e. Implementation of effective waste management</li> </ul>								



	<p><b>Social:</b></p> <ul style="list-style-type: none"> <li>a. Community Engagement through CSR</li> <li>b. Promoting economic empowerment</li> <li>c. Employee diversity &amp; inclusion</li> <li>d. Zero workplace accidents or incidents, improve occupational health and safety training, and enhance emergency response procedures.</li> </ul> <p><b>Governance:</b></p> <ul style="list-style-type: none"> <li>a. Improved transparency, accountability, and compliance with regulatory requirement.</li> </ul>
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance against commitments and targets will be assessed and reviewed by the Board once the goals and targets are set.
<b>Governance Leadership and Oversight</b>	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements Refer page 73.	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Daxesh Mankad, Senior Management Personnel under the guidance of the Board of Directors and its Committees is responsible for implementation and oversee of the Business Responsibility policies.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Mr. Daxesh Mankad, Senior Management Personnel has been authorised for decision making on sustainability related issues.

10. Details of Review of NGRBCs by the Company:

	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half - yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	A	A	A	A	A	A
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	A	A	A	A	A	A

	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half - yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	We have not carried out independent assessment of the working of their policies by an external agency.																	

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									



## SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

### Principle 1 – Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable

We comply with the applicable laws and regulations, and we conduct our business in an ethical and transparent manner. We are guided by our Code of Conduct which is applicable to our Directors and Senior Management Personnel. Our Business Responsibility and Sustainability Policy provides guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. We ensure ethical conduct in our business operations and across our value chains, and we undertake training programmes on a periodic basis to ensure that all our employees and value chain partners on ethics business conduct.

#### SDG Linkages



#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of directors	1	Familiarisation Programs for Directors	100%
Key managerial personnel	1	Familiarisation Programs for KMP's	100%
Employees other than BoD and KMPs	4	<ul style="list-style-type: none"> <li>• POSH Awareness Session:</li> <li>• Training session on Demystifying Diversity and Inclusion and breaking bias</li> <li>• Well ness program Online session-Laughter Therapy</li> <li>• Well-ness program on Managing Diabetes</li> </ul>	100%
Workers	Not applicable		



2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agency/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agency/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

3. Of the instances/disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

The Company has adopted a comprehensive Anti-Bribery and Anti-Corruption Policy. The policy applies to all employees, directors, and associates of the company, as well as third parties acting on its behalf. The purpose of the policy is to safeguard and promote legitimate business throughout the organisation and to prevent and prohibit corruption, bribery and similar acts in connection with the organisation. Employees are strictly prohibited from offering, promising, or granting anything of value to government officials, individuals, or entities to influence their actions or engage in business with the company. Accepting gifts and entertainment from clients or other parties that could compromise business judgment is also prohibited. The policy emphasizes the responsibility of all stakeholders in enforcing and complying with the policy. Violations may result in criminal or civil liability, including potential prosecution and fines. The policy will be periodically reviewed and updated to incorporate



changes in relevant regulations. A designated channel is provided for individuals to report potential violations. Weblink of the Anti-Bribery and Anti-Corruption Policy is given below.

<https://www.archeanchemicals.com/investor-relations/admin/assets/products/Anti%20Bribery%20and%20Anti%20Corruption%20Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2023-24	FY 2022-23
Directors	Nil	
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	48	59

9. Open-ness of business

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	15%	15%
	b. Number of trading houses where purchases are made from	13	13
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Our purchases from Trading houses are made as needed and are not on a regular basis.	

Concentration of Sales	a. Sales to dealers / distributors as % of total sales	We don't have sale through Dealer/ Distributor - As per company policy our sale is directly to consumers.	
	b. Number of dealers / distributors to whom sales are made	N.A.	N.A.
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	N.A.	N.A.
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	3.63%	2.45%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	95.92%	73.06%
	d. Investments (Investments in related parties / Total Investments made)	3.17%	2.32%

\* A trading house is a business that specializes in facilitating transactions between a home country and foreign countries.

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
4	We conducted programmes such as Road Safety week, National Safety Week & World Environment Day celebrations. Trainings on Occupational Health and Hygiene awareness were conducted.	90%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, each Director of the company is required to report their concerns or interests in the company, in other businesses or bodies - corporate, in firms or other associations of individuals, as well as any changes to such interests, including shareholding, on an annual basis or upon any change. In addition, the Directors must sign a declaration every year under the Code of Conduct affirming that they will always act in the best interests of the Company and that any other business or personal



affiliations they may have will not create a conflict of interest with the Company's operations or their respective roles within them. Additionally, the Senior Management certifies yearly that they haven't engaged in any significant financial or business transactions that can potentially conflict with the interests of the Company.

**Principle 2 – Businesses should provide goods and services in a manner that is sustainable and safe**

1. We have intertwined the principles of safety and sustainability into our processes and products throughout the lifecycle which covers various stages beginning from procurement of raw material, product design and manufacturing till the delivery to the customers. We ensure safe and optimal use of resources over the life cycle of the products and services, including recycling of resources wherever possible. We strongly believe in investing in R&D that helps us improve our processes to produce resource efficient and sustainable products. We undertake supplier assessment as a part of vendor registration to ensure sustainable sourcing practises.

**SDG Linkages-**



**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	100%	100%	Investment of INR 1.29 crore in developing battery technologies that can be sourced sustainably and contribute to the environmental betterment
Capex	8%	2%	Investment of INR 7.3 crore for reducing the carbon usage and emissions at site by installing Solar system.

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
 

As a part of our procurement practise, we ensure that all new vendors are screened for compliance and commitment to environment, occupational health and safety, etc. Our Supplier Sustainability Code of Conduct outlines the key aspects of sustainable ways to conduct business with the suppliers. We ensure that all our suppliers we conduct business would adhere to legal requirements, ethical practices, human rights and environmental management. We expect that our partners abide to this sustainability practises in writing and in spirit.
- b. If yes, what percentage of inputs were sourced sustainably?
 

80%

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company does not have any specific product to reclaim at the end of life. However, at the project and operation sites, there are systems in place to recycle, reuse and dispose in line with regulatory requirement for the above waste being generated during constructions and operations.

- i. Plastics (including packaging) – Sold to authorized recyclers.
- ii. E-waste –Sold to authorized recyclers.
- iii. Hazardous waste and other waste – Sold to authorized recyclers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR is not applicable to our business of manufacturing chemical compound. We do not manufacture any specific plastic, electrical and electronic product where EPR is applicable. We produce intermediate goods (input materials) for our clients, who then turn those input materials into completed products. As a result, when our customers recycle these products through authorized recyclers, the packaging materials for these products are turned into pre-consumer plastic trash. Plastic waste from packing materials used as input into products is recycled by authorized recyclers.

### Leadership Indicators

Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No, we have not conducted any LCA study in the Financial Year 2023-24.

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain	If yes, provide the web-link.
Nil						

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product / Service	Description of the risk / concern	Action Taken
Not applicable		



3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
	Nil	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24			FY 2022-23		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Plastics (including packaging)	Not applicable					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Nil

### Principle 3 – Businesses should respect and promote the well-being of all employees, including those in their value chains

Our employees play a vital role in the growth of our operations. As a responsible company, we are committed to professional development and growth of our employees through regular training, proper and safe workplace, continuous skill development and providing timely career development reviews. We aim to create an office environment where our employees love to work. We strongly adhere to laws and regulations, and we advocate against child labour, forced / bonded labour, any form of discrimination. We align our policies, procedures and practices to meet employees' well-being, diversity, safety and health so as to have a healthy, cordial and harmonious relationships at all levels. We also extend these initiatives to our value chain partners and ensure that we conduct with socially responsible partners.

#### SDG Linkages



## Essential Indicators

### 1. a. Details of measures for the well-being of employees

Category	% Of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
<b>Male</b>	284	284	100%	284	100%	-	-	284	100%	-	-
<b>Female</b>	4	4	100%	4	100%	4	100%	-	-	-	-
<b>Total</b>	288	288	100%	288	100%	4	100%	284	100%	-	-
<b>Other than Permanent employees *</b>											
<b>Male</b>	386	-	-	386	100%	-	-	-	-	-	-
<b>Female</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	386	-	-	386	100%	-	-	-	-	-	-

\*Measures for the well-being of Other than Permanent employees are taken care by the Contractors and ensured by the Principle Employer

### b. Details of measures for the well-being of workers:

Category	% Of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
<b>Male</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Female</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other than Permanent employees *</b>											
<b>Male</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Female</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.31%	0.32%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Others –please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, most of the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes, Equal Opportunity Policy for Persons with Disabilities (PwD) is adopted by the Company. The policy aims to provide fair and impartial opportunities for persons with disabilities in the recruitment process and create a barrier-free working environment. It seeks to protect and safeguard the rights and interests of persons with disabilities, eliminate unlawful discrimination, and promote inclusion and respect. Weblink of the policy is <https://www.archeanchemicals.com/investor-relations/admin/assets/products/Equal%20Opportunity%20Policy.pdf>



5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	50%	NA	NA
Female	– #	0%	NA	NA
<b>Total</b>	<b>100%</b>	<b>33%</b>	<b>NA</b>	<b>NA</b>

# None of the female employees availed Maternity leave during the current reporting period.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes / No (If yes, then give details of the mechanism in brief)
Permanent Workers	Not applicable
Other than permanent workers	
Permanent Employees	<p>Yes, the internal grievance policy provides the employees an easy and smooth access for prompt disposal of their day-to-day grievances. The aggrieved employee shall submit either orally or in writing their grievance to the immediate supervisor and within 10 days shall get a response signed by the manager or HOD, communicating the action taken. If the employee is not satisfied with the response, then a request shall be sent to the manager or HOD to forward the complaint to the Grievance committee, who shall respond to the employee within 10 days of the action taken along with the minutes of the meeting discussed. Finally, if the employee is still not satisfied, a claim can be raised to a higher authority, i.e. Unit head and a decision will be responded to the employee within 15 days from the date of representation.</p> <p>Kindly refer to our Internal grievance policy for more details.</p> <p><a href="https://www.archeanchemicals.com/investor-relations/admin/assets/products/Internal%20Grievance%20Policy.pdf">https://www.archeanchemicals.com/investor-relations/admin/assets/products/Internal%20Grievance%20Policy.pdf</a></p>
Other than permanent employees	



**7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
<b>Total</b>	NA	NA	NA	NA	NA	NA
<b>Total Permanent Workers</b>						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
<b>Total</b>	NA	NA	NA	NA	NA	NA

**8. Details of training given to employees and workers:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	284	284	100%	284	100%	259	259	100%	259	100%
Female	4	4	100%	4	100%	6	6	100%	6	100%
<b>Total</b>	<b>288</b>	<b>288</b>	<b>100%</b>	<b>288</b>	<b>100%</b>	<b>265</b>	<b>265</b>	<b>100%</b>	<b>265</b>	<b>100%</b>
<b>Workers</b>										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

## 9. Details of performance and career development reviews of employees and workers

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	284	284	100%	259	259	100%
Female	4	4	100%	6	6	100%
Total	288	288	100%	265	265	100%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes, The Safety & Health Management system includes all manufacturing facilities, offices, research labs, and supply chain partners, and it ensures the Environment's protection as well as the Health and Safety of its staff, contractors, guests, and other important stakeholders. Our Integrated Management System (IMS) Policy highlights our commitment to improve our occupational health and safety performance in our process.

Kindly refer to the IMS policy for more details: <https://www.archeanchemicals.com/investor-relations/admin/assets/products/IMS%20POLICY.pdf>

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Processes related to identify work related hazards and risks are in pipeline and they will be adopted in the next fiscal year.

### 1. Hazard Identification of Various Routine and Non-Routine Activities

- i) Classifying work activities
- ii) Identifying hazards and describing hazardous events
- iii) Identify risk controls
- iv) Determine risk

### 2. Risk Assessment for Identified Hazard

- i) Estimation of the potential severity of consequence
- ii) Estimating the likelihood (degree of certainty/uncertainty)
- iii) Categorisation of Risks levels (Intolerable, Substantial and Moderate risk levels are unacceptable risk and Trivial and Tolerable levels are acceptable risks)



### 3. Actions & Time Scale

- i) Based on the Risk Level, Risk reduction/control measures implemented within defined timelines
- ii) Ensure controls are maintained
- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes. The process is available at all the locations. We have established robust processes for workers to report work-related hazards and remove themselves from potentially hazardous situations. Employees are encouraged to promptly report any unsafe conditions or report directly to their supervisors, the Safety Officer, or the designated controller .Additionally, our suggestion box allows workers to voice safety concerns without the fear of reprisal. Workers can also approach the safety committee, which meets regularly to review and address reported hazards. This proactive approach ensures that safety concerns are swiftly addressed and resolved, fostering a culture of health and safety.

- d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, The Employees have access to Group Medclaim Policy, Group Personal Accident Policy & Employer Liability Policy.

### 11. Details of safety related incidents, in the following format:

Safety incident/number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

\* Including in the contract workforce

### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To ensure the highest standards of Health, Safety and corporate responsibility, our company is committed to the following initiatives:

- Demonstrating the highest standards of corporate behaviour towards customers, workers, and the communities where we operate
- Developing, implementing, and maintaining comprehensive systems that meet corporate standards and legal requirements for environmental preservation and worker safety.
- Leveraging cutting edge technology to ensure health and safety.
- Celebrating Safety Week and organizing competitions to motivate safe working practices.
- Implementing ISO 45001 to establish advances safety structures.

### 13. Number of complaints on the following made by employees and workers

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & safety	Nil	Nil	Nil	Nil	Nil	Nil

### 14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 % -Third party safety audit –Once in a year
Working conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

No corrective actions were necessary as there were no concerns raised regarding Health & Safety practices and Working conditions.

### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Yes, the Company has extended life insurance package for all its permanent employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

The Company monitors remittance of statutory dues by value chain partners while processing their invoices on a regular basis.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil



4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)  
 Yes. Financial Management (investment planning, returns planning), Retirement planning, Saving Scheme related, awareness Programs are conducted.

**5. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	There are no assessments conducted on value chain partners, however, we ensure that all our vendors are educated on our various policies and statutory obligation during the vendor induction process and while signing MOU/Work Order Agreement.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners  
 As no significant risk/concern was reported on health, safety and/or working conditions in value chain partners, no corrective actions taken.

**Principle 4 – Businesses should respect the interests of and be responsive to all its stakeholders**

We believe in a holistic and sustainable development where we regularly engage with stakeholders like employees, suppliers, stockists, dealers, customers, shareholders / investors, communities surrounding the operations and government / regulatory authorities. Our stakeholder reach is aimed to understand their concerns, engage with them through various mechanisms like supplier/vendor meets, Customer/employee satisfaction surveys, investor forums, consultations with local communities etc.

**SDG Linkages-**



**Essential Indicators**

Describe the processes for identifying key stakeholder groups of the entity.

Stakeholders of an organization are individuals, groups or entities that have an interest in or are affected by the organizations activities, decisions and outcomes, They can include internal stakeholders like employees, managers and shareholders ,who are directly involved in the organization's operations ,as well as external stakeholders such as customers, suppliers, investors, regulators, and community members, who are influenced by or have an influence on the organization from the outside. Stakeholders play a critical role in the success and sustainability of the organization, as their needs, expectations, and

feedback can impact strategic planning, operations, and overall performance. Along with the guidance from the senior management, we seek dialogues with key stakeholders and obtain feedbacks that helps us in ESG and other business-related topics.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group**

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Emails, Advertisements in Newspaper, Virtual Meetings and website.	Quarterly, Half-yearly, Annually and as and when needed.	Announcing the financial results to the investors, postal ballot educating and encouraging the shareholders to exercise their voting rights in shareholders meetings
Employees	No	Emails, Notices and other communication mechanisms	Need based	Follow up for group meetings and compliances with policies of the company
Leadership	No	Emails, Notices and other communication mechanisms	Frequent and need based	Follow up for group meetings and compliances with policies of the company
Local Communities	No	Directly or through CSR foundation	Frequent and need based	Support socially/by CSR activities to satisfy needs of society/ communities
Customers	No	Multiple Channel-Physical and digital	Frequent and need based	Through distributors and also direct interaction

**Leadership Indicators**

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The management frequently communicates with stakeholders such as investors, clients, vendors, employees, etc. The following are the modes of discussions with stakeholders:

- a. Investors meet is conducted on a quarterly basis to discuss the business and ESG performance.
- b. Analysts meet is organized quarterly where our Chief Financial Officer, Managing Director and



Deputy General Manager Finance will participate to obtain inputs on ESG topics.

- c. Clients meet is conducted by the marketing team to get client's input on ESG metrics
- d. Ad hoc discussions between MD and employees to understand they key concerns

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. The identification and management of significant environmental and social issues are supported by stakeholder dialogue. Continuous interactions with the local community, distributors, suppliers, and government regulatory agencies led to the establishment of the company's environmental and social policies.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The company actively supports education and takes the necessary action to uplift the under privileged in society, either directly or through its industrial facilities. In addition to these, the company strives to advance healthcare, provide access to daily drinking water, raise awareness of issues related to mental health, Environment, Rural Development, Water and Sanitation, and many other pertinent areas. Our Corporate Social Responsibility report elaborates on our specific CSR initiatives and its beneficiaries.

## Principle 5 – Businesses should respect and promote human rights

We believe that human rights are fundamental, inherent, universal, indivisible, and interdependent in nature and we continuously strive to ensure that our employees' basic human rights are protected. We ensure that all basic human rights laws in India and International Bill of Human Rights are being strictly adhered. We promote awareness of human rights amongst our employees through trainings, and we encourage our business partners to abide with human rights laws. We have integrated human rights concerns in our management systems through adequate assessment of human rights in our operations and ensure that all individuals impacted by our operations have access to redressal mechanisms.

### SDG Linkages-





## Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	288	288	100%	265	265	100%
Other than permanent	386	386	100%	371	371	100%
<b>Total employees</b>	<b>674</b>	<b>674</b>	<b>100%</b>	<b>636</b>	<b>636</b>	<b>100%</b>
<b>Workers</b>						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
<b>Total workers</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

- Details of minimum wages paid to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>										
Male	284	-	-	284	100%	259	-	-	259	100%
Female	4	-	-	4	100%	6	-	-	6	100%
<b>Other than permanent</b>										
Male	386	232	60%	154	40%	371	281	76%	90	24%
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
<b>Permanent</b>										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Other than permanent</b>										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

### 3. Details of remuneration/salary/wages

#### a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1*	1917.69 lakhs	-	-
Key managerial personnel	3**	18.60 lakhs	-	-
Employees other than BoD and KMP	284	5.81 lakhs	4	7.70 lakhs
Workers	NA			

\*The remaining Board members receive only sitting fees for attending meetings of the board/ committee.

\*\* The detail excludes remuneration paid to Managing Director as the same is shown in BoD and includes remuneration paid to the erstwhile Company Secretary Mr. Arunmozhi.

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	1.52%	2.59%

#### 4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Head of HR Department leads the group that addresses the human rights issues.

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, all grievances are addressed as and when received by the respective Manufacturing Unit Heads/Project Managers/Business Unit Heads through Admin/IR in coordination with HR. All the grievances received are duly investigated and appropriate actions are taken to resolve the issue/complaint. Whenever required, disciplinary actions are initiated as deemed fit and assistance from regulatory authority is sought.

**6. Number of complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced labour / Involuntary labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights-related issues	Nil	Nil	Nil	Nil	Nil	Nil

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

We have Vigil Mechanism (Whistle Blower) Policy and POSH Policy wherein the employees report, without fear of retaliation, any wrong practices, unethical behaviour, or noncompliance which may have a detrimental effect on the organisation, including financial damage and impact on brand image. The Policy provides adequate protection and safeguards against victimization of the complainants. Also, the Code of Conduct of the Company requires employees to behave responsibly in their action and conduct. Apart from that, the Company has Committees at every location for the protection of women at workplace to ensure their rights, receive grievances, conduct investigation and to take actions.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/ No)**

Yes. Statutory and regulatory requirement clauses regarding human values, child labour, equal remuneration and social security are part of our business agreements and contracts.



## 10. Assessments of the year

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	100% through statutory compliance
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

## 11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No risk/concern has arisen and there is no necessity for corrective action.

### Leadership Indicators

#### 1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No Grievance/complaints received and there was no necessity for modification of business process.

#### 2. Details of the scope and coverage of any Human rights due diligence conducted

We ensure compliance with awareness of Legal and Regulatory requirements at all levels by conducting regular HR and safety audits.

#### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Most of the permanent facilities and office buildings of Archean Chemical are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

#### 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	There are no assessments conducted on value chain partners, however, we ensure that all our vendors are educated on our various policies and statutory obligations
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

## 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

There is no risk identified. Hence no corrective action has been taken.

## Principle 6 – Businesses should respect and make efforts to protect and restore the environment

We are strongly committed to the safety and preservation of environment. We believe in conservation of natural resources and minimizing hazardous impact on the ecological environment. We utilize natural and manmade resources in an optimal and responsible manner. We minimize the environmental impact of our operations through optimum usage of energy and water resources. We encourage sustainable use of resources by reducing, reusing, recycling, and managing waste. We ensure continuity in our operations through putting in place contingency plans to help in preventing, mitigating and controlling environmental damages and disasters.

### SDG Linkages



### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity

	Unit#	FY 2023-24	FY 2022-23
<b>From renewable sources</b>			
Total electricity consumption (A)	TJ	-	-
Total fuel consumption (B)	TJ	-	-
Energy consumption through other sources (C)	TJ	-	-
<b>Total energy consumption (A+B+C)</b>	TJ	-	-
<b>From non-renewable sources</b>			
Total electricity consumption (D)	TJ	18.08	0.11
Total fuel consumption (E)	TJ	1343.11@	1611.10
Energy consumption through other sources (F)	TJ	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	TJ	<b>1361.19</b>	1611.21
<b>Total energy consumed (A+B+C+D+E+F)</b>	TJ	<b>1361.19</b>	1611.21
<b>Energy intensity per rupee of turnover</b> (Total energy consumption/ turnover in rupees)	TJ / million INR	0.10	0.11
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP*)	TJ / million INR adjusted for PPP	2.34	2.56
<b>Energy intensity in terms of physical output</b>	TJ / MT of production	0.0003	0.0004

\* PPP conversion factor by World Bank is considered for calculation.

# TJ – Tera Joules

@ The data for fuel consumption pertaining to mobile combustion is included.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There were no independent assessment/ evaluation/ assurance carried out by an external agency



2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third-party water	-	-
(iv) Seawater / desalinated water	5,922,457	5,420,250
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>5,922,457</b>	<b>5,420,250</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>5,922,457</b>	<b>5,420,250</b>
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations) <b>kL / million INR</b>	445.44	376.13
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP) <b>kL / million INR adjusted for PPP</b>	10191.60	8605.80
<b>Water intensity in terms of physical output</b> <b>kL / MT of production</b>	1.39	1.34

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There were no independent assessment/ evaluation/ assurance carried out by an external agency

4. Provide the following details related to water discharged

	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater		
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil

(iii) To Seawater		
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties		
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(v) Others		
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
<b>Total water discharged (in kilolitres)</b>	<b>Nil</b>	<b>Nil</b>

*\*There are mechanisms to ensure zero liquid discharge from the plant.*

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

There were no independent assessment/ evaluation/ assurance carried out by an external agency

**5. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.**

Yes, the acidic brine discharge from the feed enrichment section is partially neutralized in the salt bed neutralizing area. Afterwards It is diluted with fresh brine to reach the desired pH level between 6.5 to 8.5 before being recycled into the solar pond.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	µg/m <sup>3</sup>	17.01	12.77
SOx	µg/m <sup>3</sup>	42.11	82.47
Particulate matter (PM)	µg/m <sup>3</sup>	34	44
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	µg/m <sup>3</sup>	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance have been carried out by an external agency? (Y/N) If yes, name of the external agency.

There were no independent assessment/ evaluation/ assurance carried out by an external agency



**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	128793	Refer footnote#
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	3596	
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations )	Metric tonnes of CO <sub>2</sub> equivalent / million INR	9.96	
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO <sub>2</sub> equivalent / million INR adjusted for PPP	227.82	
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	Metric tonnes of CO <sub>2</sub> equivalent / MT of production	0.03	

#Scope 1 and 2 Emission baselining is conducted for the Financial Year 2023-24.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There were no independent assessment/ evaluation/ assurance carried out by an external agency

**8. Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details.**

We are currently working on implementing 1.2 MW solar energy projects by FY2025, with plans to scale up to 3 MW solar plant by FY2026. In line with our objectives, we have inventorized our Scope 1 and Scope 2 GHG emissions this year. This data will serve as a baseline for setting our emissions targets and goals.

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	1.82	2.46
E-waste (B)	0.02	-
Bio-medical waste (C)	0.02	0.01
Construction and demolition waste (D)	NA	NA



Parameter	FY 2023-24	FY 2022-23
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any (G)		
Waste Oil	0.28	0.26
Sludge	9078.00	9260.00
Other Non-hazardous waste generated (H). Please specify, if any.	-	-
(Break-up by composition i.e. by materials relevant to the sector)		
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>9080.14</b>	<b>9262.73</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated/ Revenue from Operations) <b>MT/ million INR</b>	0.68	0.64
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP) <b>MT/ million INR adjusted for PPP</b>	15.63	14.71
<b>Waste intensity in terms of physical output MT / MT of production</b>	0.0021	0.0023
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	2.955	3.246
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>2.955</b>	<b>3.246</b>
<b>For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

There were no independent assessment/ evaluation/ assurance carried out by an external agency



**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

We adhere to all statutory waste management practise and ensure 100% safe disposal of waste. We ensure proper segregation and storage of waste, depending on the nature of waste. We also ensure that waste is disposed of in line with the statutory timelines. In our manufacturing facility, MS Scrap generated from operations are sold to local vendors. We dispose e-waste through Pollution Control Board (PCB) authorised vendors. Plastic waste is disposed through Gujarat PCB authorised agencies. Bio-medical waste resulting from providing first aid facilities within the premises are collected by the Occupational Health Centre (OHC). This bio-medical waste is being collected by the Gujarat PCB from the premises for disposal.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:**

Sr. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Hajipir Site	Manufacturing	Yes

**12. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (yes/no)	Relevant Web link
N/A					

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances:**

Yes. All the projects and industrial facilities of Archean Chemicals follow the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder.

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Not applicable				

### Leadership Indicators

#### 1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Not Applicable
- (ii) Nature of operations: Not Applicable
- (iii) Water withdrawal, consumption and discharge in the following format:

	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>NA</b>	<b>NA</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>NA</b>	<b>NA</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	NA	NA
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater		
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA



	FY 2023-24	FY 2022-23
(iii) Into Seawater		
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties		
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(v) Others		
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>	<b>NA</b>	<b>NA</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

## 2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions ((Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	We have not currently quantified the Scope 3 emission details	
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent / million INR		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

## 3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Archean Chemicals Industries Limited monitors the water quality and air quality on a regular basis as per the environmental norms and regulations.

- If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Nil			

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes. The Company has established emergency preparedness plans at each project site to deal with the emergency situations. It also provides response procedures for preventing and mitigating the hazard & risk and environmental impacts arising from emergency situations including the provision for first aid. In the event of any occurrence of an emergency, the same shall be investigated and appropriate preventive measures would be initiated to avoid recurrence in future. Relevant information and training related to emergency preparedness and response shall be provided to the interested parties. The duties and responsibilities of all the workers are being communicated periodically. Please refer to our Emergency Policy for more details.

<https://www.archeanchemicals.com/investor-relations/admin/assets/products/ONSITE%20EMMERGENCY%20PLAN.pdf>

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No significant impact to the environment has been seen.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

New vendors are assessed for environmental impacts during vendor onboarding. However, going forward, we would conduct assessment on our value chain partners on environmental impacts on a periodic basis.



## Principle 7 – Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

We aim to protect the overall interest of our business and our stakeholders through participation in industry associations and expressing our fair views, opinions, concerns, etc. on the policies framed by the competent authorities. We ensure that our representations with the relevant association/forums/chambers etc is guided by the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders.

### SDG Linkages-



### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Two

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Export Inspection Council / Agency	Chennai and Bhuj
2	Andhra Chamber of Commerce	Chennai

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
None		

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Nil					

## Principle 8 – Businesses should promote inclusive growth and equitable development

We are a responsible corporate citizen, and we contribute to the growth and development of communities through various CSR projects. We ensure adherence to the requirements under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, and we undertake our CSR activities on topics covered under Schedule VII of the Companies Act, 2013. We also endeavour to prioritize our initiatives to address the requirements of under-developed communities near our business operations.

### SDG Linkages-



### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not applicable					

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% Of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

External grievances policy is in place to receive and redress grievances of the community. Please refer the link for more details:

<https://www.archeanchemicals.com/investor-relations/admin/assets/products/External%20Grievance%20Mechanism%20Policy.pdf>

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	79.9%	42.0%
Directly from within India	88.1%	54.4%



5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	62	60
Semi-urban	26	28
Urban	10	10
Metropolitan	2	2

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
Not applicable			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

As of now, we don't have a preferential procurement policy in place.

(b) From which marginalized /vulnerable groups do you procure? Not applicable

(c) What percentage of total procurement (by value) does it constitute? Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
None		



## 6. Details of beneficiaries of CSR Projects

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Hamirsar Pond Deepening & Cleaning work	Community	
2	Mobile Clinic Services in surrounding villages including basic medication	1200 Patients/month	Total 10 villages covered every week in a month
3	Health camps for Pilgrims arranged during Matanu Madh Mela	30,000 Pilgrims	-
4	Drinking Water supply by tankers in Nara village / BSF camp area	3200 families	60% of village population
5	Sponsorship Funds for transport for orphan and poor students for going to school.	55 students	100%
6	Sponsorship Funds for teacher at school for educating orphan and poor students.	125 students	100%
7	Performing free Health Checkup Camp for Paediatric and Gynaecology Patients	90 patients	100%
8	Sponsorship for Electricity Connection Deposit for poor families	10 Families	100%
9	Sponsorship for Cricket Tournament near Hajipir Village	700 participants	100%
10	RO Plant and Submersible Pump and Ruffing at Navabpeta Village	Community	
11	Maintenance of our residential care program for children with special needs	35 Intellectually Challenged children	90%
12	Educating and maintaining Residential High School students. (all orphan and poor students are given free education, food, and accommodation in the Home)	235	100%
13	Ophthalmic operation theatre	Community	



Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
14	Free medicines dispersed to low socio-economic category person with serious mental illness	396	11.5%
15	Healthcare to Specially Abled people	94	100%
16	Construction of Kitchen for Sri Saradha Hostel, Denkanikottai, Krishnagiri district, Tamilnadu. - A free hostel for deprived and underprivileged female students	70 girl students /year	100%
17	Promotion for Book Publication for Charni Sahitya	Community	
18	Kinship Care Project-designed to support the education of children who have lost one or both parents to the COVID pandemic.	34	100%
19	Purchase of Fluorescence Imaging system - Adyar Cancer institute	Community	
20	Blood Donation Van	Community	
21	Grant of funds towards construction of property at Varanasi, meant for the purpose of Vedic education/ Promoting Education	Community	

### Principle 9 – Businesses should engage with and provide value to their consumers in a responsible manner

Our customers are one of our most important stakeholders. Our operations are built on a foundation of trust, satisfaction and loyalty of our consumers across the world. We strive to make available our products that are safe and competitively priced for the benefits of its customers / end users. We abide to all laws and regulations to adequately inform our customers about our products and ensure that they do not mislead or violate any guidelines. We also have in place adequate grievance handling mechanisms to address customer concerns and feedback.

#### SDG Linkages-



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## Essential Indicators

### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has established effective mechanisms to receive and respond to consumer complaints and feedback. The company values customer satisfaction and actively encourages customers to provide their feedback, address any concerns, and report complaints. Here are the mechanisms in place:

- **Customer Service Department:** The Company has a dedicated customer service department that serves as the primary point of contact for customers. Customers can reach out to this department through various channels such as phone, email, or online forms to register their complaints or provide feedback.
- **Complaint Management System:** The Company has implemented a complaint management system to ensure that all customer complaints are properly recorded, tracked, and addressed. This system helps in streamlining the complaint handling process and ensures that no complaint goes unnoticed or unresolved.
- **Multiple Communication Channels:** The Company provides customers with multiple communication channels to lodge complaints or share feedback. These channels may include phone helplines, email addresses, online contact forms, and even dedicated complaint submission portals on the company's website. This approach ensures that customers can choose the most convenient method to express their concerns.
- **Escalation Procedures:** In cases where a customer complaint remains unresolved or the customer is dissatisfied with the initial response, the Company has escalation procedures in place. These procedures ensure that complaints are promptly escalated to higher-level management or specialized teams for further investigation and resolution.
- **Timely Response and Resolution:** The Company strives to provide timely responses to customer complaints and feedback. Upon receiving a complaint, the customer service team initiates an investigation and works towards resolving the issue promptly. The Company aims to maintain transparent communication with customers throughout the resolution process.
- **Continuous Improvement:** The Company views customer complaints and feedback as opportunities for improvement. Feedback received is analysed, and necessary actions are taken to address the underlying issues and prevent similar occurrences in the future. This commitment to continuous improvement helps in enhancing customer satisfaction and maintaining high service standards.
- **Feedback Surveys:** The Company may conduct customer feedback surveys periodically to gauge overall customer satisfaction and identify areas for improvement. These surveys provide customers with an opportunity to share their opinions and suggestions, allowing the company to adapt its practices and policies accordingly.

By implementing these mechanisms, the Company demonstrates its commitment to addressing customer concerns, resolving complaints effectively, and continuously improving its products and services to meet customer expectations.



**2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:**

	As a % to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	Not applicable

**3. Number of consumer complaints in respect of the following:**

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive trade practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair trade practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

**4. Details of instances of product recalls on account of safety issues.**

	Number	Reasons for Recall
Voluntary Recalls	Nil	Nil
Forced Recalls	Nil	Nil

**5. Does the entity have a framework/policy on will security and risks related to data privacy? If available, provide a web link to the policy.**

Yes, The company has implemented a comprehensive Cyber Security Policy aimed at ensuring the security of our systems and data and mitigating risks associated with data privacy.

<https://www.archeanchemicals.com/investor-relations/admin/assets/products/Cyber%20Security%20Policy.pdf>

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.**

No issues reported relating to advertising, and delivery of essential services; cyber security and data privacy of customers;

7. **Provide the following information relating to data breaches:**

a.	Number of instances of data breaches	Nil
b.	Percentage of data breaches involving personally identifiable information of customers	Not applicable
c.	Impact, if any, of the data breaches	Not applicable

### Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

All the information on products and services are available on the website of the Company (www.archeanchemicals.com)

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Weblink of MSDS sheets/ Company brochures is available in <https://www.archeanchemicals.com/product.html>

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The products and services offered by Archean Chemical do not constitute in the category essential services and hence this disclosure is not applicable.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Product Information as mandated is displayed on all our products. ACIL has not carried out any consumer satisfaction survey relating to the major products/services of the entity.



# Independent Auditors' Report

To the Members of Archean Chemical Industries Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Archean Chemical Industries Limited ("the Company"), which comprise the balance sheet as at 31 March 2024, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material 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 31 March 2024, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 obtained by us 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.

S.No	Key Audit Matter	Our Response
1.	<p>Revenue from sale of products is recognized on transfer of control to the Customer.</p> <p>Company is catering to clients in the Asia / Europe regions. Delivery to customers might take extended time periods from the date of dispatch from the premises of Company.</p>	<p>Our audit procedures included verification of existence, completeness, accuracy and cut-off for the sales transactions.</p> <ul style="list-style-type: none"><li>• Our tests included performance of an understanding and evaluation of the internal controls over the revenue recognition and a validation of relevant controls.</li></ul>

	<p>There is a risk of inherent misstatement of the financial statements related to transactions recorded close to the year end in the context of the terms of supply and the point of transfer of control and thus, the point of recognition as per IND AS (cut off risk).</p> <p>Considering magnitude and high volume of sales transactions carried out, revenue recognition is considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• The tests further covered the proper recognition of revenue through testing of samples of sales transactions, obtaining appropriate supporting evidence including third party survey report for each despatch with specific attention to key contractual terms that regulate the various performance obligations.</li> <li>• Our audit procedures included analytical review of sales transactions and accounting of revenue.</li> <li>• It also extended to performing confirmation procedures over trade receivables with the objective of validating trade receivable balances, testing samples of credit notes and year-end accruals.</li> <li>• Evaluating the disclosures made with requirements under the Accounting Standards and the Companies Act, 2013.</li> </ul>
2	<p>Inventory at the year end</p> <p>The Company's inventory, generally, is located at its plant at Kutch and its finished goods at the Jakhau and Mundra ports.</p> <p>The Company has a policy of performing verification of its inventory at these locations.</p> <p>The Company has conducted the physical verification of inventories across at Washery plant, Jakhau, and Mundra port between 3<sup>rd</sup> April 2024 and 7<sup>th</sup> April 2024 by engaging specialists (management experts).</p> <p>Considering the bulk nature and reliance of third Party technology for salt quantity determination, physical verification of inventories at year end is considered as key audit matter.</p>	<p>With respect to existence of inventories at the year end, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the Management's internal controls process to establish the existence of inventory such as: <ul style="list-style-type: none"> <li>(a) the process of physical verification carried out by the Management, the scope and coverage of the verification programme, the results of such verification including analysis of discrepancies, if any,</li> <li>(b) maintenance of stock records at all locations. <ul style="list-style-type: none"> <li>• Understood and evaluated the competence, independence and objectivity of the experts engaged by the Management.</li> <li>• Participated in the stock count performed by the management at Washery plant, Jakhau, and Mundra port.</li> <li>• Checked roll back procedures from the date of the physical verification to the year end based on third party certified physical verification report to the book stock.</li> <li>• On a sample basis, tested the quantity reconciliation from 1<sup>st</sup> April ,2023 to 31<sup>st</sup> March, 2024 of raw materials, and finished goods, that was prepared by the Management.</li> </ul> </li> </ul> </li> </ul>



### **Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors report but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during 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.

### **Responsibilities of the Management and Board of Directors for Standalone Financial Statements**

The Company's Management and Board of Directors are 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the

Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the 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 and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' 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 auditors' 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 standalone financial statements.



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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management and Board of Directors 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- 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.

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

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  2. 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 were necessary for the purposes of our audit.
    - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph (h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
    - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the statement of cash flows 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
    - (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
    - (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 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 as at 31 March 2024 on its financial position in its standalone financial statements – Refer Note 37 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024; and
    - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise,

- that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on such audit procedures that the we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 40(H) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend

declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Relying on representations/explanations from the company and based on our examination which includes test checks on the software application the Company has used accounting software (ERP) for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

However, audit trail was not enabled to log any direct data changes at database level both in application layer and database layer of the accounting software.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

**For PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

**S.Prasana Kumar**

Partner

Membership No. 212354

UDIN : 24212354BKGYH4421

Place of Signature: Chennai

Date: 14<sup>th</sup> May 2024



## Annexure A

**Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Archean Chemical Industries Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2024.**

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties disclosed in the financial statements are held in the name of the Company as at Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company except that the factory original land lease with Government of Gujarat expired on July 31, 2018 and the company is in the process of obtaining the lease renewal. (Refer Note 3 of the standalone financial statements.)
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year and hence this clause is not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In our opinion, the coverage and procedure of such verification by the management is appropriate. The discrepancies of 10% or more in the aggregate for each class of inventory noticed on verification between the physical stocks and the book records have been properly dealt with in the books of accounts.
- b) Based on our audit procedures & according to the information and explanation given to us, the Company has

been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the unaudited books of account of the Company for respective quarters.

- (iii) (a) Based on our audit procedures and according to the information and explanation given to us, the Company has made investments in, provided guarantee and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties as follows:

Particulars	Investments (₹ in lakhs)	Guarantes (₹ in lakhs)	Loans (₹ in lakhs)
Aggregate amount granted during the year - Subsidiaries	600.00	16,700.00	12,624.47
Balance outstanding as at balance sheet date Subsidiaries	1,100.00	16,700.00	14,029.53

- (b) Based on our audit procedures and according to the information and explanation given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest.
- (c) For the loans referred to in (a) above, the loans are not yet due for repayment of principal and interest based on the terms and conditions of the loan.

(d) In respect of aforesaid loan, the repayment falls due in a later year and hence there are no over dues as at 31<sup>st</sup> March 2024

(e) Based on our audit procedures and according to the information and explanation given to us, no loans or advances in the nature of loans granted have fallen due during the year and hence the question of the loan having been renewed or extended or fresh loans granted to settle the overdues of existing loan given to the same parties does not arise. Accordingly, paragraph 3(iii)(e) of the Order is not applicable.

(f) Based on our audit procedures and according to the information and explanation given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment and hence the question of aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause 76 of section 2 of the Act does not arise. Accordingly, paragraph 3(iii)(f) of the Order is not applicable.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections



73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

- (vi) The Central Government has specified maintenance of cost records under Sub-Section (1) of Section 148 of the Act in respect of the products/services of the Company. We have broadly reviewed the books of account maintained by the Company as specified under sub section (1) of section 148 of the Act, for maintenance of cost records in respect of the products manufactured/serviced by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- (vii)
- (a) According to the information and explanations given to us and the records of the Company

examined by us, the Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as applicable with the appropriate authorities, though there has been a slight delay remittance of Provident Fund. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of statutory dues were in arrears, as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no statutory dues referred to in sub-clause (a) as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the Dues	Amount demanded (net of amount paid) (₹In lakhs)	Amount paid (₹In lakhs)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act; Gujarat Value Added Tax Act	VAT,CST	324.73	24.07	FY 2015 – 16	Joint Commissioner, Rajkot
Central Sales Tax Act; Gujarat Value Added Tax Act	VAT,CST	273.92	28.76	FY 2016 – 17	Joint Commissioner, Rajkot
Central Sales Tax Act; Gujarat Value Added Tax Act	VAT,CST	23.05	2.75	FY 2017 – 18	Joint Commissioner, Rajkot
Income Tax Act, 1961	Income Tax	5,005.30	-	FY 2021 – 22	Commissioner of Income Tax
Income Tax Act, 1961	TDS	22.95	-	FY 2021 – 22	Commissioner of Income Tax
Income Tax Act, 1961	TDS	29.15	-	FY 2022 – 23	Commissioner of Income Tax

- 
- (viii) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.
- (ix)
- (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared willful defaulter by any bank or financial institution or government or government authority.
  - (c) According to the information and explanations given to us and the records of the Company examined by us, term loans were applied for the purpose for which the loans were obtained.
  - (d) According to the information and explanations given to us and the records of the Company examined by us, no funds raised on short term basis have been utilized for long term purposes.
  - (e) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company.
  - (f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.
- (x)
- (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year.
  - (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by secretarial auditor or by cost auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government of India for the period covered by our audit.
  - (c) As represented to us by the management, there are no whistle blower complaints received during the year by the Company.



- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors of the Company issued till date for the period under audit.
- (xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).
- (b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on our audit procedures and according to the information and explanations given to us, the group does not have more than one Core Investment Company (CIC) as part of the group (basis definition of "Companies in the Group" as per Core Investment Companies (Reserve Bank) Directions, 2016) as at the end of the reporting period.
- (xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that



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any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanation given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing projects as at the end of the financial year. Accordingly, reporting under Clause 3(xx) of the Order is not applicable to the Company.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

**S. Prasana Kumar**

Partner

Membership No. 212354

UDIN : 24212354BKGYYH4421

Place of Signature: Chennai

Date: 14<sup>th</sup> May 2024

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## Annexure B

**Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date**

**Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls with reference to standalone financial statements of Archean Chemical Industries Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's and Board of Directors' Responsibility for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 (the "Guidance Note"). 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 Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, 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 standalone 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 financial statements.

#### **Meaning of Internal Financial Controls with reference to standalone financial statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**S. Prasana Kumar**  
Partner  
Membership No. 212354  
UDIN : 24212354BKGYYH4421

Place of Signature: Chennai  
Date: 14<sup>th</sup> May 2024

## Standalone Balance Sheet as at March 31, 2024

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>A. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, plant and equipment	2	1,05,818.56	1,06,480.86
(b) Capital work in progress	2	2,059.43	3,319.70
(c) Right-of-use assets	3	2,812.23	3,249.59
(d) Intangible assets	4	11.61	17.30
(e) Financial assets:			
(i) Investments	5A	1,100.00	500.00
(ii) Loans	7	14,029.53	1,405.06
(iii) Other financial assets	6	1,904.57	2,332.35
(f) Income tax Asset (Net)	18A	539.87	-
(g) Other non current assets	8	659.42	681.71
<b>Total non-current assets</b>		<b>1,28,935.22</b>	<b>1,17,986.57</b>
<b>Current assets</b>			
(a) Inventories	9	12,700.38	16,776.37
(b) Financial assets:			
(i) Investments	5B	33,582.93	21,007.73
(ii) Trade receivables	10	15,585.32	11,774.34
(iii) Cash and Cash equivalents	11.1	4,387.00	527.20
(iv) Bank balances other than (iii) above	11.2	-	2,669.99
(v) Loans	7	43.21	42.82
(vi) Other financial assets	6	1,509.02	1,646.76
(c) Other current assets	8	2,360.18	3,153.35
<b>Total current assets</b>		<b>70,168.04</b>	<b>57,598.56</b>
<b>TOTAL ASSETS</b>		<b>1,99,103.26</b>	<b>1,75,585.13</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12	2,467.94	2,461.06
(b) Other equity	13	1,68,173.85	1,40,790.85
<b>Total equity</b>		<b>1,70,641.79</b>	<b>1,43,251.91</b>



Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
(a) Financial liabilities:			
(i) Borrowings	14	60.27	78.80
(ii) Lease liabilities	15	3,122.56	3,571.20
(iii) Other financial liabilities	16	-	-
(b) Other non-current liabilities	17	-	-
(c) Provisions	20.1	506.82	4.79
(d) Deferred tax liabilities (Net)	19	12,378.13	11,545.46
<b>Total non-current liabilities</b>		<b>16,067.78</b>	<b>15,200.25</b>
<b>Current liabilities</b>			
(a) Financial liabilities:			
(i) Borrowings	14	18.53	2,070.41
(ii) Lease liabilities	15	705.23	1,218.12
(iii) Trade payables			
(A) total outstanding dues of micro and small enterprises	21	1,264.75	1,796.83
(B) total outstanding dues of creditors other than above	21	8,634.84	7,757.19
(iv) Other financial liabilities	16	1,493.54	2,045.65
(v) Derivative liabilities	16.1	25.54	-
(b) Other current liabilities	17	187.07	1,935.70
(c) Current Tax Liabilities	18	-	283.37
(d) Provisions	20.2	64.19	25.70
<b>Total current liabilities</b>		<b>12,393.69</b>	<b>17,132.97</b>
<b>Total Liabilities</b>		<b>28,461.47</b>	<b>32,333.22</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,99,103.26</b>	<b>1,75,585.13</b>

Notes forming part of Standalone Financial statements 1-44

As per our report of even date attached

For and on behalf of the Board of Directors

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No:003990S/S200018

**S. Meenakshisundaram**  
Director  
DIN: 01176085

**P. Ranjit**  
Managing Director  
DIN: 01952929

**S. Prasana Kumar**  
Partner  
Membership No: 212354

**R. Raghunathan**  
Chief Financial Officer

**S. Balasundharam**  
Company Secretary  
Membership No: A11114

Place : Chennai  
Date : May 14, 2024

Place : Chennai  
Date : May 14, 2024

## Standalone Statement of Profit and Loss for the Year ended March 31, 2024

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

S. No.	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I	Revenue from operations	22	1,32,958.31	1,44,106.59
II	Other income	23	4,669.94	4,417.89
III	<b>Total income (I+II)</b>		<b>1,37,628.25</b>	<b>1,48,524.48</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	24	4,685.47	4,570.40
	Purchases of Stock-in-Trade		-	442.82
	Changes in inventories of finished goods and work-in-progress	25	4,021.13	(4,740.18)
	Employee benefits expense	26	7,232.01	7,202.44
	Finance costs	27	966.75	9,695.89
	Depreciation and amortisation expenses	28	6,999.66	6,850.89
	Other expenses	29	70,586.91	73,194.35
	<b>Total expenses (IV)</b>		<b>94,491.93</b>	<b>97,216.61</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>		<b>43,136.32</b>	<b>51,307.87</b>
VI	Exceptional items		-	-
VII	<b>Profit before tax (V+VI)</b>		<b>43,136.32</b>	<b>51,307.87</b>
VIII	<b>Income tax expense:</b>			
	- Current tax	30	10,063.31	2,362.62
	- (Excess) provision for tax relating to prior years		(4.64)	-
	- Deferred Tax	30	843.09	10,579.87
	<b>Total Income tax expenses (VIII)</b>		<b>10,901.76</b>	<b>12,942.49</b>
IX	<b>Profit after tax (VII-VIII)</b>		<b>32,234.56</b>	<b>38,365.38</b>
X	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to Profit or Loss			
	Remeasurements of the defined benefit plans		(41.41)	38.11
	Income tax expenses relating to the above		10.42	(9.59)
	<b>Total other comprehensive income for the year, net of tax (X)</b>		<b>(30.99)</b>	<b>28.52</b>
XI	<b>Total comprehensive income for the year (IX+X)</b>		<b>32,203.57</b>	<b>38,393.90</b>
	Earnings per share (Face value of ₹2/- each)			
	Basic earnings per share (In ₹)	32	26.17	34.76
	Diluted earnings per share (In ₹)	32	26.14	34.69

Notes forming part of Standalone Financial statements 1-44

As per our report of even date attached

For and on behalf of the Board of Directors

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No:003990S/S200018

**S. Meenakshisundaram**  
Director  
DIN: 01176085

**P. Ranjit**  
Managing Director  
DIN: 01952929

**S. Prasana Kumar**  
Partner  
Membership No: 212354

**R. Raghunathan**  
Chief Financial Officer

**S. Balasundharam**  
Company Secretary  
Membership No: A11114

Place : Chennai  
Date : May 14, 2024

Place : Chennai  
Date : May 14, 2024



## Standalone Statement of Cash Flow for the Year ended March 31, 2024

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Profit / (loss) before income tax	43,136.32	51,307.87
<b>Adjustments for :</b>		
Depreciation and amortisation expenses	6,999.66	6,850.89
Finance costs recognised in profit or loss	966.75	9,695.89
Profit on sale of Mutual funds and changes in fair value	(2,293.31)	(377.98)
Gain on conversion of CCD	-	(107.17)
Interest income from fixed deposit	(567.41)	(504.35)
(Profit)/Loss on sale of asset	3.58	(5.47)
Issue of Employee stock options	871.05	757.77
Provision for Contingencies	500.00	-
Provision for doubtful receivables / advances	(148.86)	279.23
Write back of Lease Liabilities	(595.28)	-
Unrealised net foreign exchange (gain) / loss	(512.26)	(471.13)
<b>Operating profit before working capital changes</b>	<b>5,223.92</b>	<b>16,117.68</b>
<b>Movements in working capital :</b>		
(Increase) / decrease in trade receivables	(3,122.88)	4,093.90
(Increase) / decrease in inventories	4,075.99	(4,697.62)
(Increase) / decrease in other assets	2,470.46	(48.42)
Increase / (decrease) in trade payables	337.08	(1,669.69)
Increase / (decrease) in provisions	40.52	(85.80)
Increase / (decrease) in other liabilities	(2,316.61)	(13,156.79)
	<b>1,484.56</b>	<b>(15,564.42)</b>
Cash generated from operations	49,844.80	51,861.13
Income Tax paid	(10,897.62)	(2,079.25)
<b>Net cash generated from operating activities</b>	<b>38,947.18</b>	<b>49,781.88</b>
<b>B. Cash flow from investing activities</b>		
Interest received	567.41	504.35
Investment in / Proceeds from sale of Mutual funds	(10,281.89)	(19,508.79)
Loan to subsidiary	(12,624.47)	(150.00)
Investment made in wholly owned subsidiary	(600.00)	-
Investment in / maturity of bank deposits, net	1,430.30	(55.25)
Acquisition of property, plant and equipment	(4,534.76)	(9,674.37)
Proceeds from sale of property, plant and equipment	89.50	101.60
<b>Net cash used in investing activities</b>	<b>(25,953.91)</b>	<b>(28,782.46)</b>

## Standalone Statement of Profit and Loss for the Year ended March 31, 2024

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>C. Cash flow from financing activities</b>		
Fresh Issue of Equity Shares	6.88	78,859.96
Proceeds from borrowings	-	2,099.90
Repayment of NCD	-	(84,000.00)
Payment of Dividend	(5,541.80)	-
Repayment of Other borrowings	(2,070.41)	(439.08)
Repayment towards lease liabilities	(1,252.69)	(1,459.49)
Interest paid - Borrowings	(103.99)	-
Interest paid - Others	(171.46)	(16,258.19)
<b>Net cash used in financing activities</b>	<b>(9,133.47)</b>	<b>(21,196.90)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>3,859.80</b>	<b>(197.48)</b>
Cash and cash equivalents as at the beginning of the year	527.20	724.68
<b>Cash and Cash equivalents as at the end of the year</b>	<b>4,387.00</b>	<b>527.20</b>

Note: The Statement of Cash Flow is prepared using 'Indirect Method' as prescribed in Ind AS 7.

Notes forming part of Standalone Financial statements 1-44

### Refer: Note 14(b) for Debt reconciliation

As per our report of even date attached

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No:003990S/S200018

**S. Prasana Kumar**  
Partner  
Membership No: 212354

Place : Chennai  
Date : May 14, 2024

For and on behalf of the Board of Directors

**S. Meenakshisundaram**  
Director  
DIN: 01176085

**R. Raghunathan**  
Chief Financial Officer

Place : Chennai  
Date : May 14, 2024

**P. Ranjit**  
Managing Director  
DIN: 01952929  
**S. Balasundharam**  
Company Secretary  
Membership No: A11114



## Standalone Statement of Changes in Equity

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### (a) Equity share capital

Particulars	No of shares	₹in lakhs
<b>Balance as at March 31, 2022</b>	<b>9,63,33,405</b>	<b>1,926.67</b>
Changes in equity share capital due to prior period Errors	-	-
<b>Restated balance as at March 31, 2022</b>	<b>9,63,33,405</b>	<b>1,926.67</b>
Changes in equity share capital during the year	2,67,19,584	534.39
<b>Balance as at March 31, 2023</b>	<b>12,30,52,989</b>	<b>2,461.06</b>
Changes in equity share capital due to prior period Errors	-	-
<b>Restated balance as at March 31, 2023</b>	<b>12,30,52,989</b>	<b>2,461.06</b>
Changes in equity share capital during the period	3,43,980	6.88
<b>Balance as at March 31, 2024</b>	<b>12,33,96,969</b>	<b>2,467.94</b>



## Standalone Statement of Profit and Loss for the Year ended March 31, 2024

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

b)

Particulars	Reserves & Surplus				Items of other comprehensive income	ESOP Outstanding Account	Total
	Securities Premium	Retained earnings	Equity component of compound financial instrument	Debt Redemption Reserve			
<b>a. Balance as at March 31, 2022</b>	<b>15,085.52</b>	<b>436.89</b>	<b>455.29</b>	<b>8,400.00</b>	<b>(35.34)</b>	<b>-</b>	<b>24,342.36</b>
b. Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-
<b>c. Restated balance at the beginning of the current reporting year (a+b)</b>	<b>15,085.52</b>	<b>436.89</b>	<b>455.29</b>	<b>8,400.00</b>	<b>(35.34)</b>	<b>-</b>	<b>24,342.36</b>
d. Other comprehensive income for the FY 2022-23	-	-	-	-	28.52	-	28.52
e. Profit for the FY 2022-23	-	38,365.38	-	-	-	-	38,365.38
f. Transfer to retained earnings	-	8,400.00	-	(8,400.00)	-	-	-
g. Conversion to Equity Shares	-	-	(455.29)	-	-	-	(455.29)
h. Premium on fresh issue of Shares	80,104.42	-	-	-	-	-	80,104.42
i. Premium on Conversion of CCD	533.19	-	-	-	-	-	533.19
j. Adjustment of Share issue expenses	(2,885.50)	-	-	-	-	-	(2,885.50)
k. Transfer to ESOP Outstanding Account	-	-	-	-	-	757.77	757.77
<b>l. Balance as at March 31, 2023</b>	<b>92,837.63</b>	<b>47,202.27</b>	<b>-</b>	<b>-</b>	<b>(6.82)</b>	<b>757.77</b>	<b>1,40,790.85</b>
m. Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-
<b>n. Restated balance at the beginning of the current reporting year (l+m)</b>	<b>92,837.63</b>	<b>47,202.27</b>	<b>-</b>	<b>-</b>	<b>(6.82)</b>	<b>757.77</b>	<b>1,40,790.85</b>

## Standalone Statement of Profit and Loss for the Year ended March 31, 2024

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Reserves & Surplus				Items of other comprehensive income	ESOP Outstanding Account	Total
	Securities Premium	Retained earnings	Equity component of compound financial instrument	Debt Redemption Reserve			
o. Other comprehensive income for the current year	-	-	-	-	(30.99)	-	(30.99)
p. profit for the FY 2023-24	-	32,234.56	-	-	-	-	32,234.56
q. Transfer to retained earnings	-	-	-	-	-	-	-
r. Adjustment of Share issue expenses	(149.82)	-	-	-	-	-	(149.82)
s. Dividend paid for FY 22-23	-	(3,076.32)	-	-	-	-	(3,076.32)
t. First Interim Dividend paid for FY 23-24	-	(1,231.51)	-	-	-	-	(1,231.51)
u. Second Interim Dividend paid for FY 23-24	-	(1,233.97)	-	-	-	-	(1,233.97)
v. Transfer to Securities Premium	1,393.12	-	-	-	-	(1,393.12)	-
w. Transfer to ESOP Outstanding Account	-	-	-	-	-	871.05	871.05
<b>x. Balance as at March 31, 2024</b>	<b>94,080.93</b>	<b>73,895.03</b>	<b>-</b>	<b>-</b>	<b>(37.81)</b>	<b>235.70</b>	<b>1,68,173.85</b>

1-44

Notes forming part of Standalone Financial statements

As per our report of even date attached

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No:003990S/S200018

**S. Prasana Kumar**  
Partner

Membership No: 212354  
Place : Chennai  
Date : May 14, 2024

For and on behalf of the Board of Directors

**S. Meenakshisundaram**  
Director  
DIN: 01176085

**R. Raghunathan**  
Chief Financial Officer

Place : Chennai  
Date : May 14, 2024

**P. Ranjit**  
Managing Director  
DIN: 01952929

**S. Balasundharam**  
Company Secretary  
Membership No: A11114



## Notes forming part of Standalone financial statements

### Note 1

#### Corporate information

Archean Chemical Industries Limited was incorporated on July 14, 2009. The Company is into manufacturing of Marine Chemicals. The manufacturing location is in Gujarat State. The equity shares of the Company were listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange of India limited ("BSE") on November 21, 2022.

#### Summary of Material accounting policies

##### 1.1 Statement of compliances

The financial statements have been prepared and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 ("as amended") and other relevant provisions of the Companies Act, 2013. The material accounting policies have been applied consistently to all the periods presented in the financial statements, unless otherwise indicated.

##### 1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 take 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 best economic interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets 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, maximizing the use of relevant observable inputs and minimizing 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 inputs 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the



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Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Quantitative disclosures of fair value measurement hierarchy (Refer Note 34)

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Note 1.22 operating cycle. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities, except for salt at crystalizers for which the operating cycle is 24 months.

The Company is confident of getting its land lease renewed as mentioned in Note 3 (b). Hence the financial statements have been prepared on going concern basis.

### 1.3 Changes in Accounting Standards with effect from 01.04.2023

The following Accounting Standards have been modified on miscellaneous issues with effect from 1<sup>st</sup> April 2023. Such changes include clarification/guidance on:

- (i) Ind AS 101 – First time adoption of Ind AS – Deferred tax assets and deferred tax liabilities to be recognized for all temporary differences associated with ROU assets, lease liabilities, decommissioning / restoration / similar liabilities.
- (ii) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.
- (iii) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of

significant accounting policies as part of financial statements.

- (iv) Ind AS 8 – Accounting policies, changes in accounting estimate and errors – Clarification on what constitutes an accounting estimate provided.
- (v) Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

None of these amendments had any significant effect on the company's financial statements, except for disclosure of Material Accounting Policies instead of Significant Accounting Policies in the Financial Statements.

### 1.4 Changes in Accounting Standards that may affect the Company after 31<sup>st</sup> March 2024

New Accounting Standards/Amendments notified but not yet effective: Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time and the following are expected to be effective in the periods after 31<sup>st</sup> March 2024:

- a) Amendment to Ind AS 116 which in respect of accounting for sale and leaseback transactions.
- b) Certain amendments to Ind AS 1 relating to classification as current and non current liabilities. The Company is in the process of evaluating the impact of the above amendments which is not expected to have any material impact on the financial statements of the Company.

## Notes forming part of Standalone financial statements

### 1.5 Property, plant and equipment

Land and Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowings costs capitalized in accordance with Company's accounting policy. Such properties are classified to appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Advance paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non current assets.

Cost of assets not ready to use are disclosed under 'capital work in progress'.

Depreciable amount is the cost of an asset less its estimated residual value. Depreciation on Property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Useful life of the Property, plant and equipment is reassessed based on the technical evaluation.

Assets	Useful life
Building	10 - 40 years
Salt works	30 years
Plant and Machinery - Chemicals	2 -40 years
Plant and Machinery - Cogeneration plant	3 - 40 years
Vehicles	2 - 10 years
Office & equipment	2 - 6 years
Furniture & fixtures	2 - 10 years

Fixed Assets individually costing ₹5,000 or less are fully depreciated in the year of capitalization.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognized as profit or loss.

Upon transition to the Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment as at April 01, 2017 ( transition date) measured as per the previous GAAP, as its deemed cost.

### 1.6 Intangible assets other than goodwill

Intangible assets with finite useful life are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of the purchase price, including any import duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts, tax credits and rebates.

The intangible assets are amortised over their respective estimated useful life on a straight-line basis, commencing from the date the asset is available to the Company for its use. The amortisation period are reviewed



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at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### **Derecognition of intangible assets:**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss.

### **Useful lives of intangible assets:**

Estimated useful lives of the intangible assets are as follows:

Software licenses - 5 Years

### **Deemed cost on transition to Ind AS**

Upon transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets as at April 1, 2017 (transition date) measured as per the previous GAAP, as its deemed cost.

## **1.7 Impairment of property, plant and equipment & intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those 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 (if any). When it is

not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

## **1.8 Right to use assets**

The Company has adopted Indian Accounting Standards ("Ind AS") 116 "Leases" to all its lease contracts existing on April 1, 2019 adopting modified prospective method. Consequently the Company recorded the lease liability calculated at present value

## Notes forming part of Standalone financial statements

of remaining lease payments discounted at the incremental borrowing rate. Right to use asset has been recognised to this extent .

### 1.9 Investments in subsidiary

Investment in subsidiary is carried at cost less impairment losses, if any. Where an indication of impairment exists, the carrying amount of investments is assessed and impairment provision is recognised, if required, immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

### 1.10 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset -this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- a) the Company has the right to operate the asset; or
- b) the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets (assets of less than INR 10 lakhs in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

### 1.11 Inventories

Inventories are valued at the lower of cost on moving weighted average basis or estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition, including transportation cost, transit insurance and any other charges. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents



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the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

### 1.12 Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, 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.

### 1.13 Foreign currency transactions and translations

#### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

#### (ii) Transactions and balances

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. 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 profit or loss in the period in which they 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;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

### 1.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 1.15 Revenue recognition

Revenues are derived primarily from sale of Industrial Salt, Liquid Bromine and other marine chemicals. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of products or services to customers for an amount that reflects the probable consideration expected to be received in exchange. Revenue is reduced for estimated customer returns, rebates and other similar allowances.



## Notes forming part of Standalone financial statements

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/ pricing incentives varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

Revenue from services has been recognised as and when the service has been performed.

### 1.16 Employee benefits

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

#### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling ( if applicable ) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not

reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows.

- Service Cost ( including current service cost, past service cost, as well as gain and losses on curtailments and settlements)
- Net interest expense or income, and
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item " Employee Benefits Expense". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs. The Company has an employees ' gratuity fund managed by the Life Insurance Corporation of India.

#### Short - term and other long - term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the



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related service.

Liabilities recognized in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

### Share based payments

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis over the vesting period of options, with a corresponding increase in equity.

### 1.17 Provisions and contingencies

Provisions are recognised, when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation and are reviewed at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (ii) Present

obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts only in case of inflow of economic benefits is probable.

### 1.18 Taxes on income

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements 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 to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 liabilities and assets 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 end of the reporting period.

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 end of the

## Notes forming part of Standalone financial statements

reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Current tax is the expected tax payable on the taxable profit for the year using tax rates and tax laws enacted or substantively enacted by the end of the reporting period and any adjustments to the tax payable in respect of previous years.

The tax currently payable is based on taxable profit for the year, if any. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible."

### 1.19 Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

#### Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and

financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

#### Subsequent Measurement

##### Financial assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets, except for investment forming part of interest in subsidiary, which are measured at cost.

##### Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

##### (a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely, payments of principal and interest are measured at amortized cost. A gain or loss on these assets that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.



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### (b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely, payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other income/ (expense).

### (c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the statement of profit and loss.

#### Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivable, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at Fair value through profit or loss.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impairment financial

assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayments, extension, call and similar options) through the expected life of that financial instruments.

The Company measures the loss allowance for the financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on those financial instruments has increased significantly since initial recognition.

If the credit risk on financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instruments at an amount equal to 12 months expected credit losses. The twelve months expected credit losses are portion of the lifetime expected credit losses and represents lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months.

If the Company has already measured loss allowance for the financial instruments at life time expected credit loss model in the previous period and determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality, then the Company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable

## Notes forming part of Standalone financial statements

and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual rights to receive cash or other financial assets that results from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to life time expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward – looking information.

### **Derecognition of financial assets**

A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

### **Financial liabilities and equity instruments**

#### **Classification as equity or financial liability**

Equity and Debt instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

### **Financial liabilities at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as FVTPL, are measured at amortized cost at the end of the reporting period. The carrying amounts of financial liabilities that are measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs'.

### **Financial liabilities at FVTPL**

Liabilities that do not meet the criteria for amortized cost are measured at 'fair value through profit or loss' (FVTPL). A gain or loss on these assets that is subsequently measured at 'fair value through profit or loss' (FVTPL) is recognized in the statement of profit and loss.

### **Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### **Derivative financial instruments**

#### **Initial recognition**

The Company uses derivative financial instruments such as futures contracts, to hedge a portion of its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



## Standalone Statement of Changes in Equity

### Subsequent measurement

Derivative financial instruments are subsequently re-measured at fair value with any gains or losses arising from changes in the fair value taken directly to the statement of profit or loss.

### 1.20 Earnings Per Share

Basic earnings per share is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic plus dilutive shares during the year / period.

### 1.21 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets & contingent liabilities at the date of financials statements, income and expenses during the period. The estimates and associated assumptions are based on the historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas involving critical estimates or judgments are :

- a. Estimation of useful life of Property, plant and equipment and intangible asset
- b. Estimation of fair value of unlisted securities
- c. Impairment of trade receivables: Expected credit loss
- d. Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources
- e. Measurement of defined benefit obligation: key actuarial assumptions
- f. Lease: Whether an contract contains a lease
- g. Write down in value of Inventories
- h. Estimation for litigations
- i. Impairment of Non Financial Asset

### 1.22 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current. For salt at crystalizers, the operating cycle is 24 months and consistently applied.

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 2: Property, plant and equipment and Capital Work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amounts of:		
Salt works	23,454.79	24,471.33
Buildings	25,434.35	24,586.48
Plant and equipment	54,958.82	55,090.51
Furniture and fixtures	136.24	187.82
Office equipments	60.12	70.07
Computers	87.41	107.81
Vehicles	1,686.83	1,966.84
<b>Total</b>	<b>1,05,818.56</b>	<b>1,06,480.86</b>
<b>Capital Work-in-progress</b>	<b>2,059.43</b>	<b>3,319.70</b>

### Capital Work-in-progress balance as at March 31, 2024

Particulars	Amount in CWIP as at March 31, 2024				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in progress	1,876.02	183.41	-	-	2,059.43
Projects temporarily suspended	-	-	-	-	-

### Capital Work-in-progress balance as at March 31, 2023

Particulars	Amount in CWIP as at March 31, 2023				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in progress	3,319.70	-	-	-	3,319.70
Projects temporarily suspended	-	-	-	-	-



**Notes forming part of Standalone financial statements (Contd.)**  
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Gross block	Salt Works	Buildings	Plant and equipment	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
Balance as at March 31, 2022	32,293.84	29,414.99	67,141.16	197.73	82.50	309.08	1,986.19	1,31,425.49
Additions	87.01	933.88	5,938.34	166.15	43.02	36.21	868.81	8,073.42
Disposals	-	-	-	-	-	-	(155.66)	(155.66)
Balance as at March 31, 2023	32,380.85	30,348.87	73,079.50	363.88	125.52	345.29	2,699.34	1,39,343.25
Additions	55.88	1,724.03	3,844.62	0.55	15.20	27.07	127.68	5,795.03
Disposals	-	-	-	-	-	-	(165.41)	(165.41)
Balance as at March 31, 2024	32,436.73	32,072.90	76,924.12	364.43	140.72	372.36	2,661.61	1,44,972.87
Accumulated depreciation and impairment	Salt Works	Buildings	Plant and equipment	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
Balance as at March 31, 2022	6,842.71	4,755.72	14,398.90	133.34	34.01	172.93	538.40	26,876.01
Depreciation expense	1,066.81	1,006.67	3,584.56	42.72	21.44	64.55	253.63	6,040.38
Other Adjustments	-	-	5.53	-	-	-	-	5.53
Disposals	-	-	-	-	-	-	(59.53)	(59.53)
Balance as at March 31, 2023	7,909.52	5,762.39	17,988.99	176.06	55.45	237.48	732.50	32,862.39
Depreciation expense	1,072.42	876.16	3,976.31	52.13	25.15	47.47	314.61	6,364.25
Disposals	-	-	-	-	-	-	(72.33)	(72.33)
Balance as at March 31, 2024	8,981.94	6,638.55	21,965.30	228.19	80.60	284.95	974.78	39,154.31
Carrying amount as at March 31, 2023	24,471.33	24,586.48	55,090.51	187.82	70.07	107.81	1,966.84	1,06,480.86
Carrying amount as at March 31, 2024	23,454.79	25,434.35	54,958.82	136.24	60.12	87.41	1,686.83	1,05,818.56

**Note:** (a) Contractual obligations : Refer Note 37 for disclosure of contractual commitments for the acquisition of Property, plant and equipment.  
(b) Also refer note 14 for assets given as security for borrowings.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 3: Right-of-use assets

Gross carrying value	Land and Building	ISO tanks	Total
<b>Balance as at March 31, 2022</b>	<b>1,531.41</b>	<b>4,677.47</b>	<b>6,208.88</b>
Additions	-	-	-
<b>Balance as at March 31, 2023</b>	<b>1,531.41</b>	<b>4,677.47</b>	<b>6,208.88</b>
Additions	192.36	-	192.36
Deletions	-	(1,301.49)	(1,301.49)
<b>Balance as at March 31, 2024</b>	<b>1,723.77</b>	<b>3,375.98</b>	<b>5,099.75</b>

Accumulated depreciation and impairment	Land and Building	ISO tanks	Total
<b>Balance as at March 31, 2022</b>	<b>217.45</b>	<b>1,935.99</b>	<b>2,153.44</b>
Depreciation for the year	88.12	717.73	805.85
<b>Balance as at March 31, 2023</b>	<b>305.57</b>	<b>2,653.72</b>	<b>2,959.29</b>
Depreciation for the year	89.17	540.55	629.72
Deletions	-	(1,301.49)	(1,301.49)
<b>Balance as at March 31, 2024</b>	<b>394.74</b>	<b>1,892.78</b>	<b>2,287.52</b>

<b>Net Carrying amount as at March 31, 2023</b>	<b>1,225.84</b>	<b>2,023.75</b>	<b>3,249.59</b>
<b>Net Carrying amount as at March 31, 2024</b>	<b>1,329.03</b>	<b>1,483.20</b>	<b>2,812.23</b>

#### Note:

- (a) The Company entered into Memorandum of Undertaking ( MOU) dated August 10,2010, with Government of Gujarat (GOG) for the Land lease which expired on July 31, 2018 and the Company had made an application for renewal on December 28, 2017. As per the MOU with GOG, the lease term can be further extended for a duration and conditions as mutually agreed at that time. There is also a GOG circular no 1597/1372/□ dated October 9, 2017 which states that such leases can be extended for a period of thirty years. The company has also been receiving demand note annually for the revised lease rents as per GoG circular and the company has been meeting this payment. Management made an assessment of the facts disclosed above and taking into consideration of similar experiences during renewal in group company, is confident of obtaining the renewal of land lease. The Useful life of PPE and ROU assets have been determined by the management considering that the lease would be extended. The entire production facility is located on this leased land.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Assets	Net Block as at March 31, 2024	Net Block as at March 31, 2023
Buildings	25,372.41	24,586.48
Plant and Machinery	54,946.06	55,076.55
Furniture & Fixtures	35.06	51.97
Vehicles	1,000.71	1,218.15
Computers	49.75	69.51
Office Equipment	34.23	43.09
Salt Works	23,454.79	24,471.33
RoU - Land and Building	1,081.64	1,124.91
<b>Total</b>	<b>1,05,974.65</b>	<b>1,06,641.99</b>

### Note 4 : Intangible Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amounts of:		
Software	11.61	17.30
<b>Total</b>	<b>11.61</b>	<b>17.30</b>

Particulars	Software
<b>Balance as at March 31, 2022</b>	<b>53.06</b>
Additions	7.48
<b>Balance as at March 31, 2023</b>	<b>60.54</b>
Additions	-
<b>Balance as at March 31, 2024</b>	<b>60.54</b>
<b>Accumulated depreciation and impairment</b>	
<b>Balance as at March 31, 2022</b>	<b>38.58</b>
Amortisation expense	4.66
<b>Balance as at March 31, 2023</b>	<b>43.24</b>
Amortisation expense	5.69
<b>Balance as at March 31, 2024</b>	<b>48.93</b>
<b>Carrying amount as at March 31, 2023</b>	<b>17.30</b>
<b>Carrying amount as at March 31, 2024</b>	<b>11.61</b>

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 5A: Non current investments

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of shares / units	₹in lakhs	No of shares / units	₹in lakhs
<b>A. Investment in Equity Instruments - Unquoted</b>				
<b>Subsidiary (at cost)</b>				
Acume chemicals private limited (equity shares of ₹10 each fully paid up)	50,00,000	500.00	50,00,000	500.00
Idealis chemicals private limited (equity shares of ₹10 each fully paid up)	30,00,000	300.00	-	-
Neun Infra private limited (equity shares of ₹10 each fully paid up)	30,00,000	300.00	-	-
<b>Total</b>		<b>1,100.00</b>		<b>500.00</b>
<b>B. Investments in Mutual Funds (FVTPL) - Unquoted</b>				
Units in Mutual funds		-		-
Market value		-		-
<b>Total Non current investments</b>		<b>1,100.00</b>		<b>500.00</b>
Aggregate amount of quoted investments		-		-
Aggregate amount of Unquoted investments		1,100.00		500.00
Aggregate amount of impairment in value of investments		-		-

### Note 5B : Current investments

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Mutual Funds (FVTPL) - Unquoted</b>		
Investments in Mutual Funds	33,582.93	21,007.73
<b>Total Investments</b>	<b>33,582.93</b>	<b>21,007.73</b>

(March 2024- 74,35,174.29 units, March 2023- 25,85,826.77 Units)



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 6: Other financial assets

Particulars	Non current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good)</b>				
a) Security deposits measured at amortised cost				
With related Party	-	-	900.00	1,200.00
With Others	163.23	131.57	329.00	337.24
b) Interest accrued on deposits				
With related Party	444.58	108.54	-	-
With Others	57.07	57.08	34.83	87.49
c) Derivative Assets	-	-	-	4.60
d) Others	-	-	245.19	17.43
e) Bank Deposits with more than 12 months maturity*	1,239.69	2,035.16	-	-
<b>Total</b>	<b>1,904.57</b>	<b>2,332.35</b>	<b>1,509.02</b>	<b>1,646.76</b>

\*represents guarantee given in favour of National Stock Exchange of India Limited (FY 23-24)

### Note 7: Loans

Particulars	Non current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good)</b>				
<b>Loan to Related Parties</b>				
Loans to Acume Chemicals Private Limited (Wholly owned subsidiary)	6,593.53	1,405.06	-	-
Loans to Idealis Chemicals Private Limited (Wholly owned subsidiary)	7,436.00	-	-	-
<b>Loan to Others</b>				
Loans to employees	-	-	43.21	42.82
<b>Total</b>	<b>14,029.53</b>	<b>1,405.06</b>	<b>43.21</b>	<b>42.82</b>

#### Note:

- Loan to Acume: The Loan is repayable over a period of five years as per the loan agreement at an interest rate of 7.50%p.a..
- Loan to Idealis: The Loan is repayable over a period of 32 quarters (including moratorium of six quarters) as per the loan agreement at an interest rate of 7.5%p.a.

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 8: Other assets

Particulars	Non current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good)</b>				
a) Capital advances	446.98	626.13	-	-
b) Balances with statutory authorities	212.44	55.58	673.66	439.47
c) Others	-	-	126.96	400.65
d) Prepaid expenses	-	-	212.68	422.15
e) Advance to suppliers other than for capital asset				
i) Advance to related parties	-	-	705.15	1003.00
ii) Other Advances	-	-	626.27	888.08
f) Earned Leave - Fund Balance	-	-	15.46	-
<b>(Unsecured, considered doubtful)</b>				
g) Advance to suppliers other than for capital asset	-	-	359.09	359.09
Less: Provision for Advance	-	-	(359.09)	(359.09)
<b>Total</b>	<b>659.42</b>	<b>681.71</b>	<b>2,360.18</b>	<b>3,153.35</b>

### Note 9: Inventories (lower of cost or net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
a Raw materials and components	317.03	335.06
b Work-in-progress	7,079.24	6,104.30
c Stores & spares	1,594.44	1,631.27
d Finished goods	3,636.16	8,618.31
e Finished goods in transit	73.51	87.43
<b>Total</b>	<b>12,700.38</b>	<b>16,776.37</b>

Note : Refer Note 14 for Inventories pledged as security towards loans



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 10: Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	15,585.32	11,774.34
Trade Receivables which have significant increase in Credit Risk	350.45	204.72
Trade Receivables - credit impaired	1,784.40	2,079.00
<b>Total</b>	<b>17,720.17</b>	<b>14,058.06</b>
Allowance for doubtful debts (expected credit loss allowance)		
- towards receivables that are credit impaired	(1,784.40)	(2,079.00)
- towards receivables which have significant increase in Credit Risk	(350.45)	(204.72)
<b>Total</b>	<b>15,585.32</b>	<b>11,774.34</b>

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables by adopting a simplified approach by using provision matrix which is based on historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due, the rates as given in the provision matrix and other factors. The range of provision created as a percentage of outstanding under various age groups below 180 days past due comes to 0% - 20%. The Company as a policy provides for 100% for outstanding above 180 days past due taking into account other factors.

Movement in expected credit loss allowance	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	(2,283.72)	(2,187.89)
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	148.87	(95.83)
Balance at end of the year	<b>(2,134.85)</b>	<b>(2,283.72)</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade Receivables (At Amortised Cost)</b>		
<b>(i) Undisputed Trade Receivables – considered good</b>		
- Less than 6 months	15,585.32	11,774.34
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(ii) Undisputed Trade Receivables – which have significant increase in credit risk</b>		

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
- Less than 6 months	300.45	154.72
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	50.00	50.00
<b>(iii) Undisputed Trade Receivables – credit impaired</b>		
- Less than 6 months	-	-
- 6 months - 1 year	30.06	27.53
- 1-2 years	80.03	518.48
- 2-3 years	141.41	0.09
- More than 3 years	1,532.90	1,532.90
<b>(iv) Disputed Trade Receivables – considered good</b>		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(v) Disputed Trade Receivables – which have significant increase in credit risk</b>		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(vi) Disputed Trade Receivables – credit impaired</b>		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Less: Provision	(2,134.85)	(2,283.72)
<b>Net receivables</b>	<b>15,585.32</b>	<b>11,774.34</b>

\* Ageing has been computed based on transaction date.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 11

#### Note 11.1 : Cash & cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Balances with banks in current accounts and deposit accounts		
(i) In Current account	103.42	73.06
(ii) In term deposits with banks (original maturities less than 3 months)	4,280.00	450.00
(b) Cash on hand	3.58	4.14
<b>Total Cash and cash equivalents</b>	<b>4,387.00</b>	<b>527.20</b>

#### Note 11.2 : Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks held as margin money and guarantees*	-	1,169.99
Deposits due to mature after three months but before twelve months from the reporting date	-	1,500.00
<b>Total other bank balances</b>	<b>-</b>	<b>2,669.99</b>
<b>Total Cash and bank balances</b>	<b>4,387.00</b>	<b>3,197.19</b>

\* \* Includes guarantee given in favour of National Stock exchange of India Limited and Director General of Foreign Trade (FY 22-23).

#### Note 12: Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	No. of Shares		₹in lakhs	
<b>AUTHORISED :</b>				
Equity shares:				
Equity shares of ₹2/- each	16,00,00,000	16,00,00,000	3,200.00	3,200.00
<b>ISSUED :</b>				
Equity shares of ₹2/- each	12,33,96,969	12,30,52,989	2,467.94	2,461.06
<b>SUBSCRIBED AND FULLY PAID UP :</b>				
Equity shares of ₹2/- each	12,33,96,969	12,30,52,989	2,467.94	2,461.06



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

The Company has completed the Initial Public Offer (IPO) of 3,59,28,869 Equity shares of face value of ₹2 each at an issue price of ₹407 per equity share comprising offer for sale of 1,61,50,000 equity shares by selling shareholders and fresh issue of 1,97,78,869 shares. The equity shares of the Company were listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange of India limited ("BSE") on November 21,2022.

Pursuant to resolution of the Board dated October 22, 2022, the Company had converted 6,72,000 CCDs into 69,40,715 equity shares of face value of ₹2 each for an aggregate consideration of ₹672 lakhs, which was paid at the time of allotment of CCDs.

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committee on October 07,2022 the Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Company in accordance with Archean Chemical - Employee Stock Option Plan 2022. The Vesting Period of ESOP is between 12 months to 60 months. The first lot of shares (3,43,980) were exercised and allotted on November 03,2023 and December 02, 2023.

### Note 12.1 Reconciliation of number of shares

Particulars	Year ended 2023-24		Year ended 2022-23	
	No. of Shares	Amount (₹In lakhs)	No. of Shares	Amount (₹In lakhs)
Balance at the beginning of the year	12,30,52,989	2,461.06	9,63,33,405	1,926.67
Conversion of CCD	-	-	69,40,715	138.81
Fresh issue of shares - IPO & adjustment for OFS	-	-	1,97,78,869	395.58
ESOP Exercised during the year	3,43,980	6.88	-	-
<b>Balance at the end of the year</b>	<b>12,33,96,969</b>	<b>2,467.94</b>	<b>12,30,52,989</b>	<b>2,461.06</b>

### Note 12.2: Terms / Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 12.3: Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

Name of the Share holder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	%	No. of Shares	%
Mr. P. Ranjit	2,82,65,965	22.91%	2,66,57,197	21.66%
Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP)	3,76,93,219	30.55%	3,76,93,219	30.63%
SBI Small cap Fund	95,65,772	7.75%	95,65,772	7.77%
India Resurgence Fund Scheme - II	76,46,141	6.20%	76,46,141	6.21%

### Disclosure of shareholding of promoters and percentage of change during the year. Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated March 24, 2021:

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No of shares held	% of total shares	% of change during the year	No of shares held	% of total shares	% of change during the year
Mr. P. Ravi	-	0.00%	-100.00%	16,08,768	1.31%	-21.56%
Mr. P. Ranjit	2,82,65,965	22.91%	5.77%	2,66,57,197	21.66%	-21.71%
Chemikas Specialty LLP (formerly known as Goodearth Fertilisers Company LLP)	3,76,93,219	30.55%	-0.26%	3,76,93,219	30.63%	-25.22%

12.4 The Company has issued Stock options to employees under ESOP Scheme 2022. (Refer Note 33D)

12.5 The Company does not have any bonus share issued and shares bought back during the period of five years immediately preceding the reporting date March 31, 2024 and March 31, 2023.

12.6 The loans from the following promoters were converted into equity shares of ₹10 each with a premium of ₹38.41 per share in the financial year 2018-19.

Name of the shareholder	Unsecured loan	Issue price per share (₹)	No. of shares	Amount credited to securities premium
Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP)	1,884.00	48.41	38,91,758	1,494.82
Mr. P. Ranjit	2,602.00	48.41	53,74,923	2,064.51
<b>Total</b>	<b>4,486.00</b>		<b>92,66,681</b>	<b>3,559.33</b>

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 13: Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
a Securities premium	94,080.93	92,837.63
b Retained earnings (Net of other comprehensive income)	73,857.22	47,195.45
c Equity component of compulsorily convertible debentures	-	-
d Debenture Redemption Reserve	-	-
e Share Options Outstanding Account	235.70	757.77
<b>Total</b>	<b>1,68,173.85</b>	<b>1,40,790.85</b>

### Details to other equity

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Securities premium</b>		
<b>Balance at the beginning of the year</b>	<b>92,837.63</b>	<b>15,085.52</b>
Add : Premium on shares issued during the year	-	80,637.61
Add : Transfer from ESOP Outstanding Account	1,393.12	-
Less: Adjustment of Share Issue Expenses	(149.82)	(2,885.50)
<b>Balance at the end of the year</b>	<b>94,080.93</b>	<b>92,837.63</b>
<b>(b) Retained earnings</b>		
<b>Balance at the beginning of the year</b>	<b>47,195.45</b>	<b>401.55</b>
Total Comprehensive Income attributable to the owners of the company	32,203.57	38,393.90
Transferred from Debenture Redemption Reserve	-	8,400.00
First Interim Dividend Paid for FY 23-24	(1,231.51)	-
Second Interim Dividend Paid for FY 23-24	(1,233.97)	-
Dividend Paid for FY 22-23	(3,076.32)	-
<b>Balance at the end of the year</b>	<b>73,857.22</b>	<b>47,195.45</b>
<b>(c) Equity component of Compulsorily convertible debentures</b>		
<b>Balance at the beginning of the year</b>	<b>-</b>	<b>455.29</b>
Changes during the year	-	(455.29)



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance at the end of the year</b>	-	-
<b>(d) Debenture Redemption Reserve</b>		
<b>Balance at the beginning of the year</b>	-	8,400.00
Transferred during the year	-	(8,400.00)
<b>Balance at the end of the year</b>	-	-
<b>(e) Share Options Outstanding Account</b>		
<b>Balance at the beginning of the year</b>	757.77	-
Transferred during the year	871.05	757.77
Options exercised during the year	(1,393.12)	
<b>Balance at the end of the year</b>	235.70	757.77
<b>Total Other equity</b>	<b>1,68,173.85</b>	<b>1,40,790.85</b>

### Nature and purpose of other reserves

#### (a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

#### (b) Retained earnings

Retained earnings represents company's cumulative earnings since its formation less the dividends/ Capitalisation, if any.

#### (c) Debenture Redemption Reserve

Pursuant to Rule 18(7)(b)(iv) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules dated August 16, 2019, the Company, being an unlisted company, is required to create a Debenture Redemption Reserve out of profits of the company available for payment of dividend, at the rate of ten percent of outstanding value of debentures. Post IPO, the debentures have been redeemed fully and balance in DRR account has been transferred to General Reserve.

#### (d) Share Options Outstanding Account

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committee on October 07, 2022 the Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Company in accordance with Archean Chemical - Employee Stock Option Plan 2022. The amount of options (difference between fair value and exercise price) granted under the ESOP scheme has been recognized in the share options outstanding account.

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 14: Borrowings

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>				
Non convertible debentures	-	-	-	-
Term Loans				
- from Banks	60.27	78.80	18.53	16.95
- from Others	-	-	-	53.46
Loans repayable on demand				
- from Banks	-	-	-	2,000.00
<b>Total</b>	<b>60.27</b>	<b>78.80</b>	<b>18.53</b>	<b>2,070.41</b>

#### Note:

- Post IPO, the Company has redeemed Non - Convertible debentures on November 19,2022. The delisting of redeemed debentures from BSE was completed on January 02,2023.
- Pursuant to resolution of the Board dated October 22, 2022, the Company had converted 6,72,000 CCDs (Note 16) into 69,40,715 equity shares of face value of ₹ 2 each for an aggregate consideration of ₹ 67.20 million, which was paid at the time of allotment of CCDs.
- Term Loan from Banks: The Loan is repayable over a period of five years as per the agreement entered with bank at an interest rate of 8.90%p.a.. The loan is secured by wayof hypothecation of specific vehicle.
- Term Loan from Others: The Loan is repayable over a period of four years as per the agreement at an interest rate of 12%p.a.The Loan is secured by way of hypothecation of specific vehicle.
- Loan repayable on demand from Banks: The Loan is secured by
  - Exclusive charge on fixed deposits of ₹15 Crs,
  - Second paripaasu charge on the buildings and plant & equipment of the Company,
  - First pari Passu charge on the current assets of the Company. Rate of Interest - 8.75% p.a.

#### b) Debt Reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	3,827.79	4,789.32
Current Borrowing (Working Capital Loan)	-	2,000.00
Non - Current Borrowing plus Current maturities of long term debt (Including the Interest accrued and not due on borrowings -non current )	78.80	149.21
<b>Total</b>	<b>3,906.59</b>	<b>6,938.53</b>



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Liabilities from Financing Activities			Total
	Current Borrowing (Working Capital Loan)	Non - Current Borrowing plus current maturity of long term debt	Lease Liabilities	
<b>Debt as at April 01, 2023</b>	<b>2,000.00</b>	<b>149.21</b>	<b>4,789.32</b>	<b>6,938.53</b>
<b>Cash Flows</b>				
- Proceeds	-	-	-	-
- Repayments	(2,000.00)	(70.41)	(1,252.68)	(3,323.09)
Non-cash Transactions	-	-	(384.44)	(384.44)
Interest expense	94.57	9.42	675.59	779.58
Interest paid	(94.57)	(9.42)	-	(103.99)
<b>Debt as at March 31, 2024</b>	<b>-</b>	<b>78.80</b>	<b>3,827.79</b>	<b>3,906.59</b>

Particulars	Liabilities from Financing Activities			Total
	Current Borrowing (Working Capital Loan)	Non - Current Borrowing plus current maturity of long term debt	Lease Liabilities	
<b>Debt as at April 01, 2022</b>	<b>-</b>	<b>92,187.33</b>	<b>5,235.00</b>	<b>97,422.33</b>
<b>Cash Flows</b>				
- Proceeds	2,000.00	99.90	-	2,099.90
- Repayments	-	(84,439.08)	(1,459.49)	(85,898.57)
Non-cash Transactions	-	(323.94)	201.11	(122.83)
Interest expense	581.76	8,000.89	812.70	9,395.35
Interest paid	(581.76)	(15,375.89)	-	(15,957.65)
<b>Debt as at March 31, 2023</b>	<b>2,000.00</b>	<b>149.21</b>	<b>4,789.32</b>	<b>6,938.53</b>

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 15: Lease liabilities

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Liability on right to use assets under IND As 116 - Refer note 36	3,122.56	3,571.20	705.23	1,218.12
<b>Total</b>	<b>3,122.56</b>	<b>3,571.20</b>	<b>705.23</b>	<b>1,218.12</b>

### Note 16: Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
a. MD Commission Payable	-	-	1,266.56	1,861.50
b. Payable towards procurement of capital assets	-	-	127.52	115.54
c. Employee benefits payable	-	-	87.69	58.13
d. Unpaid dividends	-	-	1.29	-
e. Retention money	-	-	10.48	10.48
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,493.54</b>	<b>2,045.65</b>

### Note 16.1: Derivative liabilities

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Fair value of futures contract	-	-	25.54	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>25.54</b>	<b>-</b>



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 17: Other Liabilities

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
a Customer advances	-	-	88.38	1,690.19
b Statutory remittances	-	-	98.69	245.51
	-	-	<b>187.07</b>	<b>1,935.70</b>

### Note 18A Income Tax Asset (Net)

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Advance Tax and Tax Deducted at Source	12,976.87	-	-	-
Less: Provision for Taxation	(12,437.00)	-	-	-
<b>Total</b>	<b>539.87</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Note 18B Current Tax Liabilities (Net)

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for Taxation	-	-	-	2,362.62
Less: Advance Tax and Tax Deducted at source	-	-	-	(2,079.25)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283.37</b>

### Note 19: Deferred tax balances

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	1,042.81	922.85
Deferred tax liabilities	(13,420.94)	(12,468.31)
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(12,378.13)</b>	<b>(11,545.46)</b>



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

2023-24	Opening balance	Recognised in profit or loss	Recognised in other comprehensive	Closing balance
<b>Deferred tax asset / (liabilities) in relation to :</b>				
<b>Deferred tax liabilities:</b>				
Property plant and equipment	(12,468.31)	(662.68)	-	(13,130.99)
Investments (Current Investments - MF- FVTPL)	-	(289.95)	-	(289.95)
<b>Deferred tax assets:</b>				
Carried forward loss	-	-	-	-
Provision for Employee benefits	-	10.42	(10.42)	-
Disallowance u/s 43(b)	23.01	(10.62)	-	33.63
Provision for Doubtful Debts / Advances	627.14	(0.58)	-	627.72
Provision for Contingencies	-	(125.85)		125.85
DTA on timing differences on ROU assets and liabilities	272.70	17.09		255.61
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(11,545.46)</b>	<b>(843.09)</b>	<b>(10.42)</b>	<b>(12,378.13)</b>

2022-23	Opening balance	Recognised in profit or loss	Recognised in other comprehensive	Closing balance
<b>Deferred tax asset / (liabilities) in relation to :</b>				
<b>Deferred tax liabilities:</b>				
Property plant and equipment	(11,498.46)	(969.85)	-	(12,468.31)
<b>Deferred tax assets:</b>				
Carried forward loss	9,759.26	9,759.26	-	-
Provision for Employee benefits	-	(9.59)	9.59	-
Disallowance u/s 43(b)	-	(23.01)		23.01
Provision for Doubtful Debts / Advances	550.54	(76.60)	-	627.14
DTA on timing differences on ROU assets and liabilities	232.66	(40.04)	-	272.70
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(956.00)</b>	<b>(10,579.87)</b>	<b>9.59</b>	<b>(11,545.46)</b>



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 20.1: Provisions - Non Current

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Contingencies	500.00	-
Provision for Sick Leave	6.82	4.79
<b>Total</b>	<b>506.82</b>	<b>4.79</b>

### Note 20.2: Provisions - Current

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Sick Leave	2.85	0.03
Provision for Gratuity	61.34	25.67
<b>Total</b>	<b>64.19</b>	<b>25.70</b>

### Note 21: Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Amount dues to micro enterprises and small enterprises - Refer Note 38	1,264.75	1,796.83
Dues of creditors other than micro enterprises and small enterprises	8,634.84	7,757.19
<b>Total</b>	<b>9,899.59</b>	<b>9,554.02</b>

21.1 Trade payables are non-interest bearing and are normally settled as per due dates .

21.2 The Company has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms.

#### Outstanding as at March 31, 2024

Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	1,264.75	-	-	-	1,264.75
others	7,338.97	995.78	200.17	99.92	8,634.84
Disputed Micro and Small Enterprises	-	-	-	-	-
Disputed dues others	-	-	-	-	-

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Outstanding as at March 31, 2023

Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	1,796.83	-	-	-	1,796.83
others	7,360.62	236.36	10.45	149.76	7,757.19
Disputed Micro and Small Enterprises	-	-	-	-	-
Disputed dues others	-	-	-	-	-

### Note 22: Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Sales of Products		
Domestic sales	34,400.17	39,454.59
Export sales	95,944.46	1,04,502.79
(b) Other operating revenues		
Export Incentives	-	0.13
Scrap sales	2,613.68	149.08
<b>Total</b>	<b>1,32,958.31</b>	<b>1,44,106.59</b>

### Note 22.1: Disaggregation of Revenue information

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point of time by geography and offerings of the Company. As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Revenue by Geography</b>		
India	37,013.85	39,603.80
Rest of the world	95,944.46	1,04,502.79
<b>Total revenue from contracts with customers</b>	<b>1,32,958.31</b>	<b>1,44,106.59</b>
<b>Revenue by offerings</b>		
Manufactured goods		
<b>(a) Marine chemicals</b>		
Salt	84,006.21	72,812.70
Bromine	42,742.81	70,839.22
Sulphate of Potash	3,595.61	305.59
<b>(b) Others</b>	2,613.68	149.08
<b>Total revenue from contracts with customers</b>	<b>1,32,958.31</b>	<b>1,44,106.59</b>

### Note 22.2: Trade receivables

The Company classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

### Note 23: Other Income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on bank deposits	194.04	383.09
Interest income on loan to related party	373.37	121.26
Profit on sale from mutual funds - FVTPL	1,329.75	245.33
Income on mutual funds due to change in fair value	963.56	132.65
Insurance Claim Received	301.62	1,569.11
Miscellaneous income	569.03	683.40
Provision no longer required	148.86	-
Profit on sale of fixed assets	-	5.47
Net gain on exchange fluctuation	789.71	1,277.58
<b>Total</b>	<b>4,669.94</b>	<b>4,417.89</b>

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 24: Cost of materials consumed

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Stock of Raw Materials	335.06	430.76
Add: Purchases	4,667.44	4,474.70
Less: Closing Stock of Raw Materials	317.03	335.06
<b>Consumption of raw materials</b>	<b>4,685.47</b>	<b>4,570.40</b>

### Note 25: Changes in Inventories of finished goods, work-in-progress and stock in trade

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Opening Stock:</b>		
Work-in-progress	6,104.30	5,403.04
Finished goods	8,705.74	4,666.82
<b>Closing Stock:</b>		
Work-in-progress	7,079.24	6,104.30
Finished goods	3,709.67	8,705.74
<b>(Increase)/Decrease in Stocks</b>	<b>4,021.13</b>	<b>(4,740.18)</b>

### Note 26: Employee benefits expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	6,125.88	6,207.24
Share based payments to employees	871.05	757.77
Staff welfare	32.77	51.15
Contribution to provident and other funds	202.31	186.28
<b>Total</b>	<b>7,232.01</b>	<b>7,202.44</b>

### Note 27: Finance costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on debentures	-	8,000.89
Interest on working capital borrowings & Term Loans	103.99	581.76
Interest on finance lease	675.59	812.70
Bank charges	170.62	294.96
Interest on delayed payment of taxes	16.55	5.58
<b>Total</b>	<b>966.75</b>	<b>9,695.89</b>



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 28: Depreciation and amortisation expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on Property, plant and equipment and Right on Usage of assets pertaining to continuing operations	6,993.97	6,846.23
Amortisation of intangible assets	5.69	4.66
<b>Total</b>	<b>6,999.66</b>	<b>6,850.89</b>

### Note 29: Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spares	2,467.98	2,571.66
Power and fuel	9,869.73	13,419.39
Rent expense	188.73	28.33
Travelling and conveyance	631.51	564.62
Repairs and maintenance		
- Buildings	206.58	100.69
- Plant and Machinery	1,203.36	829.38
- Others	1,045.37	711.76
Insurance	1,136.11	1,074.90
Rates and taxes, excluding taxes on income	172.57	91.69
Packing, Despatching and Freight	44,785.98	46,234.53
Loading charges	4,192.75	4,045.76
Hire charges - equipment	925.03	720.18
Printing and stationery	21.17	17.85
Communication expenses	51.50	49.74
CSR expenses (Refer Note 29.2)	571.11	131.32
Auditor's remuneration (Refer Note 29.1)	58.90	51.03
Legal and professional charges	854.65	710.63
Selling and distribution expenses	1,352.35	1,308.11
Loss on sale of Fixed Assets	3.58	
Provision for doubtful debts and advances	-	279.23
Provision for Contingencies	500.00	-
Administration expenses	347.95	253.55
<b>Total</b>	<b>70,586.91</b>	<b>73,194.35</b>

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 29.1: Payment to statutory auditors

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Statutory auditor's:		
(a) For services as auditors	40.30	38.00
(b) Tax audit	9.55	8.00
(c) For other services	8.45	4.00
(d) For reimbursement of expenses	0.60	1.03
<b>Total</b>	<b>58.90</b>	<b>51.03</b>

Note: Payment to Statutory Auditors towards Certification Services on account of IPO (₹105 Lakhs) has been adjusted against Securities premium in the previous financial year 2022-23.

### Note 29.2: Expenditure incurred for Corporate social responsibility

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent under section 135 of the Companies Act, 2013	571.11	213.36
<b>Amount spent during the year on:</b>		
i) Construction/acquisition of an asset	-	-
ii) Purposes other than (i) above	559.96	153.27

### Details of Excess CSR expenditure Under Section 135 (5) of Companies Act, 2013

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance Excess Spent carried forward to current financial Year	21.95	82.04
Amount Spent during the year	559.96	153.27
Amount required to be Spent during the year	571.11	213.36
Balance Excess Spent as on last day of current financial Year	10.80	21.95

Of the total Amount of ₹581.91 lakhs, ₹117.97 is paid to Archeon Foundation for CSR Activities  
Nature of CSR activities: Medical camp and Water distribution and other charity activities.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 30: Income tax expense

#### Note 30.1 Income tax recognised in Profit or Loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income tax expense		
<b>Current tax</b>		
- Current tax	10,063.31	2,362.62
- (Excess) provision for tax relating to prior years	(4.64)	-
<b>Deferred tax</b>		
In respect of the current period/year	843.09	10,579.87
<b>Total income tax expense</b>	<b>10,901.76</b>	<b>12,942.49</b>

#### Note 30.2: Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Deferred tax</b>		
<b>Arising on income and expenses recognised in other comprehensive income:</b>		
Remeasurement of defined benefit obligation	10.42	(9.59)
<b>Total income tax recognised in other comprehensive income</b>	<b>10.42</b>	<b>(9.59)</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	10.42	(9.59)
Items that may be reclassified to profit or loss	-	-
<b>Total income tax recognised in other comprehensive income</b>	<b>10.42</b>	<b>(9.59)</b>

#### Note 30.3: The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Profit / (Loss) before tax</b>	<b>43,136.32</b>	<b>51,307.87</b>
Income tax expense calculated at 25.17%	10,857.41	12,914.19
Tax adjustment:		
(a) other impacts due to permanent allowances / disallowances as per IT Act	151.63	34.31
(b) Effect of other adjustments / disallowances	(107.28)	(6.01)
<b>Income tax expense recognised in profit or loss</b>	<b>10,901.76</b>	<b>12,942.49</b>
<b>Effective Tax Rate</b>	<b>25.27%</b>	<b>25.23%</b>



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 31 Segment Reporting

The Company is engaged in the activities related to manufacture of marine chemicals. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole. For purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely Marine Chemicals. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

#### 31.1 Geographical information

The Company's revenue from external customers by location of operations and information about its non current assets\*\* by location of operations are detailed below. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India.

Particulars	Revenue from external customers		Non - current assets as at **	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
India	37,013.85	39,603.80	1,28,935.22	1,17,986.57
Rest of the world	95,944.46	1,04,502.79	-	-
<b>Total</b>	<b>1,32,958.31</b>	<b>1,44,106.59</b>	<b>1,28,935.22</b>	<b>1,17,986.57</b>

\*\* \*\* Non- current assets are used in the operations of the Company to generate revenues both in India and outside India.

#### Note 31.2: Information about revenue from major customers

Two external customer contributed more than 10% of total revenues of the Company. The share of the revenue for the year ended March 31, 2024 is 38.2% (FY 22-23 -23.4%).

#### Note 32: Basic and Diluted earnings per share

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Basic Earnings per share	26.17	34.76
Diluted Earnings per share	26.14	34.69
Face value per equity share	2.00	2.00



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Basic and Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year after tax	32,234.56	38,365.38
Adjustment: Coupon interest on Compulsorily Convertible Debentures ("CCDs"), net of tax	-	-
Profit for the year attributable to owners of the Company	32,234.56	38,365.38

The weighted average number of equity shares for the purposes of basic and diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic and diluted earnings per share as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Weighted average number of equity shares used in the calculation of basic earnings per share	12,31,74,496.38	11,03,72,837.37
Adjustment:	-	-
Weighted average number of equity shares used in the calculation of basic earnings per share	12,31,74,496.38	11,03,72,837.37
Adjustment:		
Employee Stock Options	1,22,246.31	2,35,784.67
Weighted average number of equity shares used in the calculation of diluted earnings per share	12,32,96,742.69	11,06,08,622.04

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 33: Employee benefit plans

#### A. Defined contribution plans

The Company makes Provident fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹178.87 lakhs (Previous year ended March 31, 2023 - ₹148.28 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the plans by the Company are at rates specified in the rules of the schemes.

#### B. Defined benefit plans

##### Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance Corporation of India(LIC). The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Investment Risk :** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Longevity risk:** The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Gratuity (Funded)	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Present Value of obligations at the beginning of the year</b>	<b>208.16</b>	<b>202.55</b>
Current service cost	21.51	33.35
Interest Cost	14.99	12.34
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	40.53	(35.30)
Benefits paid	(56.72)	(4.78)
Liabilities assumed / (transferred)	-	-
<b>Present Value of obligations at the end of the year</b>	<b>228.47</b>	<b>208.16</b>
<b>Changes in the fair value of planned assets</b>		
<b>Fair value of plan assets at beginning of year</b>	<b>182.49</b>	<b>127.72</b>
Interest Income	13.14	7.78
Expected Return on plan assets	(0.88)	2.81
Contributions from the employer	29.10	48.96
Benefits Paid	(56.72)	(4.78)
Actuarial gain/ (loss) on plan assets	-	-
<b>Fair Value of plan assets at the end of the year</b>	<b>167.13</b>	<b>182.49</b>
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amounts recognized in the Balance Sheet		
Present value of projected benefit obligation at the end of the year	(228.47)	(208.16)
Fair value of plan assets at end of the year	167.13	182.49
<b>Funded status of the plans – Liability recognised in the balance sheet</b>	<b>(61.34)</b>	<b>(25.67)</b>
<b>Provision for Gratuity - Non current liability</b>	<b>-</b>	<b>-</b>
<b>Provision for Gratuity - current liability</b>	<b>(61.34)</b>	<b>(25.67)</b>

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Components of defined benefit cost recognised in profit or loss		
Current service cost	21.51	33.35
Net Interest Expense	14.99	12.34
Interest Income	(13.14)	(7.78)
<b>Net Cost in Profit or Loss</b>	<b>23.36</b>	<b>37.91</b>
<b>Components of defined benefit cost recognised in Other Comprehensive income</b>		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	40.53	(35.30)
Return on plan assets	0.88	(2.81)
<b>Net Cost in Other Comprehensive Income</b>	<b>41.41</b>	<b>(38.11)</b>

Assumptions	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.14%	7.20%
Expected rate of salary increases	13.00%	13.00%
Expected rate of attrition	31.00%	35.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Average Expected Future service	2 years	2 years

The company has generally invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

- (i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations
- (ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- (iii) The entire Plan Assets are managed by Life Insurance Corporation of India (LIC). The data on Plan Assets has not been furnished by LIC.
- (iv) Experience adjustments has been disclosed based on the information available in the actuarial valuation report



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Impact on defined benefit obligation (₹in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate		
- 1% increase (+100 BP)	(5.56)	(3.96)
- 1% decrease (-100 BP)	5.92	4.19
Salary growth rate		
- 1% increase (+100 BP)	4.97	3.38
- 1% decrease (-100 BP)	(4.85)	(3.28)
Attrition rate		
- 1% increase (+100 BP)	(2.17)	(1.30)
- 1% decrease (-100 BP)	2.27	1.35

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The company's best estimate of the contribution expected to be paid to the plan during the next year is ₹58.95 lakhs (2022-2023: ₹47.18 lakhs).

### C. Long Term Compensated Absence

The compensated absences cover the Company's liability for earned leave & Sick leave.

Assumptions	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.14%	7.20%
Expected rate of salary increases	13.00%	13.00%
Expected rate of attrition	31.00%	35.00%

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### D. Share Based Payments

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committee on October 07, 2022 the Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Company in accordance with Archean Chemical -Employee Stock Option Plan 2022. The Vesting Period of ESOP is between 12 months to 60 months.

#### Movements in Share Options during the Year

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Options outstanding at the beginning of the year	4,91,400.00	-
Granted during the year	-	4,91,400.00
Forfeited/Expired during the year	(24,570.00)	-
Exercised during the year	(3,43,980.00)	-
Options outstanding at the end of the year	1,22,850.00	4,91,400.00

Each Employee Stock Options converts into one equity share at an exercise price of ₹2 per share. The fair value of options granted as on the date of grant is ₹407.

An amount of ₹871.05 lakhs (₹757.77 lakhs) has been recognized as employee stock options expenses in statement of profit or loss.

### Note 34: Financial Instruments

#### Note 34.1: Capital Management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of net debt (borrowings as detailed in note 14 and note 16 (accrued interest and offset by cash and bank balances) and total equity of the Company.

The Company during the year has put in place the risk management policy and the same is being reviewed periodically post implementation.

#### 34.1.1 Gearing Ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Debt	78.80	2,149.21
Cash and bank balances	4,387.00	3,197.19
<b>Net debt</b>	<b>(4,308.20)</b>	<b>(1,047.98)</b>
Equity	1,70,641.79	1,43,251.91
<b>Total Equity</b>	<b>1,70,641.79</b>	<b>1,43,251.91</b>
Net debt to equity ratio (in times)	-0.03	-0.01



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### 34.2 Categories of financial instruments

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
a) Financial assets measured at fair value - Mutual fund investments	33,582.93	21,007.73
b) Financial assets measured at fair value - Derivative Assets	-	4.60
<b>Measured at amortised cost</b>		
a) Cash and bank balances	4,387.00	3,197.19
b) Loan to related party	14,029.53	1,405.06
c) Investments in subsidiaries	1,100.00	500.00
d) Other financial assets at amortised cost	19,042.12	15,796.27
<b>Financial liabilities</b>		
a) Measured at amortised cost	11,471.93	13,748.88
b) Measured at FVTPL	3,853.33	4,789.32

#### Note 34.3: Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company has implemented a hedging policy during the period /year, to minimise the effects of foreign exchange fluctuations.

The Corporate Treasury function reports quarterly to the Chief Financial Officer and overseen by the board.

#### Note 34.4: Market Risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### 34.5 Foreign Currency risk management

The Company is exposed to foreign exchange risk arising from foreign currency transactions on account of sale / purchase of goods. Foreign exchange risk arises from recognised assets denominated in a currency that is not the Company's functional currency (₹). The risk is measured through a forecast of foreign currency cash flows that would arise due to the underlying assets and liabilities held.

The Company has entered into futures contracts to manage a portion of foreign currency risk arising out of realisation of foreign currency receivables. The strategy followed by the Company is tracking the foreign currency exchange rates and settlement of the payables at the time when the exchange rates are favourable.

**The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows**

Currency	Liabilities as at			
	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
	FC	INR	FC	INR
EUR	0.88	79.27	0.90	80.56
GBP	-	-	0.01	0.95
SGD	-	-	0.01	0.45
USD	11.33	944.37	8.11	666.58
<b>Total</b>		<b>1,023.64</b>		<b>748.54</b>

Currency	Assets as at			
	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
	FC	INR	FC	INR
EUR	3.05	274.76	4.52	405.32
USD	131.42	10,957.28	99.36	8,168.84
<b>Total</b>		<b>11,232.04</b>		<b>8,574.16</b>



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 34.5.1: Foreign currency sensitivity analysis

The company is mainly exposed to the currency of USD and EURO.

The following table details the company's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where the rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency, there would be a comparable impact on the profit.

Particulars	Impact on profit or loss for the year	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Financial Assets (A)</b>		
USD	547.86	408.44
EUR	13.74	20.27
<b>Financial Liabilities (B)</b>		
USD	47.22	33.33
EUR	3.96	4.03
<b>Total (A) - (B)</b>	<b>510.42</b>	<b>391.35</b>

Impact of change in exchange rates of GBP and SGD on profit or loss for the period is immaterial and hence not disclosed.

### Note 34.6: Interest rate risk management

The long term borrowings appearing in the balance sheet carries a fixed rate of interest and hence the company is not exposed to interest rate variability. However a portion of customer advances appearing as non current liabilities is carries a variable rate and is exposed to rate fluctuations. The sensitivity analysis is carried out on customer advances and is shown below.

## Notes forming part of Standalone financial statements (Contd.)

*(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)*

### Note 34.7: Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the Company's 'Profit for the year ended March 31, 2024 would not have any impact as there are no liabilities with floating rate as at March 31, 2024. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

### Note 34.8: Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties. The company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved on a regular basis. Also majority of sales are carried out through letter of credit and secured.

The Company does not have significant credit exposure to any single customer. Concentration of Credit Risk to single customer did not exceed 10% of receivables in FY 2023-24 except for four customers whose outstanding balance was ₹8601.62 Lakhs. (FY 2022-23 - ₹3632.16 Lakhs).

### Note 34.9: Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 34.9.2 below sets out details of facilities that the Company has at its disposal.

#### 34.9.1 Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2024

Particulars	Weighted average effective Interest rate (%)	Less than 1 year	Upto 3 years	More than 3 and upto 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Accounts payable and acceptances		9,899.59	-	-	-	9,899.59	9,899.59
Others		1,519.08	-	-	-	1,519.08	1,519.08
Finance lease liability		1,232.85	1,860.32	1,087.32	7,670.76	11,851.25	3,827.79
Fixed interest rate instruments	8.90%	18.53	42.35	17.92	-	78.80	78.80

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments other than interest on NCD as at March 31, 2023

Particulars	Weighted average effective Interest rate (%)	Less than 1 year	Upto 3 years	More than 3 and upto 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Accounts payable and acceptances	-	9,554.02	-	-	-	9,554.02	9,554.02
Others	-	2,045.65	-	-	-	2,045.65	2,045.65
Finance lease liability	-	1,836.59	2,074.84	1,428.36	8,100.03	13,439.82	4,789.32
Fixed interest rate instruments	8.84%	2,070.41	38.76	40.04	-	2,149.21	2,149.21

The carrying amounts of the above are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Non-interest bearing	11,418.67	11,599.67
Finance lease liability	3,827.79	4,789.32
Fixed interest rate instruments	78.80	2,149.21
<b>Total</b>	<b>15,325.26</b>	<b>18,538.20</b>

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 year	1-3 year	3 - 5 year	More than 5 years	Total
<b>As at March 31, 2024</b>					
Investments	33,582.93	-	-	1,100.00	<b>34,682.93</b>
Security Deposits	1,229.00	-	-	163.23	<b>1,392.23</b>
Trade Receivables	15,585.32	-	-	-	<b>15,585.32</b>
Total Cash and bank balances	4,387.00	-	-	-	<b>4,387.00</b>
Bank Deposits	-	1,239.69	-	-	<b>1,239.69</b>
Others	280.02	501.65	-	-	<b>781.67</b>
Loans	43.21	14,029.53	-	-	<b>14,072.74</b>
<b>As at March 31, 2023</b>					
Investments	21,007.73	-	-	500.00	<b>21,507.73</b>
Security Deposits	1,537.24	-	-	131.57	<b>1,668.01</b>
Trade Receivables	11,774.34	-	-	-	<b>11,774.34</b>
Others	109.52	165.62	-	-	<b>275.14</b>
Loans	42.82	1,405.06	-	-	<b>1,447.88</b>
Bank Deposits	-	2,035.16	-	-	<b>2,035.16</b>
Cash and Cash Equivalents	3,197.19	-	-	-	<b>3,197.19</b>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

### Note 34.9.2: Financing facility

As per the debenture trust deed, NCD's of ₹73,970 lakhs issued under tranche I programme during the year 2018-19 and the company has issued NCDs worth of ₹4,030 lakhs under tranche III programme and NCDs worth ₹6,000 lakhs towards bromine expansion under tranche II programme during the 2019-20. Post IPO, the Company has redeemed Non - Convertible debentures on November 19, 2022. The delisting of redeemed debentures from BSE was completed on January 02,2023.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 34.10: Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

#### 34.10.1 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	Fair Value hierarchy	As at March 31, 2024		As at March 31, 2023	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>					
<b>Measured at fair value through profit or loss (FVTPL)</b>					
Financial assets measured at fair value - Mutual fund investments	Level 1	33,582.93	33,582.93	21,007.73	21,007.73
Financial assets measured at fair value - Derivative Instruments	Level 1	-	-	4.60	4.60
<b>Financial liabilities</b>					
Lease Liabilities measured at FVTPL	Level 3	3,827.79	3,827.79	4,789.32	4,789.32
Derivative Instruments measured at FVTPL	Level 3	25.54	25.54	-	-

The fair values of the financial assets and financial liabilities included in the level 1 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 35 Related party transaction

#### Note 35.1: Names of Related Parties & Nature of Related parties relationship

i. Entities or persons having significant influence	Chemikas Speciality LLP (Formerly known as Goodearth Fertilisers Company LLP)
ii. Subsidiary companies	Acume Chemicals Private Limited Idealis Chemicals Private Limited Neun Infra Private Limited
iii. Step down Subsidiary	Sicsem Private Limited
iv. Enterprise over which Key management personnel exercise significant influence.	Goodearth Maritime Private Limited Jakhau Salt Company Private Limited Bharath Salt Refineries Limited Archean Industries Private Limited Cloudgen Digital Private Limited Sea Salt Holdings Pte Limited Bahavidhaah Holdings Private Limited Archean Foundation KGF Granites Private Limited Archean Salt Holdings Private Limited
iv. Key management personnel and other directors	Mr. P Ranjit - Managing Director Mr. P Ravi - Non - Executive Director Mr. Subrahmanyam Meenakshisundaram - Non - Executive Director Mr. Kandheri Munaswamy Mohandass - Independent Director Mr. Chitoor Ghatambu Sethuram - Independent Director Mrs. Padma Chandrasekaran - Independent Director Mr. R.Raghunathan - CFO (CFO with effect from 1 June 2022) Mr. E Sairam - Group CFO (resinged as a CFO with effect from 31 May 2022) Mr. Abhishek Pandey - Company Secretary (appointed with effect from 01 Jan 2022 and resigned with effect from 11 May 2022) Mr. Arunmozhi - Company Secretary (resigned with effect from 11 Aug 2023) Mr. S Balasundharam - Company Secretary (appointed with effect from 11 Aug 2023)



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 35.2 Transactions with related parties

Particulars	Transaction Value		Amount Outstanding Receivable / (Payable)	
	Year ended March 31, 2024	Year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Jakhau Salt Company Private Limited</b>				
- Reimbursement of Jetty Expenses	507.36	419.98	(89.23)	(25.81)
- Reimbursement of Expenses	-	15.05		
<b>Bharath Salt Refineries Limited</b>				
- Reimbursement of Expenses	-	19.98	-	-
- Purchase of traded goods	-	442.82		
<b>P. Ranjit</b>				
- Payment of Dividend	1,271.97	-	-	-
- Office Rent	45.95	43.76	(4.14)	(1.22)
- MD remuneration payable	-	-	(1,266.56)	(1,861.50)
<b>Goodearth Maritime Private Limited</b>				
- Receivable Bromine	-	-	50.00	50.00
- Expenses towards jetty services	2,565.82	2,123.90		
- Shipment Management fee expenses	538.57	500.75	1,153.44	2,058.70
- Reimbursement of expenses	834.95	576.67		
<b>Arcean Industries Private Limited</b>				
- Reimbursement of Expenses	2.25	-	12.15	14.41
<b>Sea Salt Holdings Pte Limited</b>				
- Receivable	-	-	-	1,099.00
- Despatch Income	22.87		-	-
- Reversal of provision for doubtful receivables	-	(137.73)	-	-
- Reimbursement of expenses	-	62.27	-	-
- Sale of salt	4,829.28	3,534.08	-	-
<b>Cloudgen Digital Private Limited</b>				
- Others	-	-	0.30	0.30
<b>Arcean Foundation</b>				
Towards CSR expenses	117.97	119.66	-	-



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Transaction Value		Amount Outstanding Receivable / (Payable)	
	Year ended March 31, 2024	Year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>KGF Granites Private Limited</b>				
- Reimbursement of Expenses	-	-	1.20	1.20
<b>Idealis Chemicals Private Limited</b>				
- Loans given	7,436.00	-	7,436.00	-
- Interest income	108.09	-	97.28	-
<b>Chemikas Speciality LLP</b>				
- Payment of Dividend	1,696.19	-	-	-
<b>Acume Chemicals Private Limited</b>				
- Loans given	5,188.47	150.00	6,940.83	1,513.62
- Sale of Bromine	0.80	0.04	45.19	15.13
- Corporate Guarantee Given	16,700.00	-	16,700.00	-
- Interest income	265.27	95.33	-	-

### Note 35.3: Compensation of Key management personnel

The remuneration of directors (including other reimbursement) and other members of key management personnel during the year was as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Employee benefits expense</b>		
Mr. P Ranjit	1,917.69	2,476.13
Sitting Fees paid to directors	25.50	37.25
Remuneration to directors	75.00	-
Mr. S Meenakshisundaram	995.09	-
Mr. E Sairam	-	20.52
Mr. R Raghunathan	100.03	65.72
Mr. G Arunmozhi	9.65	25.08
Mr. S Balasundharam	18.60	-
Mr. Abhishek Pandey	-	0.99



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 36: Lease arrangements

#### Lease Liabilities

Particulars	As at March 31, 2024	As at 31 March 2023
Maturity analysis - contractual undiscounted cash flows		
- Less than one year	1,232.85	1,836.59
- One to five years	2,947.64	3,503.20
- More than five years	7,670.76	8,100.03
<b>Total undiscounted lease liabilities</b>	<b>11,851.25</b>	<b>13,439.82</b>
Lease liabilities included in the financial statement as at		
- Current	705.23	1,218.12
- Non Current	3,122.56	3,571.20

Particulars	As at March 31, 2024	As at 31 March 2023
Amounts recognised in profit or loss		
- Interest on lease liabilities	675.59	812.70
- Expenses relating to short-term leases	188.73	28.33

#### Movement of lease liabilities

Particulars	As at March 31, 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>	<b>4,789.32</b>	<b>5,235.00</b>
Additions	192.36	-
Accretion of interest	675.59	812.70
Payments	(1,252.68)	(1,459.49)
Forex	18.48	201.11
Others	(595.28)	-
Deletions	-	-
<b>Balance at the end of the year</b>	<b>3,827.79</b>	<b>4,789.32</b>

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 37: Additional information to the financial statements

#### Note 37.1: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2024	As at 31 March 2023
Contingent liabilities		
a. Disputed Service tax, Sales tax and Income tax dues under appeal (refer Note 37.1 (a))	5,679.10	654.68
b. Corporate Guarantee given to Acume Chemicals Private Limited (WOS)	16,700.00	-
c. Capital Commitments	504.36	2,187.90
d. Minimum demand charges payable to PGVCL*	156.86	-
<b>Total</b>	<b>23,040.32</b>	<b>2,842.58</b>

\* Appeal has been filed against the demand raised by PGVCL. An amount of ₹156.86 lakhs has been paid under protest.

#### Note 37.1 (a) Details of disputed statutory dues

Name of Statute	Period to which amounts relates	Forum where dispute is pending	As at March 31, 2024	As at March 31, 2023
Sales tax and Gujarat VAT matters in respect of which Company is in appeal.	FY 2015-16	Joint Commissioner, Rajkot	324.73	324.73
	FY 2016-17		273.92	273.92
	FY 2017-18		23.05	23.05
Income tax matters in respect of which Company is in appeal	FY 2016-17	CIT (Appeals)	-	20.39
	FY 2017-18	JCIT (Appeals)	-	12.59
	FY 2021-22	CIT (Appeals)	5,005.30	-
TDS matters in respect of which Company is in appeal	FY 2021-22	CIT (Appeals)	22.95	-
	FY 2022-23		29.15	-
<b>Total</b>			<b>5,679.10</b>	<b>654.68</b>

Note: Closing balance of amount paid under protest ₹55.58 Lakhs (March 31, 2023: ₹55.08)

Future cashflows in respect of the above matters are determinable only on receipts of judgments/decisions pending at various forums / authorities.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 38 : Dues to Micro, Small and Medium Enterprises:

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 and March 31, 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount remaining unpaid to any supplier at the end of each accounting year;	1,264.75	1,796.83
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 39: Events after the reporting date

Nil

### Note 40: Others

- A. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- B. The borrowings from banks and financial institutions have been used for the purposes for which it was taken at the balance sheet date.
- C. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company and benami property.
- D. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond statutory period.
- E. The Company has not traded or invested in Crypto currency or virtual currency during the financial period.
- F. The Company does not have any transaction which is not recorded in the books of account that has been surrendered, disclosed as income during the year in the tax assessments under the income tax act, 1961 (such as, search or survey or any of the relevant provisions of the Income tax Act, 1961.)
- G. Relationship with Struck-off Companies: The Company has searched for transactions with Struck-off companies by comparing company's counter parties with publicly available database of struck-off companies through a manual name search. Based on such a manual search, there are no transactions with the struck off companies for the FY 2023-24.
- H. Final Dividend of Re.1 per equity share amounting to ₹1233.97 Lakhs for the Financial Year 2023-24 recommended by Board of Directors which is subject to approval of shareholders at the ensuing Annual General Meeting is not recognized as liability at the Balance Sheet date.

### 41. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 14, 2024

42. The implementation of the Code on Social Security, 2020 is getting postponed. The Company will assess the impact thereof and give effect in the Financial Statements when the date of implementation of the codes and the Rules / Schemes thereunder are notified.
43. The previous year figures have been regrouped / rearranged to conform to current period classification.



## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 44: Ratios

Ratio	% times	Numerator	Denominator	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023	% of variance	Reason for variance*
a) Current ratio	Times	Current Assets	Current liabilities	5.66	3.36	68.4%	Increase in current ratio is due to increase in Investment in Mutual funds.
b) Debt-Equity ratio	Times	Long-term borrowings (including current maturities) + Short-term borrowings + interest accrued on borrowings+ Liability portion of CCD (included in other financial liabilities)	Total Equity [Equity Share Capital+Other Equity]	0.00	0.02	-96.9%	Due to reduction in short term borrowings.
c) Debt service coverage ratio	Times	Profit before tax + Interest on term loans, working capital, Interest on finance lease+ Depreciation	Interest on term loans, working capital & Interest on finance lease + Finance cost capitalised + Loans repaid + Reduction in lease liability	14.86	0.72	1958.6%	Due to reduction in short term borrowings.
d) Return on equity ratio	Percentage	Profit after tax	Average Shareholder's Equity	20.54%	45.26%	-54.6%	Due to increase in Average Shareholder's Equity.
e) Inventory turnover ratio	Times	Revenue from operations	Average inventory	9.02	9.99	-9.7%	-
f) Trade receivables turnover ratio	Times	Revenue from operations	Average accounts receivable	9.72	10.65	-8.7%	-
g) Trade payables turnover ratio	Times	Cost of goods sold	Average trade payables	7.32	6.23	17.5%	-

## Notes forming part of Standalone financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Ratio	% times	Numerator	Denominator	As on 31 <sup>st</sup> March, 2024	As on 31 <sup>st</sup> March, 2023	% of variance	Reason for variance*
h) Net capital turnover ratio	Times	Revenue from operations	Working capital Current assets - Current liabilities	2.30	3.56	-35.4%	Increase in current ratio is due to increase in Investment in Mutual funds.
i) Net profit ratio	Percentage	Profit after tax	Revenue from operations	24.24%	26.62%	-8.9%	
j) Return on capital employed	Percentage	Profit Before Interest and Tax	Total Assets - Intangible assets - Total liabilities + Debt  Debt : Long-term borrowings (including current maturities) + Short-term borrowings + interest accrued on borrowings+ Liability portion of CCD (included in other financial liabilities)	24.09%	38.87%	-38.0%	Due to reduction in profit.
k) Return on investment (On mutual funds and bank deposits)	Percentage	Interest income on mutual funds and bank deposits	Average of mutual funds and bank deposits	7.62%	5.53%	37.8%	Due to increase in MF return.

\* for Variances above 25% only

As per our report of even date attached

**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No:003990S/S200018

**S. Prasana Kumar**  
Partner  
Membership No: 212354

Place : Chennai  
Date : May 14, 2024

For and on behalf of the Board of Directors

**S. Meenakshisundaram**  
Director  
DIN: 01176085

**R. Raghunathan**  
Chief Financial Officer

Place : Chennai  
Date : May 14, 2024

**P. Ranjit**  
Managing Director  
DIN: 01952929

**S. Balasundharam**  
Company Secretary  
M.No: A11114



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# **CONSOLIDATED FINANCIAL STATEMENTS 2023-2024**



## Independent Auditors' Report

### To the Members of Archeon Chemical Industries Limited

#### Report on the Audit of the Consolidated Financial Statements Opinion

##### Opinion

We have audited the accompanying consolidated financial statements of Archeon Chemical Industries Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2024, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries as were audited by other auditors, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit, consolidated other comprehensive income, their consolidated changes in equity and consolidated cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. 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, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the considerations of evidence obtained by other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, 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.

S.No	Key Audit Matter	Our Response
1.	<p>Revenue from sale of products is recognized on transfer of control to the Customer.</p> <p>The Holding Company is catering to clients in the Asia / Europe regions. Delivery to customers might take extended time periods from the date of dispatch from the premises of Company.</p>	<p>Our audit procedures included verification of existence, completeness, accuracy and cut-off for the sales transactions.</p> <ul style="list-style-type: none"><li>• Our tests included performance of an understanding and evaluation of the internal controls over the revenue recognition and a validation of relevant controls.</li></ul>



S. No	Key Audit Matter	Our Response
	<p>There is a risk of inherent misstatement of the financial statements related to transactions recorded close to the year end in the context of the terms of supply and the point of transfer of control and thus, the point of recognition as per IND AS (cut off risk).</p> <p>Considering magnitude and high volume of sales transactions carried out, revenue recognition is considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• The tests further covered the proper recognition of revenue through testing of samples of sales transactions, obtaining appropriate supporting evidence including third party survey report for each despatch with specific attention to key contractual terms that regulate the various performance obligations.</li> <li>• Our audit procedures included analytical review of sales transactions and accounting of revenue.</li> <li>• It also extended to performing confirmation procedures over trade receivables with the objective of validating trade receivable balances, testing samples of credit notes and year-end accruals.</li> <li>• Evaluating the disclosures made with requirements under the Accounting Standards and the Companies Act, 2013.</li> </ul>
2.	<p>Inventory at the year end</p> <p>The Holding Company's inventory, generally, is located at its plant at Kutch and its finished goods at the Jakhau and Mundra ports.</p> <p>The Holding Company has a policy of performing verification of its inventory at these locations.</p> <p>The Holding Company has conducted the physical verification of inventories across at Washery plant, Jakhau, and Mundra port between 3<sup>rd</sup> April 2024 and 7<sup>th</sup> April 2024 by engaging specialists (management experts).</p> <p>Considering the bulk nature and reliance of third party technology for salt quantity determination, physical verification of inventories at year end is considered as key audit matter.</p>	<p>With respect to existence of inventories at the year end, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the Management's internal controls process to establish the existence of inventory such as: (a) the process of physical verification carried out by the Management, the scope and coverage of the verification programme, the results of such verification including analysis of discrepancies, if any, (b) maintenance of stock records at all locations.</li> <li>• Understood and evaluated the competence, independence and objectivity of the experts engaged by the Management.</li> <li>• Participated in the stock count performed by the management at Washery plant, Jakhau, and Mundra port.</li> <li>• Checked roll back procedures from the date of the physical verification to the year end based on third party certified physical verification report to the book stock.</li> <li>• On a sample basis, tested the quantity reconciliation from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 of raw materials, and finished goods, that was prepared by the Management</li> </ul>

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**Information Other than the Consolidated Financial Statements and Auditors' Report Thereon**

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Directors report but does not include the consolidated financial statements and our auditors' report 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 and, in doing so, 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. 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.

**Responsibilities of the Management and Board of Directors for the Consolidated Financial Statements.**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included

in the Group are responsible for 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Management and Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditors' 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 auditors' 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 the Holding Company, its subsidiary companies, which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of the consolidated financial

statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient

and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Matters

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹22,105.12 lakhs and net assets (before consolidation adjustments) of ₹615.29 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of ₹51.44 lakhs and net cash flows (before consolidation adjustments) amounting to ₹91.22 lakhs for the year ended on that date, as considered in the consolidated

financial statements. These financial statements 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 these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, as noted in the 'Other matters' paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those



books and the reports of the other auditors except for the matter stated in the paragraph (h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to adequacy of the internal financial controls over financial statements of the Holding Company, its subsidiary companies, the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) The observation relating to the maintenance of accounts and other

matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.d

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group,— Refer Note 37 to the consolidated financial statements.
  - ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
  - iv. (a) The respective managements of Holding Company, its subsidiary companies has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by

- the Holding Company, its subsidiary companies to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiary companies (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The respective managements of the Holding Company, its subsidiary companies to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiary companies shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries
- (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, performed by us and that performed by the auditors of the subsidiary companies, whose financial statements/ financial information have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the

representations under sub-clause (a) and (b) above contain any material mis-statement.

- v. The dividend paid during the year by the Holding Company in respect of interim dividend are in compliance with section 123 of the Act to the extent applies to payment of dividend.

The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

No dividend has been declared/paid by the subsidiary companies during the financial year and hence reporting on compliance with the provisions of section 123 of the Act is not applicable to that extent.

- vi. Relying on representations/explanations from the company and software vendor and based on our examination which includes test checks on the software application the Holding Company and one subsidiary whose books are audited by another auditor, has used accounting softwares (ERP) for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

However, audit trail was not enabled to log any direct data changes at database level both in application layer and database layer of the accounting software.

With respect to the other subsidiary companies, the subsidiary companies have used an accounting software for maintaining its books of account which has a feature of



recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

3. As required by Section 197(16) of the Act, in our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint venture companies incorporated in India which were not audited by us, we report that the remuneration paid by the Holding Company, its subsidiary companies, associate companies and joint venture

companies incorporated in India to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

**S.Prasana Kumar**

Partner

Membership No. 212354

UDIN: 24212354BKGYYG1344

Place of Signature: Chennai

Date: 14<sup>th</sup> May 2024

## Annexure A

**Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Archean Chemical Industries Limited ("the Holding Company") on the consolidated financial statements as of and for the year ended 31 March 2024.**

- (i) As required by Paragraph (xxi) of Companies (Auditor's Report) Order (CARO), there have been no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies incorporated in India included in the consolidated financial statements except:

Sr. No.	Name	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is qualified or adverse
1	Archean Chemical Industries Limited	L24298TN2009PLC072270	Holding	(ii)
2	Archean Chemical Industries Limited	L24298TN2009PLC072270	Holding	(vii)

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

**S.Prasana Kumar**

Partner

Membership No. 212354

UDIN: 24212354BKGYYG1344

Place of Signature: Chennai

Date: 14<sup>th</sup> May 2024



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## Annexure B

### Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of Archeon Chemical Industries Limited

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Archeon Chemical Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls over financial reporting of the Holding Company and other auditors have audited its three subsidiary companies, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 ("the ICAI"). 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 the respective 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 Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit of the Holding Company and its subsidiary companies, which are companies incorporated in India. 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the



other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the

internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the other auditors as mentioned in the Other Matter paragraph below, the Holding Company, its subsidiary companies, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the respective companies 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.

### **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 insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants

Firm's Registration No.003990S/S200018

**S.Prasana Kumar**  
Partner

Membership No. 212354

UDIN: 24212354BKGYYG1344

Place of Signature: Chennai

Date: 14<sup>th</sup> May 2024

## Consolidated Balance Sheet as at March 31, 2024

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>A. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, plant and equipment	2	1,11,802.15	1,06,488.65
(b) Capital work in progress	2	4,618.12	3,617.91
(c) Right-of-use assets	3	4,158.20	4,502.35
(d) Intangible assets	4	11.61	17.30
(e) Intangible assets under development	4.1	200.00	-
(f) Financial assets:			
(i) Loans	7	-	-
(ii) Other financial assets	6	1,553.84	2,224.36
(g) Deferred tax assets (Net)	19	112.11	30.81
(h) Income tax assets (net)	18A	539.38	-
(i) Other non current assets	8	9,975.07	989.98
<b>Total non-current assets</b>		<b>1,32,970.48</b>	<b>1,17,871.36</b>
<b>Current assets</b>			
(a) Inventories	9	12,729.34	16,776.37
(b) Financial assets:			
(i) Investments	5	34,987.02	21,007.73
(ii) Trade receivables	10	15,637.88	11,774.33
(iii) Cash and Cash equivalents	11.1	4,548.28	597.26
(iv) Bank balances other than (iii) above	11.2	-	2,669.99
(v) Loans	7	42.75	42.84
(vi) Other financial assets	6	1,463.83	1,631.63
(c) Other current assets	8	3,206.85	3,171.83
<b>Total current assets</b>		<b>72,615.95</b>	<b>57,671.98</b>
<b>TOTAL ASSETS</b>		<b>2,05,586.43</b>	<b>1,75,543.34</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12	2,467.94	2,461.06
(b) Other equity	13	1,67,687.11	1,40,640.92
<b>Equity Attributable to Owners of the Company</b>		<b>1,70,155.05</b>	<b>1,43,101.98</b>
<b>Non Controlling Interest</b>		0.82	-



Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Liabilities</b>			
Non-Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	14	5,935.93	78.80
(ii) Lease liabilities	15	3,122.56	3,571.20
(iii) Other financial liabilities	16	-	-
(b) Other non-current liabilities	17	-	-
(c) Provisions	20.1	506.82	4.79
(d) Deferred tax liabilities (Net)	19	12,378.12	11,545.46
<b>Total non-current liabilities</b>		<b>21,943.43</b>	<b>15,200.25</b>
Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	14	18.53	2,070.41
(ii) Lease liabilities	15	705.23	1,218.12
(iii) Trade payables			
(A) total outstanding dues of micro and small enterprises	21	1,287.48	1,796.83
(B) total outstanding dues of creditors other than above	21	8,693.59	7,758.67
(iv) Other financial liabilities	16	2,409.98	2,144.93
(v) Derivative liabilities	16.1	25.54	-
(b) Other current liabilities	17	282.59	1,943.08
(c) Current tax liabilities (Net)	18B	-	283.37
(d) Provisions	20.2	64.19	25.70
<b>Total current liabilities</b>		<b>13,487.13</b>	<b>17,241.11</b>
<b>Total Liabilities</b>		<b>35,430.56</b>	<b>32,441.36</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,05,586.43</b>	<b>1,75,543.34</b>

Notes forming part of Consolidated Financial statements 1-44

As per our report of even date attached

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No:003990S/S200018

**S. Prasana Kumar**  
Partner  
Membership No: 212354

Place : Chennai  
Date : May 14, 2024

For and on behalf of the Board of Directors

**S. Meenakshisundaram**  
Director  
DIN: 01176085

**R. Raghunathan**  
Chief Financial Officer

Place : Chennai  
Date : May 14, 2024

**P. Ranjit**  
Managing Director  
DIN: 01952929  
**S. Balasundharam**  
Company Secretary  
Membership No: A11114

## Consolidated Statement of Profit and Loss for the Year ended March 31, 2024

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

S. No.	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I	Revenue from operations	22	1,33,008.95	1,44,106.59
II	Other income	23	4,332.37	4,327.13
III	<b>Total income (I+II)</b>		<b>1,37,341.32</b>	<b>1,48,433.72</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	24	4,758.47	4,570.40
	Purchases of Stock-in-Trade		-	442.82
	Changes in inventories of finished goods and work-in-progress	25	4,008.95	(4,740.18)
	Employee benefits expense	26	7,242.81	7,204.70
	Finance costs	27	846.15	9,695.90
	Depreciation and amortisation expenses	28	7,033.71	6,863.34
	Other expenses	29	70,732.82	73,229.14
	<b>Total expenses (IV)</b>		<b>94,622.91</b>	<b>97,266.12</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>		<b>42,718.41</b>	<b>51,167.60</b>
VI	<b>Exceptional items</b>		-	-
VII	<b>Profit before tax (V+VI)</b>		<b>42,718.41</b>	<b>51,167.60</b>
VIII	<b>Income tax expense:</b>			
	- Current tax	30	10,064.20	2,362.62
	- (Excess) provision for tax relating to prior years		(4.64)	-
	- Deferred Tax	30	761.78	10,549.06
	<b>Total Income tax expenses (VIII)</b>		<b>10,821.34</b>	<b>12,911.68</b>
IX	<b>Profit after tax (VII-VIII)</b>		<b>31,897.07</b>	<b>38,255.92</b>
X	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to Profit or Loss			
	Remeasurements of the defined benefit plans		(41.41)	38.11
	Income tax expenses relating to the above		10.42	(9.59)
	<b>Total other comprehensive income for the year, net of tax (X)</b>		<b>(30.99)</b>	<b>28.52</b>



<b>XI</b>	<b>Total comprehensive income for the year (IX+X)</b>		<b>31,866.08</b>	<b>38,284.44</b>
	<b>Profit for the year attributable to</b>			
	- Owners of the Company		<b>31,897.75</b>	<b>38,255.92</b>
	- Non Controlling Interest		<b>(0.68)</b>	<b>-</b>
	<b>Other Comprehensive Income for the year attributable to</b>			
	- Owners of the Company		<b>(30.99)</b>	<b>28.52</b>
	- Non Controlling Interest		<b>-</b>	<b>-</b>
	<b>Total Comprehensive Income for the year attributable to</b>			
	- Owners of the Company		<b>31,866.76</b>	<b>38,284.44</b>
	- Non Controlling Interest		<b>(0.68)</b>	<b>-</b>
	Earnings per share ( Face value of ₹2 each)			
	Basic earnings per share (In ₹)	32	25.90	34.66
	Diluted earnings per share (In ₹)	32	25.87	34.59

Notes forming part of Consolidated Financial statements 1-44

As per our report of even date attached

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No:003990S/S200018

**S. Prasana Kumar**  
Partner  
Membership No: 212354

Place : Chennai  
Date : May 14, 2024

For and on behalf of the Board of Directors

**S. Meenakshisundaram**  
Director  
DIN: 01176085  
**R. Raghunathan**  
Chief Financial Officer

Place : Chennai  
Date : May 14, 2024

**P. Ranjit**  
Managing Director  
DIN: 01952929  
**S. Balasundharam**  
Company Secretary  
Membership No: A11114

## Consolidated Statement of Cash Flow for the Year ended March 31, 2024

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Profit / (loss) before income tax	42,718.41	51,167.60
Adjustments for :		
Depreciation and amortisation expenses	7,033.71	6,863.34
Finance costs recognised in profit or loss	846.15	9,695.90
Profit on sale of Mutual funds	(2,311.08)	(377.98)
Gain on conversion of CCD	-	(107.17)
Interest income from fixed deposit	(212.07)	(413.59)
(Profit)/Loss on sale of asset	3.58	(5.47)
Issue of Employee Stock Options	871.05	757.77
Provision for Contingencies	500.00	-
Provision for doubtful receivables / advances	(148.86)	279.23
Write back of Lease Liabilities	(595.28)	-
Unrealised net foreign exchange (gain) / loss	(513.00)	(471.13)
<b>Operating profit before working capital changes</b>	<b>5,474.20</b>	<b>16,220.90</b>
Movements in working capital :		
(Increase) / decrease in trade receivables	(3,150.88)	4,093.91
(Increase) / decrease in inventories	4,023.21	(4,697.62)
(Increase) / decrease in other assets	600.44	(289.84)
Increase / (decrease) in trade payables	417.08	(1,668.32)
Increase / (decrease) in provisions	223.00	(85.80)
Increase / (decrease) in other liabilities	(1,472.65)	(13,052.70)
	<b>640.20</b>	<b>(15,700.37)</b>
Cash generated from operations	48,832.81	51,688.13
Income Tax paid	(10,897.62)	(2,079.25)
<b>Net cash generated from operating activities</b>	<b>37,935.19</b>	<b>49,608.88</b>
<b>B. Cash flow from investing activities</b>		
Interest received	210.14	413.59
Investment in / Proceeds from sale of Mutual funds	(11,668.21)	(19,508.79)
Investment in / maturity of bank deposits, net	1,430.30	(55.25)
Advance towards procurement of capital asset	(7,690.74)	-
Acquisition of property, plant and equipment	(13,098.30)	(9,985.70)
Proceeds from sale of property, plant and equipment	89.50	101.60
<b>Net cash used in investing activities</b>	<b>(30,727.31)</b>	<b>(29,034.55)</b>



Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>C. Cash flow from financing activities</b>		
Fresh Issue of Equity Shares	8.38	78,859.96
Proceeds from borrowings	5,875.66	2,099.90
Repayment of NCD	-	(84,000.00)
Payment of Dividend	(5,541.80)	-
Repayment of Other borrowings	(2,070.41)	(439.08)
Repayment towards lease liabilities	(1,252.69)	(1,459.49)
Interest paid - Borrowings	(103.99)	-
Interest paid - Others	(172.01)	(16,258.20)
<b>Net cash used in financing activities</b>	<b>(3,256.86)</b>	<b>(21,196.91)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>3,951.02</b>	<b>(622.58)</b>
Cash and cash equivalents as at the beginning of the year	597.26	1,219.84
<b>Cash and Cash equivalents as at the end of the year</b>	<b>4,548.28</b>	<b>597.26</b>

Note: The Statement of Cash Flow is prepared using 'Indirect Method' as prescribed in Ind AS 7.

Notes forming part of Consolidated Financial statements 1-44

Refer Note 14 (b) for Debt reconciliation

As per our report of even date attached

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No:003990S/S200018

**S. Prasana Kumar**  
Partner  
Membership No: 212354

Place : Chennai  
Date : May 14, 2024

For and on behalf of the Board of Directors

**S. Meenakshisundaram**  
Director  
DIN: 01176085

**R. Raghunathan**  
Chief Financial Officer

Place : Chennai  
Date : May 14, 2024

**P. Ranjit**  
Managing Director  
DIN: 01952929

**S. Balasundharam**  
Company Secretary  
Membership No: A11114



**(a) Equity share capital**

Particulars	No of shares	₹in lakhs
<b>Balance as at March 31, 2022</b>	<b>9,63,33,405</b>	<b>1,926.67</b>
Changes in equity share capital due to prior period Errors	-	-
<b>Restated balance as at March 31, 2022</b>	<b>9,63,33,405</b>	<b>1,926.67</b>
Changes in equity share capital during the year	2,67,19,584	534.39
<b>Balance as at March 31, 2023</b>	<b>12,30,52,989</b>	<b>2,461.06</b>
Changes in equity share capital due to prior period Errors	-	-
<b>Restated balance as at March 31, 2023</b>	<b>12,30,52,989</b>	<b>2,461.06</b>
Changes in equity share capital during the year	3,43,980	6.88
<b>Balance as at March 31, 2024</b>	<b>12,33,96,969</b>	<b>2,467.94</b>



b)

Particulars	Reserves & Surplus			Items of other comprehensive income		ESOP Outstanding Account	Total	Non Controlling Interest
	Securities Premium	Retained earnings	Equity component of compound financial instrument	Debt Redemption Reserve	Actuarial Gain / (Loss)			
<b>a. Balance as at March 31, 2022</b>	<b>15,085.52</b>	<b>396.42</b>	<b>455.29</b>	<b>8,400.00</b>	<b>(35.34)</b>	-	<b>24,301.89</b>	-
b. Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-
<b>c. Restated balance at the beginning of the current reporting period (ar+b)</b>	<b>15,085.52</b>	<b>396.42</b>	<b>455.29</b>	<b>8,400.00</b>	<b>(35.34)</b>	-	<b>24,301.89</b>	-
d. Other comprehensive income for the current year	-	-	-	-	28.52	-	28.52	-
e. Profit for FY 2022-23	-	38,255.92	-	-	-	-	38,255.92	-
f. Transfer to retained earnings	-	8,400.00	-	(8,400.00)	-	-	-	-
g. Conversion to Equity Shares	-	-	(455.29)	-	-	-	(455.29)	-
h. Premium on fresh issue of Shares	80,104.42	-	-	-	-	-	80,104.42	-
i. Premium on Conversion of CCD	533.19	-	-	-	-	-	533.19	-
j. Adjustment of Share issue expenses	(2,885.50)	-	-	-	-	-	(2,885.50)	-
k. Transfer to ESOP Outstanding Account	-	-	-	-	-	757.77	757.77	-
<b>l. Balance as at March 31, 2023</b>	<b>92,837.63</b>	<b>47,052.34</b>	-	-	<b>(6.82)</b>	<b>757.77</b>	<b>1,40,640.92</b>	-
m. Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-
<b>n. Restated balance at the beginning of the current reporting period (l+m)</b>	<b>92,837.63</b>	<b>47,052.34</b>	-	-	<b>(6.82)</b>	<b>757.77</b>	<b>1,40,640.92</b>	-
o. Other comprehensive income for the current year	-	-	-	-	(30.99)	-	(30.99)	-
p. Profit for FY 2023-24	-	31,897.75	-	-	-	-	31,897.75	(0.68)
q. Transfer to retained earnings	-	-	-	-	-	-	-	-
r. Conversion to Equity Shares	-	-	-	-	-	-	-	-
s. Adjustment of Share issue expenses	(149.82)	-	-	-	-	-	(149.82)	-
t. Share Capital of Non Controlling Interest	-	-	-	-	-	-	-	1.50
u. Dividend payout for FY 22-23	-	(3,076.32)	-	-	-	-	(3,076.32)	-
v. First Interim Dividend payout for FY 23-24	-	(1,231.51)	-	-	-	-	(1,231.51)	-
w. Second Interim Dividend payout for FY 23-24	-	(1,233.97)	-	-	-	-	(1,233.97)	-
x. Transfer to Securities premium	1,393.12	-	-	-	-	(1,393.12)	-	-
y. Transfer to ESOP Outstanding Account	-	-	-	-	-	871.05	871.05	-
<b>z. Balance as at March 31, 2024</b>	<b>94,080.93</b>	<b>73,408.29</b>	-	-	<b>(37.81)</b>	<b>235.70</b>	<b>1,67,687.11</b>	<b>0.82</b>

Notes forming part of Consolidated Financial Statements 1-44

As per our report of even date attached

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm Registration No:003990S/IS200018

**S. Prasana Kumar**

Partner

Membership No: 212354

Place : Chennai

Date : May 14, 2024

For and on behalf of the Board of Directors

**S. Meenakshisundaram**

Director

DIN: 01176085

**R. Raghunathan**

Chief Financial Officer

**P. Ranjit**

Managing Director

DIN: 01952929

**S. Balasundharam**

Company Secretary

Membership No: A11114

## Notes forming part of Consolidated financial statements

### Note 1

#### Corporate information

Archean Chemical Industries Limited was incorporated on July 14, 2009. The Company is into manufacturing of Marine Chemicals. The manufacturing location is in Gujarat State. The equity shares of the Company were listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange of India limited ("BSE") on November 21, 2022.

#### Summary of Material accounting policies

##### 1.1 Statement of compliances

The financial statements have been prepared and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 ("as amended") and other relevant provisions of the Companies Act, 2013. The material accounting policies have been applied consistently to all the periods presented in the financial statements, unless otherwise indicated.

##### 1.2 (a) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period, as explained in the accounting policies below:

The financial information relate to Archean Chemical Industries Limited (referred as "the Holding Company") and its subsidiary Company (Collectively referred to as "the group").

The financial information of the Subsidiaries used in the consolidation is drawn up to the same reporting date as that of the holding Company i.e. 31 March 2024.

Acume chemicals private limited, wholly owned subsidiary of the holding company incorporated on November 18, 2021. Neun Infra Privated Limited and Idealis Chemicals

Private Limited, wholly owned subsidiary of the company was incorporated on 3<sup>rd</sup> October and 5<sup>th</sup> October, 2023.

'Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 take 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 best economic interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets 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, maximizing the use of relevant observable inputs and minimizing 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 inputs 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 recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Quantitative disclosures of fair value measurement hierarchy (Refer Note 34).

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Note 1.21 operating Cycle. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. except for salt at crystalizers for which the operating cycle considered being 24 months.

The Holding company is confident of getting its land lease renewed as mentioned in Note 3 (b). Hence the financial statements have been prepared on going concern basis.

## 1.2 (b) Basis of consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 1.3 Changes in Accounting Standards with effect from 01.04.2023

The following Accounting Standards have been modified on miscellaneous issues with effect from 1<sup>st</sup> April 2023. Such changes include clarification/guidance on:

- (i) Ind AS 101 – First time adoption of Ind AS – Deferred tax assets and deferred tax liabilities to be recognized for all temporary differences associated with ROU assets, lease liabilities, decommissioning / restoration / similar liabilities.
- (ii) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

## Notes forming part of Consolidated financial statements (Contd.)

- (iii) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.
- (iv) Ind AS 8 – Accounting policies, changes in accounting estimate and errors – Clarification on what constitutes an accounting estimate provided.
- (v) Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

None of these amendments had any significant effect on the group's financial statements, except for disclosure of Material Accounting Policies instead of Significant Accounting Policies in the Financial Statements.

### 1.4 Changes in Accounting Standards that may affect the Company after 31<sup>st</sup> March 2024

New Accounting Standards/Amendments notified but not yet effective: Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time and the following are expected to be effective in the periods after 31<sup>st</sup> March 2024:

- a) Amendment to Ind AS 116 which in respect of accounting for sale and leaseback transactions.
- b) Certain amendments to Ind AS 1 relating to classification as current and non current liabilities.

The Group is in the process of evaluating the impact of the above amendments which is not expected to have any material impact on the financial statements of the Group.

### 1.5 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowings costs capitalized in accordance with companies accounting policy. Such properties are classified to appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Advance paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non current assets.

Cost of assets not ready to use are disclosed under 'capital work in progress'.

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on Property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical



## Notes forming part of Consolidated financial statements (Contd.)

advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Useful life of the Property, plant and equipment is reassessed based on the technical evaluation.

Assets	Useful life
Building	10 - 40 years
Salt works	30 years
Plant and Machinery - Chemicals	2 - 40 years
Plant and Machinery - Cogeneration plant	3 - 40 year
Vehicles	2 - 10 years
Office & equipment	2 - 6 years
Furniture & fixtures	2 - 10 years

Fixed Assets individually costing ₹5,000 or less are fully depreciated in the year of capitalization.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognized in profit or loss.

For transition to the Ind AS, the Group has decided to continue with the carrying value of all of its Property, Plant and Equipment as at April 01, 2017 ( transition date) measured as per the previous GAAP as its deemed cost as of transition date.

### 1.6 Intangible assets other than goodwill

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and

other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Group for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

#### Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

#### Useful lives of intangible assets:

Estimated useful lives of the intangible assets are as follows:

Software licenses - 5 Years

#### Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of

## Notes forming part of Consolidated financial statements (Contd.)

April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 1.7 Impairment of property, plant and equipment & intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those 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 (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

### 1.8 Right to use assets

The Group has adopted Indian Accounting Standards ("Ind AS") 116 "Leases" to all its lease contracts existing on April 1, 2019 adopting modified prospective method. Consequently the Group recorded the lease liability calculated at present value of remaining lease payments discounted at the incremental borrowing rate. Right to use asset has been recognised to this extent .

### 1.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset -this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases



## Notes forming part of Consolidated financial statements (Contd.)

where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- a) the Group has the right to operate the asset; or
- b) the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets (assets of less than INR 10 lakhs in value). The Group recognises the lease payments associated with these leases as an expense over the lease term.

### 1.10 Inventories

Inventories are valued at the lower of cost on moving weighted average basis or estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their

present location and condition, including transportation cost, transit insurance and any other charges. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

### 1.11 Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, 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.

### 1.12 Foreign currency transactions and translations

#### (i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

#### (ii) Transactions and balances

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.



## Notes forming part of Consolidated financial statements (Contd.)

Exchange differences on monetary items are recognised in profit or loss in the period in which they 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;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

### 1.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 1.14 Revenue recognition

The Group derives revenues primarily from sale of salt and other marine chemicals. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/ pricing incentives varies with increases in levels of revenue transactions, the Group recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognizes changes in the estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

Revenue from services has been recognised as and when the service has been performed.

### 1.15 Employee benefits

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

#### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at



the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling ( if applicable ) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows.

- Service Cost ( including current service cost, past service cost, as well as gain and losses on curtailments and settlements)
- Net interest expense or income, and
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item “ Employee Benefits Expense”. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs. The company has an employees ‘ gratuity fund managed by the Life Insurance Corporation of India.

### **Short - term and other long - term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date.

### **Share based payments**

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based

Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated

fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis

over the vesting period of options, with a corresponding increase in equity.

### **1.16 Provisions and contingencies**

Provisions are recognised, when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required

## Notes forming part of Consolidated financial statements (Contd.)

to settle the present obligation and are reviewed at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (ii) Present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts only in case of inflow of economic benefits is probable.

### 1.17 Taxes on income

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements 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 to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 liabilities and assets 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 end of the reporting period.

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 end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Current tax is the expected tax payable on the taxable profit for the year using tax rates and tax laws enacted or substantively enacted by the end of the reporting period and any adjustments to the tax payable in respect of previous years.



## Notes forming part of Consolidated financial statements (Contd.)

The tax currently payable is based on taxable profit for the year, if any. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

### 1.18 Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

#### Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

#### Subsequent Measurement

##### Financial assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### Classification of financial assets

The Group classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
  - b) those measured at amortized cost
- The classification depends on the

entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### (a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on these assets that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### (b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other income/ (expense).

#### (c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the statement of profit and loss.

#### Impairment of financial assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost,

## Notes forming part of Consolidated financial statements (Contd.)

trade receivable, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at Fair value through profit or loss.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impairment financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument ( for example, prepayments, extension, call and similar options) through the expected life of that financial instruments.

The Group measures the loss allowance for the financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on those financial instruments has increased significantly since initial recognition.

If the credit risk on financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instruments at an amount equal to 12 months expected credit losses. The twelve months expected credit losses are portion of the lifetime expected credit losses and represents lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months.

If the Group measured loss allowance for the financial instruments at life time expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared

to the previous period, the Company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual rights to receive cash or other financial assets that results from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to life time expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward – looking information.

### **Derecognition of financial assets**

A financial asset is derecognized only when the Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset,



the financial asset is derecognised if the Group has not retained control of the financial asset.

### **Financial liabilities and equity instruments:-**

#### **Classification as equity or financial liability**

Equity and Debt instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

#### **Financial liabilities at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

#### **Financial liabilities at FVTPL**

Liabilities that do not meet the criteria for amortized cost are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the statement of profit and loss.

#### **Derecognition of financial liabilities**

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

#### **Derivative financial instruments**

##### **Initial recognition**

The Group uses derivative financial instruments such as futures contracts, to hedge a portion of its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

##### **Subsequent measurement**

Derivative financial instruments are subsequently re-measured at fair value with any gains or losses arising from changes in the fair value taken directly to the statement of profit or loss.

### **1.19 Earnings Per Share**

Basic earnings per share is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares

## Notes forming part of Consolidated financial statements (Contd.)

considered for deriving basic plus dilutive shares during the year / period.

### 1.20 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets & contingent liabilities at the date of financials statements, income and expenses during the period. The estimates and associated assumptions are based on the historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas involving critical estimates or judgments are :

- a. Estimation of useful life of Property, plant and equipment and intangible asset
- b. Estimation of fair value of unlisted securities
- c. Impairment of trade receivables: Expected credit loss
- d. Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources
- e. Measurement of defined benefit obligation: key actuarial assumptions
- f. Lease: Whether an contract contains a lease
- g. Write down in value of Inventories
- h. Estimation for litigations
- i. Impairment of Non Financial Asset

### 1.21 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current. For salt at crystalizers, the operating cycle considered being 24 months and consistently applied.



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 2: Property, plant and equipment and Capital Work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amounts of:		
Salt works	23,454.79	24,471.33
Buildings	28,730.59	24,586.48
Plant and equipment	57,624.05	55,093.34
Furniture and fixtures	140.36	189.93
Office equipments	68.59	70.07
Computers	96.94	110.66
Vehicles	1,686.83	1,966.84
<b>Total</b>	<b>1,11,802.15</b>	<b>1,06,488.65</b>
<b>Capital Work-in-progress</b>	<b>4,618.12</b>	<b>3,617.91</b>

#### Capital Work-in-progress balance as at March 31, 2024

Particulars	Amount in CWIP as at March 31, 2024				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in progress	4,434.71	183.41	-	-	4,618.12
Projects temporarily suspended	-	-	-	-	-

#### Capital Work-in-progress balance as at March 31, 2023

Particulars	Amount in CWIP as at March 31, 2023				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in progress	3,615.47	2.44	-	-	3,617.91
Projects temporarily suspended	-	-	-	-	-



**Notes forming part of Consolidated financial statements (Contd.)**  
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Gross block	Salt Works	Buildings	Plant and equipment	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
Balance as at March 31, 2022	32,293.84	29,414.99	67,141.16	197.73	82.50	309.08	1,986.19	1,31,425.49
Additions	87.01	933.88	5,941.22	168.36	43.02	39.77	868.81	8,082.07
Disposals	-	-	-	-	-	-	(155.66)	(155.66)
Balance as at March 31, 2023	32,380.85	30,348.87	73,082.38	366.09	125.52	348.85	2,699.34	1,39,351.90
Additions	55.88	5,024.83	6,516.01	2.90	25.61	36.17	127.68	11,789.08
Disposals	-	-	-	-	-	-	(165.41)	(165.41)
Balance as at March 31, 2024	32,436.73	35,373.70	79,598.39	368.99	151.13	385.02	2,661.61	1,50,975.57

Accumulated depreciation and impairment	Salt Works	Buildings	Plant and equipment	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
Balance as at March 31, 2022	6,842.71	4,755.72	14,398.90	133.34	34.01	172.93	538.40	26,876.01
Depreciation expense	1,066.81	1,006.67	3,584.61	42.82	21.44	65.26	253.63	6,041.24
Other Adjustments	-	-	5.53	-	-	-	-	5.53
Disposals	-	-	-	-	-	-	(59.53)	(59.53)
Balance as at March 31, 2023	7,909.52	5,762.39	17,989.04	176.16	55.45	238.19	732.50	32,863.25
Depreciation expense	1,072.42	880.72	3,985.30	52.47	27.09	49.89	314.61	6,382.50
Disposals	-	-	-	-	-	-	(72.33)	(72.33)
Balance as at March 31, 2024	8,981.94	6,643.11	21,974.34	228.63	82.54	288.08	974.78	39,173.42
Carrying amount as at March 31, 2023	24,471.33	24,586.48	55,093.34	189.93	70.07	110.66	1,966.84	1,06,488.65
Carrying amount as at March 31, 2024	23,454.79	28,730.59	57,624.05	140.36	68.59	96.94	1,686.83	1,11,802.15

Note: (a) Contractual obligations : Refer Note 37 for disclosure of contractual commitments for the acquisition of Property, plant and equipment.

(b) Also refer note 14 for assets given as security for borrowings.



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 3: Right-of-use assets

Gross carrying value	Land and Building	ISO tanks	Total
<b>Balance as at March 31, 2022</b>	<b>1,531.41</b>	<b>4,677.47</b>	<b>6,208.88</b>
Additions	1,264.35	-	1,264.35
<b>Balance as at March 31, 2023</b>	<b>2,795.76</b>	<b>4,677.47</b>	<b>7,473.23</b>
Additions	301.37	-	301.37
Deletions	-	(1,301.49)	(1,301.49)
<b>Balance as at March 31, 2024</b>	<b>3,097.13</b>	<b>3,375.98</b>	<b>6,473.11</b>

Accumulated depreciation and impairment	Land and Building	ISO tanks	Total
<b>Balance as at March 31, 2022</b>	<b>217.45</b>	<b>1,935.99</b>	<b>2,153.44</b>
Depreciation for the year	99.71	717.73	817.44
<b>Balance as at March 31, 2023</b>	<b>317.16</b>	<b>2,653.72</b>	<b>2,970.88</b>
Depreciation for the year	104.97	540.55	645.52
Deletions	-	(1,301.49)	(1,301.49)
<b>Balance as at March 31, 2024</b>	<b>422.13</b>	<b>1,892.78</b>	<b>2,314.91</b>

<b>Net Carrying amount as at March 31, 2023</b>	<b>2,478.60</b>	<b>2,023.75</b>	<b>4,502.35</b>
<b>Net Carrying amount as at March 31, 2024</b>	<b>2,675.00</b>	<b>1,483.20</b>	<b>4,158.20</b>

Note:

- (a) The Holding Company entered into Memorandum of Undertaking (MOU) dated August 10, 2010, with Government of Gujarat (GOG) for the Land lease which expired on July 31, 2018 and the Holding Company had made an application for renewal on December 28, 2017. As per the MOU with GOG, the lease term can be further extended for a duration and conditions as mutually agreed at that time. There is also a GOG circular no 1597/1372/ ॐ dated October 9, 2017 which states that such leases can be extended for a period of thirty years. The Holding Company has also been receiving demand note annually for the revised lease rents as per GoG circular and the company has been meeting this payment.

Management made an assessment of the facts disclosed above and taking into consideration of similar experiences during renewal in group company, is confident of obtaining the renewal of land lease. The Useful life of PPE and ROU assets have been determined by the management considering that the lease would be extended. The entire production facility is located on this leased land.

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Assets	Net Block as at March 31, 2024	Net Block as at March 31, 2023
Buildings	25,372.41	24,586.48
Plant and Machinery	54,946.06	55,076.55
Furniture & Fixtures	35.06	51.97
Vehicles	1,000.71	1,218.15
Computers	49.75	69.51
Office Equipment	34.23	43.09
Salt Works	23,454.79	24,471.33
RoU - Land and Building	1,081.64	1,124.91
<b>Total</b>	<b>1,05,974.65</b>	<b>1,06,641.99</b>

### Note 4 Intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amounts of:		
Software	11.61	17.30
<b>Total</b>	<b>11.61</b>	<b>17.30</b>

Particulars	Software
<b>Balance as at March 31, 2022</b>	<b>53.06</b>
Additions	7.48
<b>Balance as at March 31, 2023</b>	<b>60.54</b>
Additions	-
<b>Balance as at March 31, 2024</b>	<b>60.54</b>
<b>Accumulated depreciation and impairment</b>	
<b>Balance as at March 31, 2022</b>	<b>38.58</b>
Amortisation expense	4.66
<b>Balance as at March 31, 2023</b>	<b>43.24</b>
Amortisation expense	5.69
<b>Balance as at March 31, 2024</b>	<b>48.93</b>
<b>Carrying amount as at March 31, 2023</b>	<b>17.30</b>
<b>Carrying amount as at March 31, 2024</b>	<b>11.61</b>



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 4.1 Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	200.00	-

Intangible assets under development Ageing schedule	As at March 31, 2024	As at March 31, 2023
Particulars		
Projects in progress		
Less than 1 year	200.00	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>200.00</b>	<b>-</b>
<b>Projects temporarily suspended</b>		

### Note 5 Current investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Mutual Funds (FVTPL) - Unquoted</b>		
Investments in Mutual Funds	34,987.02	21,007.73
<b>Total Investments</b>	<b>34,987.02</b>	<b>21,007.73</b>

(March 2024- 76,86,021.18 units, March 2023- 25,85,826.77 Units)

### Note 6. Other financial assets

Particulars	Non current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good)</b>				
a) Security deposits measured at amortised cost				
With related Party	-	-	900.00	1,200.00
With Others	257.08	132.12	329.00	337.24
b) Interest accrued on deposits	57.07	57.08	34.83	87.49
c) Derivative Assets	-	-	-	4.60
d) Others	-	-	200.00	2.30
e) Bank Deposits with more than 12 months maturity*	1,239.69	2,035.16	-	-
<b>Total</b>	<b>1,553.84</b>	<b>2,224.36</b>	<b>1,463.83</b>	<b>1,631.63</b>

\*represents guarantee given in favour of National Stock Exchange of India Limited (FY 23-24)

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 7: Loans

Particulars	Non current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good)</b>				
Loans to employees	-	-	42.75	42.84
<b>Total</b>	<b>-</b>	<b>-</b>	<b>42.75</b>	<b>42.84</b>

### Note 8. Other assets

Particulars	Non-Current		Current	
	As at March 31,2024	As at March 31,2023	As at March 31,2024	As at March 31,2023
<b>(Unsecured, considered good)</b>				
a) Capital advances*	9,762.63	934.40	-	-
b) Balances with statutory authorities	212.44	55.58	1,364.10	457.31
c) Others	-	-	126.96	400.65
d) Prepaid expenses	-	-	347.25	422.15
e) Advance to suppliers other than for capital asset				
i) Advance to related parties	-	-	705.15	1,003.00
ii) Other advances	-	-	647.93	888.72
f) Leave Encashment - Fund Balance	-	-	15.46	-
<b>(Unsecured, considered doubtful)</b>				
f) Advance to suppliers other than for capital asset	-	-	359.09	359.09
Less: Provision for Advance	-	-	(359.09)	(359.09)
	<b>9,975.07</b>	<b>989.98</b>	<b>3,206.85</b>	<b>3,171.83</b>

\* Idealis Chemicals Private Limited having CIN U20299TN2023PTC164103 ("Idealis") was declared as the successful bidder for acquiring Oren Hydrocarbons Private Limited (OREN) as a going concern in the auction conducted by the liquidator of OREN, on 21<sup>st</sup> December 2023 in terms of the Insolvency and Bankruptcy Code, 2016. The sale consideration of INR 76,90,74,066.00 /- (Rupees seventy-six crores ninety lakhs seventy-four thousand and sixty-six only) was paid and the liquidator has issued the sale certificate dated 22.02.2024 under the provisions of Insolvency and Bankruptcy Code, 2016 and its regulations in force, in favour of Idealis. The above actions were subject to the approval of Hon'ble National Company Law Tribunal (NCLT), Chennai Bench. On 30<sup>th</sup> April 2024, NCLT heard the Arguments and the orders are reserved.



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 9 Inventories (lower of cost or net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
a Raw materials and components	333.28	335.06
b Work-in-progress	7,079.24	6,104.30
c Stores & spares	1,594.97	1,631.27
d Finished goods	3,648.34	8,618.31
e Finished goods in transit	73.51	87.43
<b>Total</b>	<b>12,729.34</b>	<b>16,776.37</b>

Note : (a) Refer Note 14 for assets pledged as security towards loans

### Note 10. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	15,637.88	11,774.33
Trade Receivables which have significant increase in Credit Risk	350.45	204.72
Trade Receivables - credit impaired	1,784.40	2,079.00
<b>Total</b>	<b>17,772.73</b>	<b>14,058.05</b>
Allowance for doubtful debts (expected credit loss allowance)		
- towards receivables that are credit impaired	(1,784.40)	(2,079.00)
- towards receivables which have significant increase in Credit Risk	(350.45)	(204.72)
<b>Total</b>	<b>15,637.88</b>	<b>11,774.33</b>

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables by adopting a simplified approach by using provision matrix which is based on historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due, the rates as given in the provision matrix and other factors. The range of provision created as a percentage of outstanding under various age groups below 180 days past due comes to 0% - 20%. The Company as a policy provides for 100% for outstanding above 180 days past due taking into account other factors.

Movement in expected credit loss allowance	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	(2,283.72)	(2,187.89)
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	148.87	(95.83)
Balance at end of the year	<b>(2,134.85)</b>	<b>(2,283.72)</b>

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade Receivables (At Amortised Cost)</b>		
<b>(i) Undisputed Trade Receivables – considered good</b>		
- Less than 6 months	15,637.88	11,774.33
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(ii) Undisputed Trade Receivables – which have significant increase in credit risk</b>		
- Less than 6 months	300.45	154.72
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	50.00	50.00
<b>(iii) Undisputed Trade Receivables – credit impaired</b>		
- Less than 6 months	-	-
- 6 months - 1 year	30.07	27.53
- 1-2 years	80.02	518.48
- 2-3 years	141.41	0.09
- More than 3 years	1,532.90	1,532.90
<b>(iv) Disputed Trade Receivables – considered good</b>		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(v) Disputed Trade Receivables – which have significant increase in credit risk</b>		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(vi) Disputed Trade Receivables – credit impaired</b>		
- Less than 6 months	-	-
- 6 months - 1 year	-	-



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
- 1 - 2 years	-	-
- 2 - 3 years	-	-
- More than 3 years	-	-
Less: Provision	(2,134.85)	(2,283.72)
<b>Net receivables</b>	<b>15,637.88</b>	<b>11,774.33</b>

\* Ageing has been computed based on transaction date.

### Note 11 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
<b>11.1 Cash &amp; cash equivalents</b>		
(a) Balances with banks in current accounts and deposit accounts		
(i) In Current account	264.70	143.12
(ii) In term deposits with banks (original maturities less than 3 months)	4,280.00	450.00
(b) Cash on hand	3.58	4.14
<b>Total Cash and cash equivalents</b>	<b>4,548.28</b>	<b>597.26</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>11.2 Other bank balances</b>		
Balance with banks held as margin money and guarantees*	-	1,169.99
Deposits due to mature after three months but before twelve months from the reporting date	-	1,500.00
<b>Total other bank balances</b>	<b>-</b>	<b>2,669.99</b>
<b>Total Cash and bank balances</b>	<b>4,548.28</b>	<b>3,267.25</b>

\* Includes guarantee given in favour of National Stock Exchange of India Limited and Director General of Foreign Trade. (FY 22-23).



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 12 Equity share capital

Particulars	As at	As at	As at	As at
	March 31,2024	March 31,2023	March 31,2024	March 31,2023
	No. of Shares		₹in lakhs	
<b>AUTHORISED :</b>				
Equity shares:				
Equity shares of ₹2 each	16,00,00,000	16,00,00,000	3,200.00	3,200.00
<b>ISSUED :</b>				
Equity shares of ₹2 each	12,33,96,969	12,30,52,989	2,467.94	2,461.06
<b>SUBSCRIBED AND FULLY PAID UP :</b>				
Equity shares of ₹2 each	12,33,96,969	12,30,52,989	2,467.94	2,461.06

The Holding Company has completed the Initial Public Offer (IPO) of 3,59,28,869 Equity shares of face value of ₹2 each at an issue price of ₹407 per equity share comprising offer for sale of 1,61,50,000 equity shares by selling shareholders and fresh issue of 1,97,78,869 shares. The equity shares of the Holding Company were listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange of India limited ("BSE") on November 21,2022.

Pursuant to resolution of the Board dated October 22, 2022, the Holding Company had converted 6,72,000 CCDs into 69,40,715 equity shares of face value of ₹ 2 each for an aggregate consideration of ₹672 lakhs, which was paid at the time of allotment of CCDs.

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committee on October 07,2022 the Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Company in accordance with Archein Chemical -Employee Stock Option Plan 2022. The Vesting Period of ESOP is between 12 months to 60 months. The first lot of shares (3,43,980) were exercised and allotted on November 03,2023 and December 02, 2023.

#### 12.1 Reconciliation of number of shares

Particulars	Year ended 2023-24		Year ended 2022-23	
	No. of Shares	Amount (₹In lakhs)	No. of Shares	Amount (₹In lakhs)
<b>Balance at the beginning of the year</b>	12,30,52,989	2,461.06	9,63,33,405	1,926.67
Conversion of CCD	-	-	69,40,715	138.81
Fresh issue of shares - IPO & adjustment for OFS	-	-	1,97,78,869	395.58
ESOP Exercised during the year	3,43,980	6.88	-	-
<b>Balance at the end of the year</b>	<b>12,33,96,969</b>	<b>2,467.94</b>	<b>12,30,52,989</b>	<b>2,461.06</b>



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### 12.2 Terms / Rights attached to Equity Shares

The Holding Company has only one class of Equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

### 12.3 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

Name of the Share holder	Year ended 2023 - 24		Year ended 2022 - 23	
	No of shares held	%	No of shares held	%
Mr. P. Ranjit	2,82,65,965	22.91%	2,66,57,197	21.66%
"Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP)"	3,76,93,219	30.55%	3,76,93,219	30.63%
SBI Small cap Fund	95,65,772	7.75%	95,65,772	7.77%
India Resurgence Fund Scheme - II	76,46,141	6.20%	76,46,141	6.21%

### Disclosure of shareholding of promoters and percentage of change during the year. Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated March 24, 2021:

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No of shares held	% of total shares	% of change during the year	No of shares held	% of total shares	% of change during the year
Mr. P. Ravi	-	0.00%	-100.00%	16,08,768	1.31%	-21.56%
Mr. P. Ranjit	2,82,65,965	22.91%	5.77%	2,66,57,197	21.66%	-21.71%
Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP)	3,76,93,219	30.55%	-0.26%	3,76,93,219	30.63%	-25.22%

12.4 The Holding Company has issued Stock options to employees under ESOP Scheme 2022. (Refer Note 33D)

12.5 The Group does not have any bonus share issued and shares bought back during the period of five years immediately preceding the reporting date March 31, 2024.

12.6 The loans from the following promoters were converted into equity shares of ₹10 each with a premium of ₹38.41 per share in the financial year 2018-19.

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Name of the shareholder	Unsecured loan	Issue price per share (₹)	No. of shares	Amount credited to securities premium
Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP)	1,884.00	48.41	38,91,758	1,494.82
P. Ranjit	2,602.00	48.41	53,74,923	2,064.51
<b>Total</b>	<b>4,486.00</b>		<b>92,66,681</b>	<b>3,559.33</b>

### Note 13 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
a Securities premium	94,080.93	92,837.63
b Retained earnings (Net of other comprehensive income)	73,370.48	47,045.52
c Equity component of compulsorily convertible debentures	-	-
d Debenture Redemption Reserve	-	-
e Shares Outstanding Account	235.70	757.77
<b>Total</b>	<b>1,67,687.11</b>	<b>1,40,640.92</b>

### Details to other equity

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Securities premium</b>		
<b>Balance at the beginning of the year</b>	<b>92,837.63</b>	<b>15,085.52</b>
Add : Premium on shares issued during the year	-	80,637.61
Add : Transfer from ESOP Outstanding Account	1,393.12	-
Less: Adjustment of Share Issue Expenses	(149.82)	(2,885.50)
<b>Balance at the end of the year</b>	<b>94,080.93</b>	<b>92,837.63</b>
<b>(b) Retained earnings</b>		
<b>Balance at the beginning of the year</b>	<b>47,045.52</b>	<b>361.08</b>
Total comprehensive income attributable to the owners of the company	31,866.76	38,284.44
Transferred from Debenture Redemption Reserve	-	8,400.00
Dividend Payout for FY 22-23	(3,076.32)	-
First Interim Dividend Payout for FY 23-24	(1,231.51)	-
Second Interim Dividend Payout for FY 23-24	(1,233.97)	-
<b>Balance at the end of the year</b>	<b>73,370.48</b>	<b>47,045.52</b>



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(c) Equity component of Compulsorily convertible debentures</b>		
Balance at the beginning of the year	-	455.29
Changes during the year	-	(455.29)
Balance at the end of the year	-	-
<b>(d) Debenture Redemption Reserve</b>		
Balance at the beginning of the year	-	8,400.00
Transferred during the year	-	(8,400.00)
Balance at the end of the year	-	-
<b>(e) ESOP Outstanding Account</b>		
Balance at the beginning of the year	757.77	-
Transferred during the year	871.05	757.77
Options exercised during the year	(1,393.12)	-
Balance at the end of the year	235.70	757.77
<b>Total Other equity</b>	<b>1,67,687.11</b>	<b>1,40,640.92</b>

### Nature and purpose of other reserves

#### (a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

#### (b) Retained earnings

Retained earnings represents company's cumulative earnings since its formation less the dividends/Capitalisation, if any.

#### (c) Debenture Redemption Reserve

Pursuant to Rule 18(7)(b)(iv) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules dated August 16, 2019, the Holding Company, being an unlisted company, is required to create a Debenture Redemption Reserve out of profits of the Holding Company available for payment of dividend, at the rate of ten percent of outstanding value of debentures. Post IPO, the debentures have been redeemed fully and balance in DRR account has been transferred to General Reserve.

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### (d) Share Options Outstanding Account

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committee on October 07, 2022 the Holding Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Holding Company in accordance with Archean Chemical -Employee Stock Option Plan 2022. The amount of options(difference between fair value and exercise price) granted under the ESOP scheme has been recognized in the share options outstanding account.

### Note 14 Borrowings

Particulars	Non-Current		Current	
	As at March 31,2024	As at March 31,2023	As at March 31,2024	As at March 31,2023
<b>Secured</b>				
Non convertible debentures	-	-	-	-
Term Loans				
- from Banks	5,935.93	78.80	18.53	16.95
- from Others	-	-	-	53.46
Loans repayable on demand				
- from Banks	-	-	-	2,000.00
<b>Total</b>	<b>5,935.93</b>	<b>78.80</b>	<b>18.53</b>	<b>2,070.41</b>

#### Note

- Post IPO, the Holding Company has redeemed Non - Convertible debentures on November 19, 2022. The delisting of redeemed debentures from BSE was completed on January 02, 2023
- Pursuant to resolution of the Board dated October 22, 2022, the Holding Company had converted 672,000 CCDs (Note 16) into 6,940,715 equity shares of face value of ₹ 2 each for an aggregate consideration of ₹ 67.20 million, which was paid at the time of allotment of CCDs.
- Term Loan from Banks: The Loan is repayable over a period of five years as per the agreement entered with bank at an interest rate of 8.90%p.a.. The loan is secured by wayof hypothecation of specific vehicle (Holding Company).
- Term Loan from Banks:The Loan is repayable over a period of five years as per the agreement entered with bank at an interest rate of 10.40%p.a.The Holding Company has given Corporate guarantee for loan taken from bank (Subsidiary Company).
- Term Loan from Others: The Loan is repayable over a period of four years as per the agreement at an interest rate of 12%p.a.. The loan is secured by wayof hypothecation of specific vehicle.
- Loan repayable on demand from Banks:The Loan is secured by a) Exclusive charge on fixed deposits of ₹15 Crs, b) Second paripaasu charge on the buildings and plant & equipment of the Holding Company, c) First pari Passu charge on the current assets of the Holding Company. Rate of Interest - 8.75% p.a.

### (b) Debt reconciliation



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	3,827.79	4,789.32
Current Borrowing (Working Capital Loan)	-	2,000.00
Non - Current Borrowing plus Current maturities of long term debt (Including the Interest accrued and not due on borrowings -non current )	5,954.46	149.21
<b>Total</b>	<b>9,782.25</b>	<b>6,938.53</b>

Particulars	Liabilities from Financing Activities			Total
	Current Borrowing (Working Capital Loan)	Non - Current Borrowing plus current maturity of long term debt	Lease Liabilities	
<b>Debt as at April 01, 2023</b>	<b>2,000.00</b>	<b>149.21</b>	<b>4,789.32</b>	<b>6,938.53</b>
<b>Cash Flows</b>				
- Proceeds	-	5,875.66	-	5875.66
- Repayments	(2,000.00)	(70.41)	(1,252.68)	(3323.09)
Non-cash Transactions	-	-	(384.44)	(384.44)
Interest expense	94.57	9.42	675.59	779.58
Interest paid	(94.57)	(9.42)	-	(103.99)
<b>Debt as at March 31, 2024</b>	<b>-</b>	<b>5,954.46</b>	<b>3,827.79</b>	<b>9,782.25</b>

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Liabilities from Financing Activities			Total
	Current Borrowing (Working Capital Loan)	Non - Current Borrowing plus current maturity of long term debt	Lease Liabilities	
Debt as at April 01, 2022	-	92,187.33	5,235.00	97,422.33
<b>Cash Flows</b>				
- Proceeds	2,000.00	99.90	-	2,099.90
- Repayments	-	(84,439.08)	(1,459.49)	(85,898.57)
Non-cash Transactions		(323.94)	201.11	(122.83)
Interest expense	581.76	8,000.89	812.70	9,395.35
Interest paid	(581.76)	(15,375.89)	-	(15,957.65)
<b>Debt as at March 31, 2023</b>	<b>2,000.00</b>	<b>149.21</b>	<b>4,789.32</b>	<b>6,938.53</b>

### Note 15 Lease liabilities

Particulars	Non-Current		Current	
	As at March 31,2024	As at March 31,2023	As at March 31,2024	As at March 31,2023
Liability on right to use assets under IND As 116 - Refer note 36	3,122.56	3,571.20	705.23	1,218.12
<b>Total</b>	<b>3,122.56</b>	<b>3,571.20</b>	<b>705.23</b>	<b>1,218.12</b>

### Note 16 Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31,2023	As at March 31,2024	As at March 31,2023
a. MD Commission Payable	-	-	1,266.56	1,861.50
b. Payable towards procurement of capital assets	-	-	657.49	199.07
c. Employee benefits payable	-	-	87.69	58.13
d. Unpaid dividends	-	-	1.29	-
e. Retention money	-	-	396.53	26.23
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,409.98</b>	<b>2,144.93</b>

### Note 16.1 Derivative liabilities

Particulars	Non-Current		Current	
	As at March 31,2024	As at March 31,2023	As at March 31,2024	As at March 31,2023
Fair value of futures contract	-	-	25.54	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>25.54</b>	<b>-</b>



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 17 Other Liabilities

Particulars	Non-Current		Current	
	As at March 31,2024	As at March 31,2023	As at March 31,2024	As at March 31,2023
a Customer advances	-	-	88.38	1,690.19
b Statutory remittances	-	-	194.21	252.89
	-	-	<b>282.59</b>	<b>1,943.08</b>

### Note 18A Income Tax Asset (Net)

Particulars	Non-Current		Current	
	As at March 31,2024	As at March 31,2023	As at March 31,2024	As at March 31,2023
Provision for Taxation	12,977.27	-	-	-
Less: Advance Tax and Tax Deducted at source	(12,437.89)	-	-	-
<b>Total</b>	<b>539.38</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Note 18B Current Tax Liabilities (Net)

Particulars	Non-Current		Current	
	As at March 31,2024	As at March 31,2023	As at March 31,2024	As at March 31,2023
Provision for Taxation	-	-	-	2,362.62
Less: Advance Tax and Tax Deducted at source	-	-	-	(2,079.25)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283.37</b>

### Note 19 Deferred tax balances

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	1,215.38	953.77
Deferred tax liabilities	(13,481.39)	(12,468.42)
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(12,266.01)</b>	<b>(11,514.65)</b>

Note: Includes DTA of ₹112.11 lakhs (₹30.81 lakhs for fy 22-23) belonging to subsidiary Company



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

2023-24	Opening balance	Recognised in profit or loss	Recognised in other comprehensive	Closing balance
<b>Deferred tax asset / (liabilities) in relation to :</b>				
<b>Deferred tax liabilities:</b>				
Property plant and equipment	(12,468.42)	(723.02)	-	(13,191.44)
Investments (Current Investments - MF- FVTPL)	-	(289.95)	-	(289.95)
<b>Deferred tax assets:</b>				
Carried forward loss	30.92	(141.65)	-	172.57
Provision for Employee benefits	-	10.42	(10.42)	
Disallowance u/s 43(b)	23.01	(10.62)	-	33.63
Provision for Doubtful Debts / Advances	627.14	(0.58)	-	627.72
Provision for Contingencies	-	(125.85)	-	125.85
DTA on timing differences on ROU assets and liabilities	272.70	17.09	-	255.61
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(11,514.65)</b>	<b>(761.78)</b>	<b>(10.42)</b>	<b>(12,266.01)</b>

2022-23	Opening balance	Recognised in profit or loss	Recognised in other comprehensive	Closing balance
<b>Deferred tax asset / (liabilities) in relation to :</b>				
<b>Deferred tax liabilities:</b>				
Property plant and equipment	(11,498.46)	(969.96)	-	(12,468.42)
<b>Deferred tax assets:</b>				
Carried forward loss	9,759.26	9,728.34	-	30.92
Provision for Employee benefits	-	(9.59)	9.59	-
Disallowance u/s 43(b)	-	(23.01)	-	23.01
Provision for Doubtful Debts / Advances	550.54	(76.60)	-	627.14
DTA on timing differences on ROU assets and liabilities	232.66	(40.04)	-	272.70
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(956.00)</b>	<b>(10,549.06)</b>	<b>9.59</b>	<b>(11,514.65)</b>



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 20.1 Provisions - Non Current

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Contingencies	500.00	-
Provision for Sick Leave	6.82	4.79
<b>Total</b>	<b>506.82</b>	<b>4.79</b>

### Note 20.2 Provisions - Current

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Sick Leave	2.85	0.03
Provision for Gratuity	61.34	25.67
<b>Total</b>	<b>64.19</b>	<b>25.70</b>

### Note 21 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Amount dues to micro enterprises and small enterprises - Refer Note 38	1,287.48	1,796.83
Dues of creditors other than micro enterprises and small enterprises	8,693.59	7,758.67
<b>Total</b>	<b>9,981.07</b>	<b>9,555.50</b>

21.1 Trade payables are non-interest bearing and are normally settled as per due dates

21.2 The Group has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms

#### Outstanding as at March 31, 2024

Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	1,287.48	-	-	-	1,287.48
others	7,397.72	995.78	200.17	99.92	8,693.59
Disputed Micro and Small Enterprises					-
Disputed dues others					-

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Outstanding as at March 31, 2023

Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	1,796.83	-	-	-	1,796.83
others	7,362.10	236.36	10.45	149.76	7,758.67
Disputed Micro and Small Enterprises	-	-	-	-	-
Disputed dues others	-	-	-	-	-

### Note 22 Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Sales of Products		
Domestic sales	34,406.82	39,454.59
Export sales	95,988.45	1,04,502.79
(b) Other operating revenues		
Export Incentives	-	0.13
Scrap sales	2,613.68	149.08
<b>Total</b>	<b>1,33,008.95</b>	<b>1,44,106.59</b>

### 22.1 Disaggregation of Revenue information

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point of time by geography and offerings of the Group. As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue by Geography		
India	37,020.50	39,603.80
Rest of the world	95,988.45	1,04,502.79
<b>Total revenue from contracts with customers</b>	<b>1,33,008.95</b>	<b>1,44,106.59</b>
Revenue by offerings		
Manufactured goods		
(a) Marine chemicals		
Salt	84,006.21	72,812.70
Bromine	42,742.01	70,839.21
Sulphate of Potash	3,595.61	305.59
(b) Bromine Derivatives	51.44	-
(c) Others	2,613.68	149.09
<b>Total revenue from contracts with customers</b>	<b>1,33,008.95</b>	<b>1,44,106.59</b>

### 22.2 Trade receivables

The Group classifies the right to consideration in exchange for deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer. Trade receivable are presented net of impairment in the Balance Sheet.

### Note 23 Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on bank deposits	212.07	413.59
Profit on sale from mutual funds - FVTPL	1,342.68	245.33
Income on mutual funds due to change in fair value	967.55	132.65
Insurance Claim received	301.62	1,569.11
Miscellaneous income	569.14	683.40
Provision no longer required	148.86	-
Profit on sale of fixed assets	-	5.47
Net gain on exchange fluctuation	790.45	1,277.58
<b>Total</b>	<b>4,332.37</b>	<b>4,327.13</b>

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 24 Cost of materials consumed

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Stock of Raw Materials	335.06	430.76
Add: Purchases	4,756.69	4,474.70
Less: Closing Stock of Raw Materials	333.28	335.06
<b>Consumption of raw materials</b>	<b>4,758.47</b>	<b>4,570.40</b>

### Note 25 Changes in Inventories of finished goods, work-in-progress and stock in trade

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Stock:		
Work-in-progress	6,104.30	5,403.04
Finished goods	8,705.74	4,666.82
Closing Stock:		
Work-in-progress	7,079.24	6,104.30
Finished goods	3,721.85	8,705.74
<b>(Increase) / Decrease in Stocks</b>	<b>4,008.95</b>	<b>(4,740.18)</b>

### Note 26 Employee benefits expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	6,129.76	6,207.24
Share based payments to employees	871.05	757.77
Staff welfare	38.68	53.41
Contribution to provident and other funds	203.32	186.28
<b>Total</b>	<b>7,242.81</b>	<b>7,204.70</b>

### Note 27 Finance costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on debentures	-	8,000.89
Interest on working capital borrowings	-	581.76
Interest on finance lease	675.59	812.70
Bank charges	154.01	294.97
Interest on delayed payment of taxes	16.55	5.58
<b>Total</b>	<b>846.15</b>	<b>9,695.90</b>



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 28 Depreciation and amortisation expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on Property, plant and equipment and Right on Usage of assets pertaining to continuing operations	7,028.02	6,858.68
Amortisation of intangible assets	5.69	4.66
<b>Total</b>	<b>7,033.71</b>	<b>6,863.34</b>

### Note 29 Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spares	2,477.00	2,573.42
Power and fuel	9,869.73	13,419.39
Rent expense	192.19	31.22
Travelling and conveyance	662.96	567.18
Repairs and maintenance		
- Buildings	206.58	100.69
- Plant and Machinery	1,203.36	829.38
- Others	1,060.39	720.98
Insurance	1,136.29	1,074.90
Rates and taxes, excluding taxes on income	173.62	92.12
Packing, Despatching and Freight	44,788.61	46,234.53
Loading charges	4,192.75	4,045.76
Hire charges - equipment	925.03	720.18
Printing and stationery	21.17	17.85
Communication expenses	51.84	49.74
CSR expenses (Refer Note 29.2)	571.11	131.32
Auditor's remuneration (Refer Note 29.1)	61.90	51.43
Legal and professional charges	885.26	711.61
Selling and distribution expenses	1,352.35	1,308.11
Loss on sale of Fixed Assets	3.58	-
Provision for doubtful debts and advances	-	279.23
Provision for Contingencies	500.00	-
Administration expenses	397.10	270.10
<b>Total</b>	<b>70,732.82</b>	<b>73,229.14</b>

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### 29.1 Payment to statutory auditors

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Statutory auditor's</b>		
(a) For services as auditors*	43.30	38.40
(b) Tax audit	9.55	8.00
(c) For other services	8.45	4.00
(d) For reimbursement of expenses	0.60	1.03
<b>Total</b>	<b>61.90</b>	<b>51.43</b>

\*Including audit fees of Subsidiary Companies

Note: Payment to Statutory Auditors towards Certification Services on account of IPO (₹105 Lakhs) has been adjusted against Securities premium.

### 29.2 Expenditure incurred for Corporate social responsibility

CSR Expenditure	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent under section 135 of the Companies Act, 2013	571.11	213.36
<b>Amount spent during the year on:</b>		
i) Construction/acquisition of an asset	-	-
ii) Purposes other than (i) above	559.96	153.27

### Details of Excess CSR expenditure Under Section 135 (5) of Companies Act, 2013

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance Excess Spent carried forward to current financial Year	21.95	82.04
Amount Spent during the year	559.96	153.27
Amount required to be Spent during the year	571.11	213.36
Balance Excess Spent as on last day of current financial Year	10.80	21.95

Of the total Amount of ₹581.91 lakhs, ₹117.97 is paid to Archean Foundation for CSR Activities

Nature of CSR activities: Medical camp and Water distribution and other charity activities



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 30 Income tax expense

#### 30.1 Income tax recognised in Profit or Loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income tax expense		
Current tax		
- Current tax	10,064.20	2,362.62
- (Excess) provision for tax relating to prior years	(4.64)	-
<b>Deferred tax</b>		
In respect of the current year	761.78	10,549.06
<b>Total income tax expense</b>	<b>10,821.34</b>	<b>12,911.68</b>

#### 30.2 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Deferred tax</b>		
<b>Arising on income and expenses recognised in other comprehensive income:</b>		
Remeasurement of defined benefit obligation	10.42	(9.59)
<b>Total income tax recognised in other comprehensive income</b>	<b>10.42</b>	<b>(9.59)</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	10.42	(9.59)
Items that may be reclassified to profit or loss	-	-
<b>Total income tax recognised in other comprehensive income</b>	<b>10.42</b>	<b>(9.59)</b>

#### 30.3 The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit / (Loss) before tax	42,718.41	51,167.60
Income tax expense calculated at 25.17%	10,752.22	12,878.88
Tax adjustment:		
(a) other impacts due to permanent allowances / disallowances as per IT Act	151.63	30.56
(b) Effect of other adjustments / disallowances	(82.51)	(68.19)
Income tax expense recognised in profit or loss	10,821.34	12,841.25
<b>Effective Tax Rate</b>	<b>25.33%</b>	<b>25.10%</b>



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 31 Segment reporting

The Group is engaged in the activities related to manufacture of marine chemicals. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole. For purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely Marine Chemicals. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

#### 31.1 Geographical information

The Group's revenue from external customers by location of operations and information about its non current assets\*\* by location of operations are detailed below. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India.

Particulars	Revenue from external customers		Non - current assets as at **	
	Year ended March 31,2024	Year ended March 31,2023	As at March 31,2024	As at March 31,2023
India	37,020.50	39,603.80	1,32,970.48	1,17,871.36
Rest of the world	95,988.45	1,04,502.79	-	-
<b>Total</b>	<b>1,33,008.95</b>	<b>1,44,106.59</b>	<b>1,32,970.48</b>	<b>1,17,871.36</b>

\*\* Non- current assets are used in the operations of the Company to generate revenues both in India and outside India.

#### 31.2 Information about revenue from major customers

Two external customer contributed more than 10% of total revenues of the Company. The share of the revenue for the year ended March 31, 2024 is 38.2% (FY 22-23 -23.4%.)

### Note 32 Basic and Diluted earnings per share

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Basic Earnings per share	25.90	34.66
Diluted Earnings per share	25.87	34.59
Face value per equity share	2.00	2.00



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Basic and Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year attributable to owners of the Group	31,897.75	38,255.92

The weighted average number of equity shares for the purposes of basic and diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic and diluted earnings per share as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Weighted average number of equity shares used in the calculation of basic earnings per share	12,31,74,496.38	11,03,72,837.37
Adjustment:		
Compulsorily Convertible Debentures ("CCDs")	-	-
Weighted average number of equity shares used in the calculation of basic earnings per share	12,31,74,496.38	11,03,72,837.37
Adjustment:		
Employee Stock Options	1,22,246.31	2,35,784.67
Weighted average number of equity shares used in the calculation of diluted earnings per share	<b>12,32,96,742.69</b>	<b>11,06,08,622.04</b>

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 33 Employee benefit plans

#### A. Defined contribution plans

The Group makes Provident fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹179.83 lakhs (Previous year ended March 31, 2023 - ₹148.28 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the plans by the Group are at rates specified in the rules of the schemes.

#### B. Defined benefit plans

##### Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group makes annual contributions to Life Insurance Corporation of India(LIC). The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The Group is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk :** The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Investment Risk :** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk :** The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption."

**Longevity risk:** The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Gratuity (Funded)	
	As at March 31, 2024	As at March 31, 2023
<b>Present Value of obligations at the beginning of the year</b>	<b>208.16</b>	<b>202.55</b>
Current service cost	21.51	33.35
Interest Cost	14.99	12.34
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	40.53	(35.30)
Benefits paid	(56.72)	(4.78)
Liabilities assumed / (transferred)	-	-
<b>Present Value of obligations at the end of the year</b>	<b>228.47</b>	<b>208.16</b>
<b>Changes in the fair value of planned assets</b>		
<b>Fair value of plan assets at beginning of the year</b>	<b>182.49</b>	<b>127.72</b>
Interest Income	13.14	7.78
Expected Return on plan assets	(0.88)	2.81
Contributions from the employer	29.10	48.96
Benefits Paid	(56.72)	(4.78)
Actuarial gain/ (loss) on plan assets		
<b>Fair Value of plan assets at the end of the year</b>	<b>167.13</b>	<b>182.49</b>
Particulars	As at March 31, 2024	As at March 31, 2023
Amounts recognized in the Balance Sheet		
Present value of projected benefit obligation at the end of the year	(228.47)	(208.16)
Fair value of plan assets at end of the year	167.13	182.49
<b>Funded status of the plans – Liability recognised in the balance sheet</b>	<b>(61.34)</b>	<b>(25.67)</b>
<b>Provision for Gratuity - Non current liability</b>	<b>-</b>	<b>-</b>
<b>Provision for Gratuity - current liability</b>	<b>(61.34)</b>	<b>(25.67)</b>

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Components of defined benefit cost recognised in profit or loss		
Current service cost	21.51	33.35
Net Interest Expense	14.99	12.34
Interest Income	(13.14)	(7.78)
<b>Net Cost in Profit or Loss</b>	<b>23.36</b>	<b>37.91</b>
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	40.53	(35.30)
Return on plan assets	0.88	(2.81)
<b>Net Cost in Other Comprehensive Income</b>	<b>41.41</b>	<b>(38.11)</b>

Assumptions	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.14%	7.20%
Expected rate of salary increases	13.00%	13.00%
Expected rate of attrition	31.00%	35.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Average Expected Future service	2 years	2 years

The Group has generally invested the plan assets with the insurer managed funds. The insurance Group has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

- (i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations
- (ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

- (iii) The entire Plan Assets are managed by Life Insurance Corporation of India (LIC). The data on Plan Assets has not been furnished by LIC.
- (iv) Experience adjustments has been disclosed based on the information available in the actuarial valuation report

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Impact on defined benefit obligation (₹in lacs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate		
- 1% increase (+100 BP)	(5.56)	(3.96)
- 1% decrease (-100 BP)	5.92	4.19
Salary growth rate		
- 1% increase (+100 BP)	4.97	3.38
- 1% decrease (-100 BP)	(4.85)	(3.28)
Attrition rate		
- 1% increase (+100 BP)	(2.17)	(1.30)
- 1% decrease (-100 BP)	2.27	1.35

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The Group's best estimate of the contribution expected to be paid to the plan during the next year is ₹58.95 lakhs (2022-2023: ₹47.18 lakhs).

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### C. Long Term Compensated Absence

The compensated absences cover the Group's liability for earned leave & sick leave

Assumptions	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.14%	7.20%
Expected rate of salary increases	13.00%	13.00%
Expected rate of attrition	31.00%	35.00%

### D. Share Based Payments

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committee on October 07, 2022 the Holding Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Company in accordance with Archean Chemical -Employee Stock Option Plan 2022. The Vesting Period of ESOP is between 12 months to 60 months.

#### Movements in Share Options during the Year

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Options outstanding at the beginning of the year</b>	<b>4,91,400.00</b>	-
Granted during the year	-	4,91,400.00
Forfeited/Expired during the year	(24,570.00)	-
Exercised during the year	(3,43,980.00)	-
<b>Options outstanding at the end of the year</b>	<b>1,22,850.00</b>	<b>4,91,400.00</b>

Each Employee Stock Options converts into one equity share at an exercise price of ₹2 per share. The fair value of options granted as on the date of grant is ₹407.

An amount of ₹871.05 lakhs (₹757.77 lakhs) has been recognized as employee stock options expenses in statement of profit or loss.



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 34 Financial Instruments

#### 34.1 Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The Group is not subject to any externally imposed capital requirements.

The capital structure of the Group consists of net debt (borrowings as detailed in note 14 and note 16 (accrued interest) offset by cash and bank balances) and total equity of the Group.

The Group during the year has put in place the risk management policy and the same is being reviewed periodically post implementation.

##### 34.1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Debt *	5,954.46	2,149.21
Cash and bank balances	4,548.28	3,267.25
<b>Net debt</b>	<b>1,406.18</b>	<b>(1,118.04)</b>
Equity	1,70,155.05	1,43,101.98
<b>Total Equity**</b>	<b>1,70,155.05</b>	<b>1,43,101.98</b>
<b>Net debt to equity ratio (in times)</b>	<b>0.01</b>	<b>-0.01</b>

\* Debt is defined as long-term, short-term borrowings, liability portion of CCD and customers bill discounting, Interest accrued and not due on borrowings grouped under debt.

\*\* Equity includes all capital and reserves of the Group that are managed as capital.

#### 34.2 Categories of financial instruments

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
a) Financial assets measured at fair value - Mutual fund investments	34,987.02	21,007.73
b) Financial assets measured at fair value - Derivative Instruments	-	4.60
<b>Measured at amortised cost</b>		
a) Cash and bank balances	4,548.28	3,267.25
b) Other financial assets at amortised cost	18,698.30	15,673.16
<b>Financial liabilities</b>		
a) Measured at amortised cost	18,345.51	13,849.64
b) Measured at FVTPL	3,853.33	4,789.32



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### 34.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group has implemented a hedging policy during the period /year, to minimise the effects of foreign exchange fluctuations.

The Corporate Treasury function reports quarterly to the Chief Financial Officer and overseen by the board.

### 34.4 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

### 34.5 Foreign Currency risk management

The Group is exposed to foreign exchange risk arising from foreign currency transactions on account of sale / purchase of goods. Foreign exchange risk arises from recognised assets denominated in a currency that is not the Group's functional currency (₹). The risk is measured through a forecast of foreign currency cash flows that would arise due to the underlying assets and liabilities held.

The Group has entered into futures contracts to manage a portion of foreign currency risk arising out of realisation of foreign currency receivables. The strategy followed by the Group is tracking the foreign currency exchange rates and settlement of the payables at the time when the exchange rates are favourable.

**The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows**

Currency	Liabilities as at			
	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
	FC	INR	FC	INR
EUR	0.88	79.27	0.90	80.56
GBP	-	-	0.01	0.95
SGD	-	-	0.01	0.45
USD	11.33	944.37	8.11	666.58
<b>Total</b>		<b>1,023.64</b>		<b>748.54</b>



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Currency	Assets as at			
	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
	FC	INR	FC	INR
EUR	3.05	274.76	4.52	405.32
USD	131.42	10,957.28	99.36	8,168.84
<b>Total</b>		<b>11,232.04</b>		<b>8,574.16</b>

### 34.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of USD and EURO.

The following table details the Group's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where the rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency, there would be a comparable impact on the profit.

Particulars	Impact on profit or loss for the year	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Financial Assets (A)</b>		
USD	547.86	408.44
EUR	13.74	20.27
<b>Financial Liabilities (B)</b>		
USD	47.22	33.33
EUR	3.96	4.03
<b>Total (A) - (B)</b>	<b>510.42</b>	<b>391.35</b>

Impact of change in exchange rates of GBP and SGD on profit or loss for the period is immaterial and hence not disclosed.

### 34.6 Interest rate risk management

The long term borrowings appearing in the balance sheet carries a fixed rate of interest and hence the Group is not exposed to interest rate variability. However a portion of customer advances appearing as non current liabilities is carries a variable rate and is exposed to rate fluctuations. The sensitivity analysis is carried out on customer advances and is shown below.

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### 34.7 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's 'Profit for the year ended March 31, 2024 would not have any impact as there are no liabilities with floating rate as on March 31, 2024. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

### 34.8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved on a regular basis. Also majority of sales are carried out through letter of credit and secured .

The Company does not have significant credit exposure to any single customer. Concentration of Credit Risk to single customer did not exceed 10% of receivables in FY 2023-24 except for four customers whose outstanding balance was ₹8601.62 Lakhs. (FY 2022-23 - ₹3632.16 Lakhs).

### 34.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 34.9.2 below sets out details of facilities that the Group has at its disposal.

#### 34.9.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2024

Particulars	Weighted average effective Interest rate (%)	Less than 1 year	Upto 3 years	More than 3 and upto 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Accounts payable and acceptances	-	9,981.07	-	-	-	9,981.07	9,981.07
Others	-	2,435.52	-	-	-	2,435.52	2,435.52
Finance lease liability	-	1,232.85	1,860.32	1,087.32	7,670.76	11,851.25	3,827.79
Fixed interest rate instruments	11.07%	18.53	3,639.35	2,420.92	-	6,078.80	5,954.46

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments other than interest on NCD as at March 31, 2023

Particulars	Weighted average effective Interest rate (%)	Less than 1 year	Upto 3 years	More than 3 and upto 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Accounts payable and acceptances	-	9,555.50	-	-	-	9,555.50	9,555.50
Others	-	2,144.93	-	-	-	2,144.93	2,144.93
Finance lease liability	-	1,836.59	2,074.84	1,428.36	8,100.03	13,439.82	4,789.32
Fixed interest rate instruments	8.84%	2,070.41	38.76	40.04	-	2,149.21	2,149.21

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

The carrying amounts of the above are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Non-interest bearing	12,416.59	11,700.43
Finance lease liability	3,827.79	4,789.32
Fixed interest rate instruments	5,954.46	2,149.21
	<b>22,198.84</b>	<b>18,638.96</b>

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 year	1-3 year	3 - 5 year	More than 5 years	Total
<b>As at March 31, 2024</b>					
Investments	34,987.02	-	-	-	34,987.02
Security Deposits	1,229.00	-	-	257.08	1,486.08
Trade Receivables	15,637.88	-	-	-	15,637.88
Total Cash and bank balances	4,548.28	-	-	-	4,548.28
Others	234.83	57.07	-	-	291.90
Bank Deposits	-	1,239.69	-	-	1,239.69
Loans	42.75	-	-	-	42.75
<b>As at March 31, 2023</b>					
Investments	21,007.73	-	-	-	21,007.73
Security Deposits	1,537.24	-	-	132.12	1,669.36
Trade Receivables	11,774.33	-	-	-	11,774.33
Others	94.39	57.08	-	-	151.47
Bank Deposits	-	2,035.16	-	-	2,035.16
Loans	42.84	-	-	-	42.84
Cash and Cash Equivalents	3,267.25	-	-	-	3,267.25

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### 34.9.2 Financing facility

As per the debenture trust deed, NCD's of ₹73,970 lakhs issued under tranche I programme during the year 2018-19 and the Group has issued NCDs worth of ₹4,030 lakhs under tranche III programme and NCDs worth ₹6,000 lakhs towards bromine expansion under tranche II programme during the 2019-20. Post IPO, the Group has redeemed Non - Convertible debentures on November 19, 2022. The delisting of redeemed debentures from BSE was completed on January 02,2023.

### 34.10 Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

#### 34.10.1 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	Fair Value hierarchy	As at March 31, 2024		As at March 31, 2023	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>					
Measured at fair value through profit or loss (FVTPL)					
Financial assets measured at fair value - Mutual fund investments	Level 1	34,987.02	34,987.02	21,007.73	21,007.73
Financial assets measured at fair value - Derivative Instruments	Level 1	-	-	-	-
<b>Financial liabilities</b>					
Lease Liabilities measured at FVTPL	Level 3	3,827.79	3,827.79	4,789.32	4,789.32
Derivative Instruments measured at FVTPL	Level 3	25.54	25.54	-	-

The fair values of the financial assets and financial liabilities included in the level 1 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 35 Related party transaction

#### 35.1 Names of Related Parties & Nature of Related parties relationship

i. Entities or persons having significant influence	Chemikas Speciality LLP (Formerly known as Goodearth Fertilisers Company LLP)
ii. Enterprise over which Key management personnel exercise significant influence.	Goodearth Maritime Private Limited Jakhau Salt Company Private Limited Bharath Salt Refineries Limited Archean Industries Private Limited Cloudgen Digital Private Limited Sea Salt Holdings Pte Limited Bahuviddhaah Holdings Private Limited Archean Foundation KGF Granites Private Limited Archean Salt Holdings Private Limited
iii. Key management personnel and other directors	Mr. P Ranjit - Managing Director Mr. P Ravi - Non - Executive Director Mr. Subrahmanyam Meenakshisundaram - Non - Executive Director Mr. Kandheri Munaswamy Mohandass - Independent Director Mr. Chitoor Ghatambu Sethuram - Independent Director Mrs. Padma Chandrasekaran - Independent Director Mr. R.Raghunathan - CFO (CFO with effect from 1 June 2022) Mr. E Sairam - Group CFO (resigned as a CFO with effect from 31 May 2022) Mr. Abhishek Pandey - Company Secretary (appointed with effect from 01 Jan 2022 and resigned with effect from 11 May 2022) Mr. Arunmozhi - Company Secretary (resigned with effect from 11 Aug 2023) Mr. S Balasundharam - Company Secretary (appointed with effect from 11 Aug 2023)



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### 35.2 Transactions with related parties

Particulars	Transaction Value		Amount Outstanding Receivable / (Payable)	
	Year ended March 31,2024	Year ended March 31,2023	As at March 31, 2024	As at March 31,2023
<b>Jakhau Salt Company Private Limited</b>				
- Reimbursement of Jetty Expenses	507.36	419.98	(89.23)	(25.81)
- Reimbursement of Expenses	-	15.05		
<b>Bharath Salt Refineries Limited</b>				
- Reimbursement of Expenses	-	19.98	-	-
- Purchase of traded goods	-	442.82		
<b>P. Ranjit</b>				
- Payment of Dividend	1,271.97	-		-
- Office Rent	45.95	43.76	(4.14)	(1.22)
- MD remuneration payable	-	-	(1,266.56)	(1,861.50)
<b>Goodearth Maritime Private Limited</b>				
- Receivable Bromine	-	-	50.00	50.00
- Expenses towards jetty services	2,565.82	2,123.90		
- Shipment Management fee expenses	538.57	500.75	1,153.44	2,058.70
- Reimbursement of expenses	834.95	576.67		
<b>Arcean Industries Private Limited</b>				
- Reimbursement of Expenses	2.25	-	12.15	14.41
<b>Sea Salt Holdings Pte Limited</b>				
- Receivable	-	-	-	1,099.00
- Despatch Income	22.87	-	-	-
- Reversal of provision for doubtful receivables	-	(137.73)	-	-
- Reimbursement of expenses	-	62.27	-	-
- Sale of salt	4,829.28	3,534.08	-	-
<b>Chemikas Speciality LLP</b>				
- Payment of Dividend	1,696.19	-	-	-
<b>Cloudgen Digital Private Limited</b>				
- Others	-	-	0.30	0.30
<b>Arcean Foundation</b>				
- Towards CSR expenses	117.97	119.66	-	-
<b>KGF Granites Private Limited</b>				
- Reimbursement of Expenses	-	-	1.20	1.20



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### 35.3 Compensation of Key management personnel

The remuneration of directors (including other reimbursement) and other members of key management personnel during the period/ year was as follows :

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Employee benefits expense</b>		
Mr. P Ranjit	1,917.69	2476.13
Sitting fees paid to directors	25.50	37.25
Remuneration to directors	75.00	-
Mr. S Meenakshisundaram	995.09	-
Mr. E Sairam	-	20.52
Mr. R Raghunathan	100.03	65.72
Mr. G Arumozhi	9.65	25.08
Mr. S. Balasundharam	18.60	-
Mr. Abhishek Pandey	-	0.99

### Note 36 Lease arrangements

#### Lease Liabilities

Particulars	As at March 31, 2024	As at 31 March 2023
Maturity analysis - contractual undiscounted cash flows		
- Less than one year	1,232.85	1,836.59
- One to five years	2,947.64	3,503.20
- More than five years	7,670.76	8,100.03
<b>Total undiscounted lease liabilities</b>	<b>11,851.25</b>	<b>13,439.82</b>
Lease liabilities included in the financial statement as at		
- Current	705.23	1,218.12
- Non Current	3,122.56	3,571.20

Particulars	As at March 31, 2024	As at 31 March 2023
<b>Amounts recognised in profit or loss</b>		
- Interest on lease liabilities	675.59	812.70
- Expenses relating to short-term leases	192.18	31.22



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Movement of lease liabilities

Particulars	As at March 31, 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>	<b>4,789.32</b>	<b>5,235.00</b>
Lease liability on Ind AS 116 "Leases" adoption	192.36	-
Additions	-	-
Accretion of interest	675.59	812.70
Payments	(1,252.68)	(1,459.49)
Forex	18.48	201.11
Others	(595.28)	-
Deletions	-	-
<b>Balance at the end of the year</b>	<b>3,827.79</b>	<b>4,789.32</b>

### Note 37: Additional information to the financial statements

#### 37.1 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Contingent liabilities</b>		
a. Disputed Service tax, Sales tax, Income tax and Wealth tax dues under appeal (refer Note 37.1 (a))	5,679.10	654.68
b. Capital Commitments	8,796.58	9,842.51
c. Minimum demand charges payable to PGVCL*	156.86	-
<b>Total</b>	<b>14,632.54</b>	<b>10,497.19</b>

\* Appeal has been filed against the demand raised by PGVCL. An amount of ₹156.86 lakhs has been paid under protest.

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

### Note 37.1 (a) Details of disputed statutory dues

Name of Statute	Period to which amounts relates	Forum where dispute is pending	As at March 31, 2024	As at 31 March 2023
Sales tax and Gujarat VAT matters in respect of which Group is in appeal.	FY 2015-16	Joint	324.73	324.73
	FY 2016-17	Commissioner, Rajkot	273.92	273.92
	FY 2017-18		23.05	23.05
Income tax matters in respect of which Group is in appeal	FY 2016-17	CIT (Appeals)	-	20.39
	FY 2017-18	JCIT (Appeals)	-	12.59
	FY 2021-22	CIT (Appeals)	5,005.30	-
TDS matters in respect of which Company is in appeal	FY 2021-22	CIT	22.95	-
	FY 2022-23	(Appeals)	29.15	-
<b>Total</b>			<b>5,679.10</b>	<b>654.68</b>

**Note: Closing balance of amount paid under protest ₹55.58 (March 31, 2023: ₹55.58)**

Future cashflows in respect of the above matters are determinable only on receipts of judgments/decisions pending at various forums / authorities.

### Note 38 : Dues to Micro, Small and Medium Enterprises:

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 and March 31, 2023 has been made in the financial statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier as at the balance sheet date.



## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	As at March 31, 2024	As at 31 March 2023
The principal amount remaining unpaid to any supplier at the end of each accounting year;	1,287.48	1,796.83
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

### 39. Events after the reporting date

Nil

### 40. Others

- A. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## Notes forming part of Consolidated financial statements (Contd.)

*(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)*

- B. The borrowings from banks and financial institutions have been used for the purposes for which it was taken at the balance sheet date.
- C. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group and benami property.
- D. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond statutory period.
- E. The Group has not traded or invested in Crypto currency or virtual currency during the financial period.
- F. The Group does not have any transaction which is not recorded in the books of account that has been surrendered, disclosed as income during the year in the tax assessments under the income tax act, 1961 (such as, search or survey or any of the relevant provisions of the Income tax Act, 1961.)
- G. Relationship with Struck-off Companies: The Group has searched for transactions with Struck-off companies by comparing Group's counter parties with publicly available database of struck-off companies through a manual name search. Based on such a manual search, there are no transactions with struck off Companies for the Financial Year 2023-24.
- H. Final Dividend of Re.1 per equity share amounting to ₹1233.97 Lakhs for the Financial Year 2023-24 recommended by Board of Directors which is subject to approval of shareholders at the ensuing Annual General Meeting is not recognized as liability at the Balance Sheet date.

### 41. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 14, 2024

- 42. The implementation of the Code on Social Security, 2020 is getting postponed. The Group will assess the impact thereof and give effect in the Financial Statements when the date of implementation of the codes and the Rules / Schemes thereunder are notified.
- 43. The previous year figures have been regrouped / rearranged to conform to current year classification.

## Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

**Note 45: Additional Information, as required under Schedule III to the Companies Act 2013, of the enterprises consolidated as Subsidiary**

Name of the Entity in the Group	Net Assets (total assets - total liabilities) as % of Consolidated Net Assets		Share in Profit or Loss as % of Consolidated Profit		Share in Other Comprehensive Income as % of Consolidated Other Comprehensive Income		Share in Total Comprehensive Income as % of Consolidated Total Comprehensive Income	
	Amount		Amount		Amount		Amount	
<b>2023-24</b>								
Parent								
Archean Chemical Industries Limited	99.6%	1,69,540.58	101.1%	32,234.56	100.0%	(30.99)	101.1%	32,203.57
Subsidiary								
<b>Indian:</b>								
Acume Chemicals Private Limited	0.1%	95.06	-0.8%	(256.22)	0.0%	-	-0.8%	-256.22
Idealis Chemicals Private Limited	0.1%	218.38	-0.3%	(81.62)	0.0%	-	-0.3%	-81.62
Neun Infra Private Limited	0.2%	301.03	0.0%	1.03	0.0%	-	0.0%	1.03
Non Controlling Interest								
Indian Subsidiary:								
Sicsem Private limited	0.0%	0.82	0.0%	(0.68)	0.0%	-	0.0%	-0.68
<b>Total</b>	<b>100%</b>	<b>1,70,155.87</b>	<b>100%</b>	<b>31,897.07</b>	<b>100%</b>	<b>(30.99)</b>	<b>100%</b>	<b>31,866.08</b>
<b>2022-23</b>								
Parent								
Archean Chemical Industries Limited	99.8%	142750.7	100.3%	38364.18	100.0%	28.52	100.3%	38,392.70
Subsidiary								
<b>Indian:</b>								
Acume Chemicals Private Limited	0.2%	351.28	-0.3%	(108.26)	0.0%	-	-0.3%	(108.26)
<b>Total</b>	<b>100.0%</b>	<b>1,43,101.98</b>	<b>100.0%</b>	<b>38,255.92</b>	<b>100.0%</b>	<b>28.52</b>	<b>100.0%</b>	<b>38,284.44</b>

As per our report of even date attached

**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No:0039990S/S200018

**S. Prasana Kumar**  
Partner  
Membership No:212354

Place : Chennai  
Date : May 14, 2024

For and on behalf of the Board of Directors

**S. Meenakshisundaram**  
Director  
DIN: 01176085

**R. Raghunathan**  
Chief Financial Officer

**P. Ranjit**  
Managing Director  
DIN: 01952929

**S. Balasundharam**  
Company Secretary  
Membership No. A11114











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Chemical  
Industries  
Limited

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