Archean Chemical Industries Limited

Life's god with our chemistry

04th July 2023

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

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

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 14th AGM and other Statutory Reports for the Financial Year 2022-23. 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.

The above information will also be available on the website of the Company at www.archeanchemicals.com

Kindly take the same on record.

Thanking you

Yours faithfully
For Archean Chemical Industries Limited

GNANAVELU ARUNMOZHI
Digitally signed by GNANAVELU ARUNMOZHI
Date: 2023.07.04 21:43:57 +05'30'

G Arunmozhi
Company Secretary & Compliance Officer
M. No. A-18119

Enc- as above

Archean Chemical Industries Limited

Life's good with our Chemistry

ANNUAL REPORT 2022-23

Across the Pages

Contents

Life's good with our Chemistry

Through quality goods made with efficient and sustainable manufacturing processes, Archean Chemicals impacts the world for the better

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 Chandrasekharan	Member
Mr. S Meenakshisundaram	Member

Corporate Social Responsibility Committee

Mr. S Meenakshisundaram	Chairperson
Mrs. Padma Chandrasekharan	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

IPO Committee

Mr. P Ranjit
Mr. S Meenakshisundaram
Mr. R Raghunathan
Mr. Rajeev Kumar

Chief Financial Officer Mr R Raghunathan

Company Secretary Mr G Arunmozhi

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

Website:
www.archeanchemicals.com

CIN:
L24298TN2009PLC072270

Plant:
Hajipir, Rann of Kutch
Gujarat

Auditors
PKF Sridhar and Santhanam LLP,
7th Floor, KRD 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

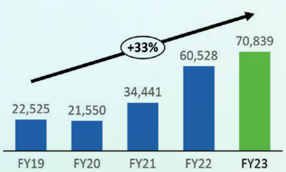
Stock Exchange Listed:
National Stock Exchange of India Limited, Mumbai
BSE Limited, Mumbai

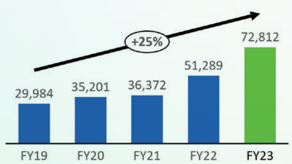
"We contribute to a sustainable world and a better future by delivering responsible products"

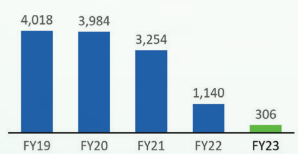
Strong Product Portfolio

Product	Bromine	Industrial Salt	SOP
Overview	• Bromine is the only non-metallic element that is a liquid at standard conditions • It is a member of the halogen family and is found naturally in seawater, underground brine deposits and other water reservoirs	• 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.	• Sulphate of Potash, also known as potassium sulphate, is a high-end, specialty fertilizer for chlorine-sensitive crops.
Archean's Position	• Leadership position in Indian Bromine merchant sales • ~48% Export Business	• Produced using the solar evaporation method. • 100% Export business	• Only Manufacturer of SOP from natural sea brine, in India • ~70% Export business • KTMS (kainite type mixed salt) had higher NaCl content (Sodium Chloride), which led to lower SOP production in the last few years
End User Industries	• Pharmaceuticals • Agrochemicals • Flame Retardants • Water Treatment • Oil & Gas & energy storage	• Chloralkali Chemicals • Food & Beverage • Water Treatment • Oil & Gas	• Agrochemicals • Various industries including glass, cosmetics etc. • Medical uses

*** Revenue Trend**
(Rs. in Lakhs)







**Standalone basis*

Integrated Production Facility at Hajipir, Gujarat

Established Infrastructure

Archean 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

Location Advantages

The 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

HIGH ENTRY BARRIERS

- Access to Reserves
- Limited number of locations globally with a suitable climate
- Multi year Investment in Brine field Development
- High cost and intricacy of product development
- Rigorous product approval systems
- Difficult customer acquisition
- High degree of technical skill and specialized expertise for material handling
- Development time of brine reservoirs

Archean has proven to be a reputed producer with a track record of providing high quality products

Deep Engagement with Clients

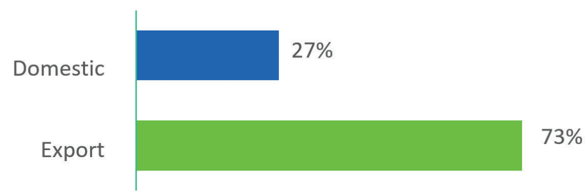
Enduring customer relationships helped to expand product offerings and geographic reach

Strong Clientele

TOTAL **55** Clients

Revenue Contribution

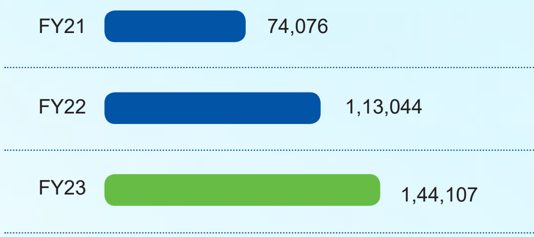
High Focus on Exports



Financial Performance - Overview

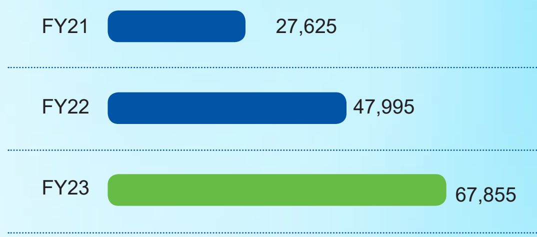
Revenue

Rs. in Lakhs



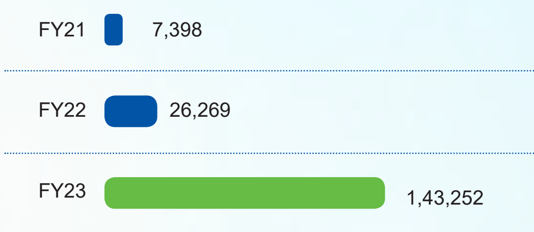
EBITDA

Rs. in Lakhs

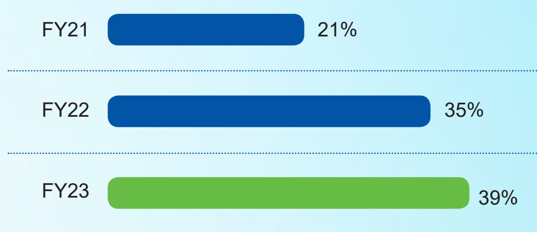


Networth

Rs. in Lakhs

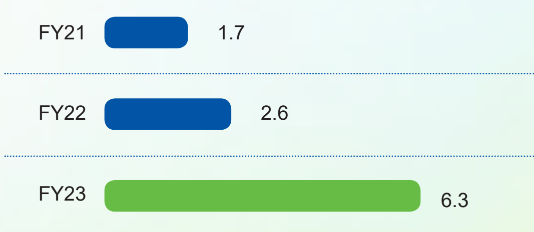


ROCE



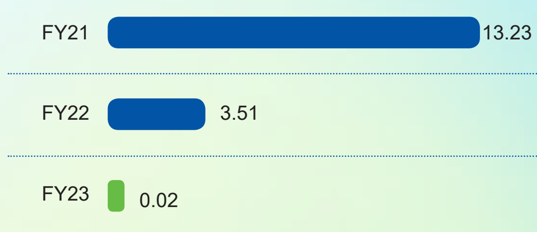
Interest Coverage

Times



Debt - Equity

Times



Notice to the Shareholders

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Shareholders of the Company will be held on Wednesday, the 26th July 2023 at 10.30 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 31st March 2023, including the audited Balance Sheet as at 31st March 2023, 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT a dividend of Rs. 2.50 per share (125%) for the year ended March 31, 2023, on the paid-up capital consisting of 12,30,52,989 equity shares, as recommended by the Board, be and is hereby approved.

Item No. 3

To appoint a Director in place of Mr. S Meenakshisundaram, (DIN - 01176085) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No.4

To ratify the remuneration payable to the Cost Auditor for the financial year 2023-24 and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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 Rs. 1,00,000/- (Rupees One Lakh Only) and re-imbursement of out of pocket expenses excluding applicable Tax payable to Mr. G Sunderasan, (Membership No. 11733) Cost Accountant, Chennai, for conducting cost audit of the Company for the financial year 2023-24, as approved by the Board of Directors of the Company, be and is hereby ratified.

Item No.5

To reappoint Mr. P Ranjit as Managing Director of the Company for a further period of 5 years from 27th November 2023 to 26th November 2028.

To consider and, if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. P Ranjit (DIN 01952929) as Managing Director of the Company for a further period of 5 Years at a remuneration as set out in the Explanatory Statement annexed to the Notice.

For and On behalf of the Board

G Arunmozhi

Place : Chennai — Company Secretary

Dated : 26th May 2023 — M. No. A-18119

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 (collectively referred to as "MCA Circulars") permitted to hold the Annual General Meeting ("AGM") through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), on or before 30th September 2023 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 & 5 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 29th December 2021 till the conclusion of the Seventeenth Annual General Meeting of the Company.
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.
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 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 24th August 2023 to those Members whose names shall appear on the Company's register of Members as on the record date i.e. Friday, 21st July 2023.
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 warrant / Bankers' cheque / demand draft to such Member, as soon as possible.
11. In terms of Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund ("IEPF").
12. 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 19th July 2023.
13. 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 January 5, 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.

14. In compliance with the MCA Circulars, the Annual Report 2022-23 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.

15. 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, e-mail ID, mobile number to info@archeanchemicals.com on or before July 16, 2023. 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.

16. 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.

17. 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 Act, 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.

18. 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.

19. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

20. 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.

21. 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.

22. The Board of Directors have appointed Mr. R Satheesh Kumar, (Membership No. FCS 10945) (CP No. 24139) Practicing Company Secretary, 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 July 23, 2023 (Sunday) 9:00 A.M. (IST) and conclude on July 25, 2023 (Tuesday) 5:00 P.M. (IST).

23. 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. Wednesday, 19th July 2023 only shall be entitled to avail the facility of e-voting.

24. 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 14th 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 and also be displayed on the website of Link Intime India Private Limited at www.linkintime.co.in immediately after the results are declared and simultaneously communicated to the Stock exchanges.

25. 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, under help section or write an e-mail to enotices@linkintime.co.in.

26. 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.

27. 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 info@archeanchemicals.com.

28. 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. The Notice can also be accessed from the websites of the stock exchanges, National Stock exchange of India Limited and BSE Limited at www.nseindia.com or www.bseindia.com respectively. 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 .

29. 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), 23rd July 2023	05.00 P.M. (IST), 25th July 2023

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.

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 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 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 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 LIIPL 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 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com 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

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 above mentioned 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. 29 for e-voting.
- Mr. R Satheesh Kumar, (Membership No. FCS 10945) (CP No. 24139) Practicing Company Secretary, Chennai has been appointed as the Scrutinizer to scrutinize the remote 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 and on the website of LIIPL at https://instavote.linkintime.co.in/. Further, the results shall be displayed on the Notice Board of the Company at its Registered 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 and on the website of LIIPL at https://instavote.linkintime.co.in/. Further, the results shall be displayed on the Notice Board of the Company at its Registered 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. Wednesday, 26th July 2023.

30 **Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in & Click on "Login".

- Select the **"Company"** and **'Event Date'** and register with your following details: -

  A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

  - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
  - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
  - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

  B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/

  Company shall use the sequence number provided to you, if applicable.

  C. Mobile No.: Enter your mobile number.

  D. Email ID: Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with

the company.

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

For and On behalf of the Board

G Arunmozhi
Company Secretary
M. No. A-18119

Place : Chennai
Dated : 26th May 2023

EXPLANATORY STATEMENT UNDER SECTION 102 (2) OF THE COMPANIES ACT, 2013

Item No. 4: Ratification of Remuneration to Cost Auditors for FY 2023-24

The Board, on the recommendation of the Audit Committee, had approved in its meeting held on 26th May 2023, the appointment of Mr. G Sunderasan, Cost Accountant, Chennai, at a remuneration of Rs. 1,00,000/- (Rupees One Lakh Only) and re-imbursement of out of pocket expenses excluding applicable tax to conduct the Cost Audit of the Company for the financial year 2023-24. In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditor Rules), 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution. The Board of Directors recommends the Ordinary Resolution for your approval.

Item No. 5: Reappointment of Mr. P Ranjit as Managing Director of the Company for a further period of 5 years from November 27, 2023 to November 26, 2028.

The Board of Directors of the Company, at its meeting held on 26th May 2023, based on the recommendation of the nomination and remuneration committee approved the proposal to re-appoint Mr P Ranjit as Managing Director of the Company for a further period of 5 years, subject to approval of the shareholders. None of the Directors, Key Managerial Personnel and their relatives except Mr. P Ravi and Mr. P Ranjit are concerned or interested in this Resolution.

The terms of remuneration payable to Mr. P Ranjit are as follows:

Salary: Rs. 22,13,028/- per month. Annual increase will be effective 1st April every year and the increase will be decided by the Nomination and Remuneration Committee.

In addition to the above said salary, he shall be entitled to the following Perquisites and Allowances:

- Rent free unfurnished accommodation, owned or leased by the Company, expenditure on which will be limited to 50% of the salary, or house rent allowance not exceeding 50% of salary.
- Reimbursement of expenses viz., Gas, Electricity and Water
- Any other allowances or perquisites as determined by the Nomination and Remuneration Committee.
- Leave Travel Concession for self and family including dependents.

The above perquisites and allowances shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

Other Benefits:

- Reimbursement of Medical Expenses
- Personal accident Insurance Premium and Medical Insurance Premium for self and family.
- Reimbursement of actual Club fee.
- Payment of Company's contribution towards Provident Fund and National Pension Scheme as per the Company's Policy.
- Gratuity payable and encashment of un-availed leave as per the rules of the Company.
- Facility of car with driver for official purpose.

Total remuneration including Commission: In addition to Salary, Perquisites and allowances an amount by way of commission will be paid, wherein, the total remuneration as computed above including commission, shall not exceed 4.5% of the Net Profits of the Company, for each financial year or part thereof, computed in the manner laid down in the Companies Act, 2013. The above other benefits will not be included in computation of the total remuneration.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Director, the Company does not have profits or its profits are inadequate, the Company will pay salary, perquisites, allowances and remuneration as a percentage of profits not exceeding the maximum limits as prescribed under Section II, Part II of Schedule V of the Act as amended from time to time, as minimum remuneration to Mr. P Ranjit.

For and On behalf of the Board

Place : Chennai
Dated : 26th May 2023

G Arunmozhi
Company Secretary
M. No. A-18119

Details of the Directors seeking re-appointment at this Annual General Meeting

The particulars of Directors to be re-appointed at this AGM and the details of their other Directorships and Committee Memberships/Chairmanships held in other Companies as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards are given hereunder. The Directorship held in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013 have been excluded and Memberships/ Chairmanships held in Audit and Stakeholders Relationship Committees have only been included.

Mr. S Meenakshisundaram, aged 69 years. He has been associated with our Company since incorporation. He is admitted as an associate and fellow member of the Institute of Chartered Accountants of India and holds a degree of bachelor of commerce from University of Madras. He has approximately four decades of experience in accounting, finance and tax.

Mr. S. Meenakshisundaram is a Non-Executive Non-Independent Director of the Company. He does not hold any shares in the Company and there is no inter-se relationship among other Directors of the Company.

Date of First appointment on the Board	24th March 2010		
No. of meetings of the Board attended during the year	12		
Other Directorships held	**Name of the Company**	**Position**	
	Bharath Salt Refineries Limited	Director	
	Archean Salt Holdings Private Limited	Director	
	Acume Chemicals Private Limited	Director	
Other Committee Membership / Chairmanships held	**Name of the Company**	**Name of the Committee**	**Position**
	Nil	N.A.	N.A.

Mr. P Ranjit, aged about 49 years. He is the Promoter Director. He holds a degree of master of business administration from University of Chicago, Illinois, USA. He has 22 years of experience in the chemical business. He has been associated with our Company since incorporation.

Date of First appointment on the Board	06th August 2018		
No. of meetings of the Board attended during the year	12		
Other Directorships held	**Name of the Company**	**Position**	
	Jakhau Salt Company Private Limited	Director	
	Archean Salt Holdings Private Limited	Director	
	Acume Chemicals Private Limited	Director	
	KGF Granites Private Limited	Director	
Other Committee Membership / Chairmanships held	**Name of the Company**	**Name of the Committee**	**Position**
	Nil	N.A.	N.A.

DIRECTORS’ REPORT

To the Members of Archean Chemical Industries Limited

The Directors hereby presents the Fourteenth Annual Report (First Annual Report post IPO) on the performance of the Company along with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2023.

Financial Performance

For financial year 2022-23, the standalone revenue from operations was ₹1,44,106.59 lakhs as against ₹1,13,043.71 lakhs during 2021-22, with an increase of 27.5%. Net Profit after tax for the year was ₹38,365.38 lakhs as against ₹18,861.39 lakhs in the previous year.

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

₹ in Lakhs

Particulars	2022-23	2021-22
Profit before depreciation and finance cost	67,854.65	47,994.80
Depreciation	6,850.89	6,686.19
Finance Cost	9,695.89	16,166.86
Profit before Tax	51,307.87	25,141.75
Tax expenses	12,942.49	6,280.36
Profit after Tax	38,365.38	18,861.39
Total comprehensive income	38,393.90	18,871.26
Earnings per share (Basic)	34.76	18.26
Earnings per Share (Diluted)	34.69	18.26

Dividend and transfer to General Reserve

The Board has recommended a dividend of Rs. 2.50 per equity share for the financial year ended 31st March 2023 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 14th Annual General Meeting will be paid to all the members whose name appear in the register of members as on July 21st 2023 (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/wp-content/uploads/2023/06/Dividend-Distribution-Policy.pdf

During the year, the balance amount of Rs. 8,400 lakhs in Debenture Redemption Reserve has been transferred to General reserves.

Share Capital:

As on 31st March 2023, 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 the Paid-up Share Capital of the Company increased from ₹19,26,66,810 divided into 9,63,33,405 Equity Shares of ₹ 2/- each to ₹ 24,61,05,978 divided into 12,30,52,989 Equity Shares of ₹ 2/- each.

- The Company issued 69,40,715 equity shares against 6,72,000 Compulsorily Convertible Debentures issued by the Company.
- The Company has issued 1,97,78,869 equity shares through Initial Public Offer.

Initial Public Offer of Equity Shares

The equity shares of the Company were listed on November 21, 2022 in National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) and pursuant to Initial Public Offering (“IPO”) of the Company by way of a Fresh Issue of 1,97,78,869 shares and an Offer for Sale of 16,150,000 shares at a price of Rs.407/- including a premium of Rs. 405/- and the issue proceeds were Rs. 80,500 lakhs and 65,730 lakhs respectively.

Net proceeds after deducting IPO expenses is Rs.76,832 lakhs and Rs. 67,995 lakhs have been utilised during 2022-23, in line with the objects of the offer. Detailed Monitoring Agency Report for such utilization are received by the Company from its Monitoring Agency on quarterly basis affirming no deviation in utilisation of the issue proceeds from the object stated in offer documents and submitted to Stock Exchanges in compliance with the aforesaid regulations. The Company confirms that it has paid the Annual Listing Fees for 2022-23 to NSE and BSE.

Redemption of Non-Convertible Debentures: Out of Rs. 84,000 lakhs Non-convertible debentures, the Company has during the year repaid Rs.19,600 lakhs in various tranches from the internal accruals. The Balance Rs. 64,400 lakhs was fully repaid to the Debenture holders on 19th November 2022 out of proceeds from initial public offer and thereby redeemed the entire Non-convertible Debentures. The said NCDs were delisted from BSE Limited on 2nd January 2023.

Employee Stock Option Scheme

The Board had approved the "Archean Employee Stock Option Plan 2022 (ESOP 2022) for a maximum of 12,90,926 options and had also obtained necessary approval of the members of the Company in the Extra Ordinary General Meeting held on 01st February 2022. The said ESOP was ratified by the members on 26th March 2023, post listing. 4,91,400 shares were granted to its employees on 7th October 2022 with the vesting period from 1 year to 5 years.

Directors and Key Managerial Personnel

There is no change in composition of the Board.

During the year under review, Mr. G Arunmozhi has been appointed as Company Secretary of the Company with effect from 12th May 2022 and Mr. R Raghunathan has been appointed as Chief Financial officer of the Company with effect from 1st June 2022.

During the year under review, Mr. Abhishek Pandey, Company Secretary resigned on 11th May 2022 and Mr. E Sai Ram, Chief Financial officer resigned on 31st May 2022.

Board of Directors and Committees

The composition of the Board of Directors and its Committees are in accordance with the Act and the SEBI (Listing Obligations & Disclosure Requirements Regulations, 2015 ("SEBI LODR"). The Corporate Governance Report given in Annexure to this report contains the composition of the Board of Directors of the Company and its Committees.

Management Discussion and Analysis

The Management Discussion and Analysis is attached as annexure I to 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 (Ind AS), forms part of this Annual Report.

The Consolidated profit after tax for the year 2022-23 was Rs. 38,255.92 lakhs and the Consolidated Net Worth is Rs. 1,43,101.99 Lakhs as on March 31, 2023 as against Rs.18,820.92 lakhs and Rs. 26,228.56 lakhs as on March 31, 2022, respectively.

Subsidiary Company

Acume Chemicals Private Limited (Acume) is in the process of commissioning the project. Refer Annexure-II to this report for statement containing the salient features of the financial statements of the Subsidiary Company as per Form AOC-1.

Fixed Deposits

The Company has not accepted any deposit from the public within the meaning of Section 76 of the Act, 2013, for the year ended 31st March 2023.

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, and 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 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 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 Companies Act 2013.

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.

Corporate Social Responsibility

The Company has constituted Corporate Social Responsibility Committee in accordance with the requirements of Section 135 of Companies Act, 2013, 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 at www.archeanchemicals.com .

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.

Risk Management

Your Company has constituted a Risk Management Committee and has formulated a Risk Management Policy aligned with the requirements of the Companies Act, 2013 and the Listing Regulations. 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 31st March 2023.

Vigil Mechanism / Whistle Blower Policy

The Company has adopted a Whistle Blower Policy on Vigil Mechanism in accordance with the provisions of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, 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 also provides a direct access to the Chairman of the Audit Committee to make protective disclosures about grievances or violation of the Company's Code.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, 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, 2023 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 www.archeanchemicals.com.

All Related Party transactions that were entered into by the Company during the financial year 2022-23, 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:

Sl. No.	Name of the Director/KMP	Designation	Ratio to Median Remuneration	% increase in the remuneration in the financial year
1	Mr. P Ranjit	Managing Director	100.41:1	13.5%
2	Mr. S Meenakshisundaram	Non- Executive Director	1.72:1	NA
2	Mr. C G Sethuram	Independent Director	1.31:1	NA
3	Mrs. Padma Chandrasekharan		1.58:1	NA
4	Mr. K M Mohandass		1.58:1	NA
5	Mr. E Sai Ram	Chief Financial Officer (upto 31st May 2022)	3.52:1	10.0%
6	Mr. Abhishek Pandey	Company Secretary (upto 11 May 2022)	0.17:1	20.0%
7	Mr. G Arunmozhi	Company Secretary (From 12th May 2022)	4.31:1	NA
8	Mr. R Raghunathan	Chief Financial Officer (From 1st June 2022)	11.27:1	NA

There were 265 numbers of permanent employees in the Company as on 31st March 2023

The median remuneration of employee of the Company during the financial year was Rs.5,50,992/- and percentage increase in the median remuneration of employee in the financial year is 19.7%.

Average percentile increase to non-managerial employees is 14.0% and a managerial employee is 14.5%.

It is affirmed that the remuneration paid or payable to Directors/KMPs and other median employees are as per the remuneration policy of the Company.

The information as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remunaration of Managerial Personnel) Rules, 2014 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 the financial 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	3
5	Nature of action taken by the employer or distinct officer	Nil

Corporate Governance

In accordance with the provisions of SEBI LODR, the Corporate Governance Report is given in Annexure-IV and forms part of this Report.

Statutory Auditors

As per section 139 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company in 12th 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 12th AGM till the conclusion of the 17th 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 has appointed Mr. G Sundaresan, Cost Accountant as Cost Auditor of the Company for the financial year 2023-24. The Board has recommended the remuneration payable to the above cost auditor for ratification of shareholders at the ensuing Annual General Meeting.

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.

Secretarial Auditor

M/s. HVS & Associates, Practicing Company Secretaries were appointed as Secretarial Auditors of the Company for the financial year 2022-23 as required under Section 204 of the Companies Act 2013 and the rules made thereunder.

Further, in terms of Regulation 24A of the SEBI LODR, the secretarial audit report of the Company for the financial year ended March 31, 2023 are given in the Annexure-V and forms part of this report.

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. 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 Companies Act, 2013 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, Company harvested the rainwater aggregating to 1.8 Mn m3 and consumed in plant wherever possible instead of Raw Water. Also, Company took a few initiatives to conserve water based on 3R quality tool which was the major milestone in water conservation. A few important ideas implemented are as listed below: - Domestic process water consumption was replaced with industrial water. - In Bromine plant, process water used for washing Bromine Bottles was replaced with low TDS water. - In Brine field, industrial water used for washing Pumps was replaced with low TDS water.
(ii)	the steps taken by the Company for utilizing alternate sources of energy.	Company is in discussion with solar energy system providers for installation of solar panels in the factory. The Company has also obtained necessary approvals for setting up a transmission line to draw power from the grid. This will also facilitate the Company to do power trading with renewable power production units, which is its primary focus. Project is in progress

(iii)	the capital investment on energy conservation equipment's	NIL

b. Technology absorption:

(i)	the effort made towards technology absorption	NIL
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	NIL
(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	Financial Year ended 31st March 2023	Financial Year ended 31st March 2022
Foreign Exchange Earnings	1,04,502.79	79,488.00
Foreign Exchange Outgo	17,301.61	81,13.00

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 2022-23 is given in Annexure-VII and forms part of this report.

Annual Return

The Annual Return pursuant to provisions of section 92 read with rule 12 of The Companies (Management and Administration) Rules, 2014 is hosted in Company's website www.archeanchemicals.com.

Secretarial Standards

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India (ICSI) as per Section 118(10) of the Act.

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 31st March 2023.

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 29th January 2022 relating to directors appointment, payment of remuneration and discharge of their duties.

Transfer to Reserves

Company has transferred Rs. 84 crores from the Debenture Redemption Reserve during the year under review.

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. 31st March 2023 to which these financial statements relate and to the date of this report.

Transfer of Unclaimed Dividend to Investor Education & Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared in the earlier years.

Dematerialization of Equity Shares

As on 31st March 2023, 12,30,52,989 equity shares representing 100% of the paid-up share capital of the Company are in Dematerialized mode.

Opinion of the Board about the Independent Directors appointed during the year

No independent directors were appointed during the year and hence, Opinion of the Board about the Independent Directors appointed during the year does not arise.

Code of Conduct

The Company has formulated a Code of Conduct for the Board members and Senior Management Personnel. All the Board members and Senior Management personnel have affirmed compliance with above code.

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 done any one time settlement during the year under review with banks or financial institutions and therefore, this clause is not applicable.

Acknowledgments

The Directors wish to thank Banks & financial institutions for their continued support. The Company wishes to thank its customers, suppliers and the communities around its plants for their continued support. The Company continues to have the full co-operation of all its employees.

For and behalf of the Board of Directors

	P Ranjit	**S Meenakshisundaram**
Date: 26th May 2023	Managing Director	Director
Place: Chennai	DIN: 01952929	DIN: 01176085

Annexure to Directors' Report:

1. Annexure I – Management Discussion and Analysis
2. Annexure II - Form AOC - 1
3. Annexure III – Annual Report on CSR Activities
4. Annexure IV – Report on Corporate Governance
5. Annexure V – Secretarial Audit Report
6. Annexure VI- Compliance Certificate by MD / CFO
7. Annexure VII – Business Responsibility and Sustainability Report

Management Discussion and Analysis

Global Economy Overview

The IMF predicted in its World Economic Outlook (WEO) for April 2023 that global growth will decline to 2.8% in 2023 from 3.4% in 2022. The growth rate is projected to increase marginally to 3.0% in 2024, but not enough to surpass the growth rate of 2022. IMF forecasts that the increase in global trade volume will decrease from 5.1% in 2022 to 2.4% in 2023, and then increase to 3.5% in 2024. The global economy is facing headwinds from high inflation and slowing growth and decrease in economic activity.

The recent break down of the several financial banks in the United States and the European Union heightened concerns about financial instability. Despite this event, global central banks such as the US and EU continued to increase interest rates in an effort to control inflation. Drop in OPEC's production has further elevated the global crude oil prices which in turn has added to the economic uncertainty.

On the other hand, the growth rates in developing markets, are predicted to be higher, at 3.9% in CY 2023 and 4.2% in CY 2024. Strong labour market, high levels of consumer spending, and corporate investment will empower the global economy's recovery, with help from rising consumer demand in the emerging countries. Tight monetary and fiscal policies are expected to be important tool to control inflationary pressures in an effort to ensure economic stability and support sustainable growth.

Indian Economy Overview

Even though the geopolitical feud has made the global economy more erratic in the previous year, Indian economy has resisted the headwinds with its domestic consumption. Echoed by major global institutions, it is expected that the economy will grow by 7%, which is faster than the growth of the other major economies. Improved current account deficit, easing inflation pressure, and a strong banking system, has made the growth rate further sustainable. India is expected to be the fastest-growing economy in FY24, according to a report of the WEO from April 2023. Both the Economic Survey 2022-23 and the RBI think that the Indian economy will grow by 6.5% in real terms in 2023-24. The projections are in line with the World Bank's prediction of 6.3% and the ADB's prediction of 6.4% for 2023-24. Forecasts of El Nino, at the margin, have elevated the risks to Indian monsoon rains. Further troubles in the financial sector in advanced nations can increase risk aversion in financial markets and impede capital flows.

Indian Chemical Industry Overview

Approximately 7% of the Gross Domestic Product (GDP) is contributed by the Indian chemical industry, which is one of the most important sectors of our economy. India is home to the production of over 80,000 chemical products with diverse applications. India maintains a strong position in global exports and imports of chemicals. The Indian chemical industry is exceedingly diverse and can be broadly categorised as follows: bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers.

The Indian speciality chemicals industry has witnessed a significant business jump in the last two fiscal years. This growth is primarily driven by strong domestic demand and increased demand for exports, which has been bolstered by major global economies adopting the China +1 policy. All sub-segments of the bulk & speciality chemicals have undertaken significant capex in the past three fiscal years and a similar size of capex is currently underway and expected to be completed in the next two years. The next phase of growth is expected to occur post-completion and stabilization of this capex. Despite the large size of capex, the capital structure of the majority of sub-segments in the speciality chemicals sector remains at the steady level. This is due to healthy internal accruals, which are expected to enable them to pursue substantial capex in the future.

Key Opportunities

- The structure of China’s chemical industry is changing due to stricter environmental norms, tighter financing, and consolidation.

While these shifts may benefit select large players in the long run, they could cause uncertainty for international players that source chemicals from China. That could create opportunities for India's chemical companies in certain value chains and segments, especially in the short term.

- Several global oil and gas majors are turning their sights on downstream chemical opportunities. This may increase the focus on petrochemicals in India, and higher investment in the sector could ease feedstock challenges and boost self-sufficiency.
- Around the world, multiple trade disputes have arisen. These have caused changes in international supply chains that have impacted bilateral trade agreement amongst the large countries. Indian chemical companies may have access to sizable chemical markets that are still open in this situation.
- Sustainability is becoming an imperative, not a buzzword, with various stakeholders placing a premium on it. Chemical companies could prioritize environmental sustainability to protect long-term shareholder value, while continuing to comply with local regulations.

Key Challenges

India has a clear goal of becoming a digital economy worth $5 trillion. The Indian chemical industry will play a significant part in making this vision a reality. The industry frequently encounters significant obstacles like outdated technological infrastructure, expensive fundamental raw resources like natural gas and crude oil, high capital expenses, and the need to modernise its facilities. The government has already established the stabilisation charter through PLI (Production Linked Incentives) programmes like Aatmanirbhar Bharat, Make in India, etc.

However, one of the biggest challenges faced as an industry is uneven raw material costs, dependence on imports and increasing operating costs due to higher logistic cost .

OUTLOOK

The Indian specialty chemicals market will continue to expand due to rising exports and a strong local demand. Manufacturers of bulk & specialty chemicals are increasing their production capacity in response to the sector's strong performance and the rising demand for their products. Furthermore, certain segments of the Indian chemical industry will benefit from China's anti-pollution initiatives.

Additional financial assistance in the form of tax breaks and special incentives provided through PCPIRs or SEZs is planned to encourage downstream units that will improve the industry's growth and production. By 2035, it is anticipated that the designated integrated industrial centres created under the Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) programme will draw investments totalling Rs. 20 lakh crore (US$ 276.46 billion).

In conclusion, given how quickly the Indian chemical sector is expanding, a shift to specialised materials will inevitably occur as user industries continue to develop. With a fresh perspective on its products and solutions, the specialty chemicals sector is reshaping the economic landscape of India's future. If India's demands and mega trends materialise, the specialty chemicals sector will need to further ramp up, possibly more quickly than we anticipate.

Bromine Industry Overview

Bromine is a halogen chemical element. The most recoverable form of bromine is from soluble salts found in seawater (chief commercial source), salt lakes, inland seas and brine wells. Bromine is produced from brine after separation of most of the sodium chloride and potash. Bromine in much higher concentrations are found in inland seas and brine wells. Much of the bromine and brominated compounds are manufactured at the Israel, Jordan, United States and in India at Rann of Kutch. It is widely used as a reactant and catalyst for manufacturing a variety of products, such as agrochemicals, biocides, water disinfectants, pharmaceuticals intermediates, dyes, completion fluids, flame retardants, and photographic chemicals.

In 2021, the market volume of bromine worldwide amounted to 933,410 metric tons. It is forecast that the market volume of this halogen will grow to around 1.18 million metric tons worldwide in the year 2029.

According to industry report, the bromine global market size was US$3.13 billion in CY2021, and the market is expected to grow at a CAGR of 5.8% between CY2020 and CY2025. The demand for bromine and bromine performance derivatives will be driven by a host of factors including an increasing demand for flame retardants, increasing consumption of oil well chemicals and increasing use of hydrogen and zinc bromide in flow batteries. India's bromine production is from Bittern and produced from the underground brine mainly concentrated towards the western state of Gujarat. In bromine production, India is among the top five cost competitive producers globally with China and Japan being more expensive and the United States (Arkansas), Israel and Jordan less expensive than India.

Industrial Salt Industry Overview

Industrial salt is the principal material used in chlorine and caustic soda production (together, known as chloralkali) and is widely used in the chemical and food and beverage industries. Chlorine finds end-uses in vinyl, phosgene, chloromethanes, chlorinated C3, water treatment, synthesis HCl, bleach, and other organic and inorganic chemical material. Caustic soda finds end-uses in alumina, paper and pulp, soap and detergents, textiles, water treatment, bleach, and other organic and inorganic chemical material.

According to Frost & Sullivan, global demand for industrial salt was 173 million MT in CY 2017, 171 million MT in CY 2018 and 173 million MT in CY 2019 and declined to 153 million MT in CY 2020 but is expected to grow at a CAGR of 2.8% between CY2020 and CY2025. A growing demand for industrial salt will be driven primarily by increasing industrialization owing to its wide range of end applications. In particular, demand is expected to increase from the food and beverage industry, the chlor-alkali sector in the chemical industry as well as chemical processing, water treatment, agriculture and de-icing.

Sulphate of Potash Industry Overview

Sulphate of potash, also known as potassium sulphate, is a high-end, specialty fertilizer for chlorine-sensitive crops. It is one of the most popular forms of low chloride potash, largely due to its high 50-52% K_2O content, which contains about 50% of plant food.

Sulphate of potash has major application in agriculture, providing both potassium and sulphur in soluble forms. This stimulates the growth of strong stems and provides disease resistance to crops and plants by promoting thickness of the outer cell walls. Further, sulphate of potash can reduce moisture loss from growing plants, thereby providing drought resistance, and has been proven to improve yield, nutritional value, colour, flavour, and storing quality of fruits and vegetables. It has proven to be particularly effective in the cultivation of citrus fruits, pomegranates, grapes, vegetables, tobacco and nuts. In addition, due to its low saline index, sulphate of potash can also benefit soil containing a high-salt content.

According to Frost & Sullivan, global demand for sulphate of potash was 6.9 million MT in CY 2021 and is expected to grow at a CAGR of 6.0% between CY2021 and CY2025. The sulphate of potash market is being driven by the advantages of sulphate of potash over muriate of potash and growing demand from a growing middle-class population driving the use of fertilizers primarily for growing fruit and vegetables.

SEGMENT WISE AND PRODUCT WISE PERFORMANCE

Product wise performance

Revenue (Rs in Million)	FY 2022-23	FY 2021-22
Bromine	7083.92	6052.84
Industrial Salt	7281.27	5128.99
Sulphate of Potash	30.55	113.99

Bromine is one of the main products and contributes almost half of the FY23 revenue. It is a starting point for making many of the value added products that company intend to make in the coming years on the Bromine derivatives side. It is also used in industries like pharma, agrochemicals, water treatment, flame retardants, additives and oil and gas segments. There is a large end application use but the production of Bromine is from very limited sources. The company hold the leadership position in India's Bromine merchant sales. We are the largest exporter out of India. For the last few years, we have invested in building capacity in bromine and we have moved from 10,000 tonnes per annum size to 28,500 tonnes in FY21. In FY23 we have expanded the incremental 14,500 tonnes per annum inching total capacity to 43,000 tonnes. This incremental capacity will be captively used for derivatives downstream products.

Industrial salt is another main product for us. This comes during the process of manufacturing bromine. About half of our revenue comes from industrial salt. 100% of industrial salt is sold overseas and have a strong association with Sojitz Corporation a large Japanese trading conglomerate who is also one of our major customers for the product.

Sulphate of potash again, we are only one of the few in the world who makes it from natural sea brine and hence we have a low cost of production. It is a fairly green process as there is no chemical additives involved. Globally, only 15% of sulphate of potash is produced through the brine route and the balance 85% is produced through the non-green or chemical route which is a bit energy intensive. We are one of the few companies who received REACH certification in Europe which allows us to export our sulphate of potash products to European customers for direct application of blending purposes. Over the last few years, we have had some challenges on the raw material preparation for the potash plant and we have worked over the last few months to solve this technical issue and we have found some ways of dealing with this hence we feel that the production numbers will improve on this particular product in the coming years.

RISKS AND CONCERNS

All of the Company's business activities include some level of risk. The Company recognises, assesses, and manages risks by putting in place suitable mitigation measures. The Company has a well-developed risk management structure that aids in its resilience. In the constantly changing environment in which the Company operates, risk analysis and mitigation are crucial.

Risk	Impact	Mitigation
Competition Risk	- 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
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
Raw material price risk	- Sharp increases in crude oil prices and the pricing of other raw materials acquired by the Company might have an impact on the bottom line	- Our backward integration enables us to receive a consistent supply of raw materials at a low cost. The Company is working to progressively lessen our reliance on outside vendors, reducing the risk
Labour disputes risk	- Industrial conflicts might result in strikes, limiting our capacity to fulfill client demands	- The Company has open lines of communication with its workforce and maintains a friendly and open connection with its employees, workers, subcontractors, and others, thereby reducing the risk
Quality risk	- A reduction in product quality might compromise customer relationships, lowering profitability	- We have a rigorous quality-control system in place and adhere to all external requirements

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 31st March 2023.

DISCUSSION ON FINANCIAL PERFORMANCE / OPERATION PERFORMANCE

The Company's total revenue has grown by 27.48% on a standalone basis to ₹14,410.66 million. In FY 23, the EBITDA stands at ₹6785.47 million, compared to ₹ 4799.48 million in FY 22, a growth of 41.38%. In FY 23, the PAT has grown by 103.41 % reaching ₹ 3836.54 million, compared to ₹1886.14 million in FY 22. In comparison to ₹18.26 in FY 22, EPS has climbed to ₹34.76.

On a consolidated basis, the Company's total revenue has increased by 27.48% reaching ₹14410.66 million. EBITDA stands at ₹ 6772.68 million in FY 23, compared to ₹4795.44 million in FY 22, growing by 41.23%. While PAT stands at ₹3825.59 million in FY 23, compared to ₹1882.09 million in FY 22, a growth of 103.26%. In comparison to ₹18.22 in FY 22, EPS stands at ₹34.66 in FY 23. A stronger product mix and improved price realisation were the main drivers of this rise.

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 2023, the Company had 265 employees working at both plant and Registered Office.

KEY RATIOS

Name of Metric	FY 2022-23	FY 2021-22	% Change increase (decrease)	Explanation in case change is 25% or more, as compared to the previous year
Inventory Turnover	9.99	9.77	2.25%	-
Current Ratio	3.36	2.24	49.9%	Increase in investment from proceeds of IPO
Debt Equity Ratio	0.02	3.51	(99.6%)	Repayment of NCDs of Rs. 8400 million
Debtors' Turnover	10.65	10.23	4.1%	-
Operating Profit Margin	45.69%	41.99%	8.8%	-
Net Profit Margin	26.62%	16.69%	59.6%	Increase in revenue and reduction of interest cost
Return on Net Worth	45.26%	112.05%	(59.6%)	Increase in share capital on account of IPO
Interest Coverage Ratio	6.29%	2.56%	146.2%	Reduction of interest cost on account of repayment of NCDs

Annexure II

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

Name of the subsidiary	Acume Chemicals Private Limited
The date since when subsidiary was acquired	18/11/2021
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 (in Lakhs)
Share capital	500.00
Reserves and surplus	(148.72)
Total assets	1988.15
Total Liabilities	1636.87
Investments	-
Turnover	-
Profit before taxation	(139.07)
Profit after taxation	(108.26)
Proposed Dividend	-
Extent of shareholding (in percentage)	100%

	P Ranjit	**S Meenakshisundaram**
Date: 26th May 2023	Managing Director	Director
Place: Chennai	DIN: 01952929	DIN: 01176085

Annexure III

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 in 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 the desired impact.

d) To institute a process and a suitable mechanism for the implementation and monitoring of the CSR activities.

2) **Composition of the CSR Committee**

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

3) **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

The Company has framed a CSR policy in Compliance with the Provisions of Section 135 of the Companies Act 2013 and the same is placed on the website of the company and the web link for the same is www.archeanchemicals.com/wp-content/uploads/2023/03/Corporate-Social-Responsibility-Policy.pdf

4) **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 :**

Not applicable for the financial year 2022-23

5) **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year:**

During the year company required to spend Rs. 213.36 Lakhs. After adjusting previous year surplus spent of Rs. 82.04 lakhs, the amount to be spent is Rs. 131.32 lakhs. However, Company has spent Rs. 153.27 lakhs in place of Rs.131.32 lakhs. With this the company made surplus spent of Rs. 21.95 lakhs and the same is available for set off in future years.

6) **Average net profit of the company as per section 135(5)**

The net profit of the Company for the financial years 2021-22, 2020-21 and 2019-20 were Rs. 25,049.98 Lakhs, Rs.9,407.56 Lakhs and Rs.-2,453.28 Lakhs respectively. The average net profit of the Company as per Section 135(5) is Rs.10,668.09 Lakhs.

7) **Total CSR Obligation for the financial year**

Sl. No	Particulars	Amount (Rs. in Lakhs.)
(a)	Two percent of average net profit of the company as per section 135(5)	213.36
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
(c)	Amount required to be set off for the financial year, if any	82.04
(d)	Total CSR obligation for the financial year (7a+7b-7c)	131.32

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

Total Amount Spent for the Financial Year.	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 1,53,27,008.00	Not Applicable		Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year:

Nil

(c) **Details of CSR amount spent against other than ongoing projects for the financial year**

Sl. No	Name of Project	Item from the list of activities in schedule VII to the Act.	Local area	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation-Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
(a)	(b)	(c)	(d)	(e)		(f)	(g)	(h)	(i)
1	Supply of Water	Safe Drinking Water	Yes	Gujarat	Kutch	76,03,492	No	Archean Foundation	CSR00029907
2	Medical Camp/ Service	Promoting Healthcare	Yes	Gujarat	Kutch	8,73,091	No	Archean Foundation	CSR00029907
3	Preventive Healthcare	Promoting Healthcare	Yes	Tamil Nadu	Chennai	17,50,000	Yes	Medical Research Foundation	CSR00002623
4	Preventive Healthcare	Promoting Healthcare	Yes	Tamil Nadu	Chennai	10,80,000	Yes	Voluntary Health Services	CSR00003444
5	Promoting Education	Promoting Education	Yes	Gujarat	Kutch	11,13,804	No	Archean Foundation	CSR00029907
6	Promoting Education	Promoting Education	Yes	Tamil Nadu	Chennai	5,30,387	Yes	Ramakrishna Mission Headquarters	CSR00006101
7	Rural Development / Community Development / Social Welfare	Rural Development Projects	Yes	Gujarat	Kutch	15,87,785	No	Archean Foundation	CSR00029907
8	Plantation of trees at Smrutivan-Bhuj & Vaccine of Goat Pox	Environmental Sustainability / animal welfare	Yes	Gujarat	Kutch	7,49,480	No	Archean Foundation	CSR00029907
Total						**1,52,88,039**			

(d) Amount spent in Administrative Overheads:-Rs. 38,969

(e) Amount spent on Impact Assessment: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) = Rs. 1,53,27,008/-

(g) Excess amount for set off, if any:

Sl. No	Particulars	Amount (In Lakhs)
(i)	2% of average net profit of the company as per section 135(5)	213.36
(ii)	Less: Amount available for set off from previous financial years	82.04
(iii)	Total amount spent for the Financial Year 2022-23	153.27
(iv)	Excess amount spent for the financial year [(iii)+(ii)-(i)]	21.95
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(vi)	Amount available for set off in succeeding financial years [(iv)+(v)]	21.95

9 (a) Details of Unspent CSR amount for the preceding three financial years:

NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

NIL

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

Not applicable.

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

The Company has spent more than what is prescribed under the CSR regulation. Hence not applicable.

	P Ranjit	**S Meenakshisundaram**
Date: 26th May 2023	Managing Director	Director
Place: Chennai	DIN: 01952929	DIN: 01176085

Annexure - IV

REPORT ON CORPORATE GOVERNANCE

1. Report on Corporate Governance

The Company believes that effective Corporate Governance is a product of law, ethics, regulation and voluntary practices that helps in maximizing the stakeholders' value.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR"). As on March 31, 2023, 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
1	Mr. P Ranjit / 0195929	Managing Director	Nil	Nil	Nil
2	Mr. P Ravi / 02334379	Non-Executive	Nil	Nil	Nil
3	Mr. S Meenakshisundaram / 01176085	Non-Executive	1	1	1
4	Mrs. Padma Chandrasekaran / 06609477	Independent	1	2	Nil
5	Mr. K M Mohandass / 00707839	Independent	1	4	1
6	Mr. C G Sethuram / 01081951	Independent	Nil	Nil	Nil

Note: The Chairmanship / Membership are in accordance with Regulation 26 of the SEBI LODR

Mr. P Ravi, Non-Executive Director is the brother of Mr. P Ranjit, 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. 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.

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.

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 as on March 31, 2023 are as follows:

Name of the Director	Name of the Listed entity	Category of directorship
Mr. P Ranjit	Archean Chemical Industries Limited	Executive Director
Mr. P Ravi	Archean Chemical Industries Limited	Non-Executive
Mr. S Meenakshisundaram	Archean Chemical Industries Limited	Non-Executive
Ms. Padma Chandrasekaran	Archean Chemical Industries Limited	Independent
Mr. K M Mohandass	i. Archean Chemical Industries Limited ii. Aptus Value Housing Finance India Limited	Independent
Mr. C G Sethuram	Aptus Value Housing Finance India Limited	Independent

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

During the financial year 2022-23, the Board met twelve (12) times on May 11, 2022, May 30, 2022, June 06, 2022, July 01, 2022, August 10, 2022, August 25, 2022, October 07, 2022, October 31, 2022, November 14, 2022, November 16, 2022, November 17, 2022 and February 10, 2023 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 08, 2022
Mr. P Ranjit	12	12	Yes
Mr. P Ravi	12	05	No
Mr. S Meenakshisundaram	12	12	Yes
Ms. Padma Chandrasekaran	12	12	Yes
Mr. K M Mohandass	12	12	Yes
Mr. C G Sethuram	12	12	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. P Ranjit	Mr. P Ravi	Mr. S Meenakshisundaram	Ms. 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 for the Independent Directors.

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 six (6) times during the year on May 11, 2022, May 30, 2022, June 06, 2022, August 10, 2022, August 25, 2022 and February 10, 2023 with requisite quorum present throughout these meetings. The Company Secretary acts as Secretary to the Committee.

The details of members and their attendance are as below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. K M Mohandass, Chairman	Independent Director	6	6
Mr. S Meenakshisundaram	Non-Executive Director	6	6
Ms. Padma Chandrasekaran	Independent Director	6	6

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 08, 2022.

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 thrice (3) during the year on July 01, 2022, October 07, 2022 and January 30, 2023 with requisite quorum present throughout the meeting. The details of members and their attendance are as below:

Name	Category	No. of Meetings	
		Held	Attended
Ms. Padma Chandrasekaran Chairperson	Non-Executive and Independent	3	3
Mr. K M Mohandass	Non-Executive and Independent	3	3
Mr. S Meenakshisundaram	Non-Executive and Non Independent	3	3

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.

5. Stakeholders Relationship Committee

Terms of reference

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. G Arunmozhi, Company Secretary is the Compliance Officer of the Company and acts as the Secretary to the Committee. The Committee met once (1) on February 13, 2022 which was attended by all the members of Committee and the requisite quorum present throughout these meetings.

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	1,040*
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

* All the complaints relates to allotment of equity shares at the time of IPO

5A) Risk Management Committee

Terms of Reference

The role of the Committee is in accordance with the provisions of the Act read with relevant rules framed thereunder and SEBI LODR. The Risk Management Committee (RMC) constituted by the Board of Directors of the Company shall (a) formulate risk management policy; (b) ensure appropriate methodology, process and systems are in place to monitor and evaluate risk associated with the business of the Company; (c) monitor and oversee the implementation of the risk management policy and evaluating the adequacy of the risk management system; (d) review the risk management policy at least once in two years including by considering the changing business dynamics and evolving complexity; and (e) keep the Board of Directors informed about the nature, content of its discussion, recommendations and action to be taken. Accordingly RMC has formulated the risk management policy and the same is available in the company's website.

Composition, Meetings and Attendance

The Board of Directors have constituted the Risk Management Committee (RMC Committee) in accordance with Regulation 21 of the SEBI LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met twice (2) on July 01, 2022 and February 13, 2023. 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 Meenkashisundaram	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	1

*appointed in the Board Meeting held on 1st July 2022

5B) Corporate Social Responsibility Committee

In terms of Section 135 of the Act, the Board of Directors have constituted the Corporate Social Responsibility Committee (CSR Committee). The Chairman of the Committee is Non-Executive Director and the committee consists of another Non-Executive Director and Independent Director. The Board has accepted all the recommendations of the Committee. The Company Secretary acts as the Secretary to the Committee. The Committee met once (1) on July 01, 2022. The requisite quorum was present throughout the meeting. The attendance of each member of the Committee are given below:

Name	No. of Meetings	
	Held	Attended
Mr. S Meenkashisundaram	1	1
Mr. P Ravi	1	1
Ms. Padma Chandrasekaran	1	1

6. Remuneration of Directors

The Nomination and Remuneration Committee, in accordance with the relevant provisions of the Act, approved payment of commission at 4.5% on the net profits of the Company for the FY 2022-23 to Mr. P Ranjit, Managing Director.

The details of remuneration to the Directors during the year 2022-23 are given below:

(Rs. in Lakhs)

Name of Directors	Salary and allowances	Perquisites / Benefits	Commission	Contribution to funds	Sitting fees *	No. of Shares held
Mr. P Ranjit	549.77	-	1861.50	-	0.00	2,66,57,197
Mr. P Ravi	-	-	-	-	2.50	16,08,768
Mr. S Meenakshisundaram	-	-	-	-	9.50	-
Ms. Padma Chandrasekaran	-	-	-	-	9.00	-
Mr. K M Mohandass	-	-	-	-	9.00	-
Mr. C G Sethuram	-	-	-	-	7.25	-

* Sitting fees for the Board Meeting is Rs.50,000/-, while others Committee meetings and meeting for Independent Directors are Rs.25,000/- for attending each meeting. There is no sitting fee to Executive Directors.

Independent Directors' Meeting

During the year under review, separate Meetings of Independent Directors were held on November 01, 2022 and February 27, 2023 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 / Extraordinary General meetings

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	Approval for investment of Compulsory Convertible Preference Shares to the extent of 200 crores
		Approval for creation, offer and issue of 4,80,000 Compulsory Convertible Debentures (CCDs) of Rs. 100/- each.
		Approval for issuance of Unlisted Redeemable and Secured NCDs
		Approval to increase the Borrowing Power of the Company to Rs. 1,250 crores.
Financial year 2019-20	Date	May 11, 2021
	Location	No.2, North Crescent Road, T Nagar, Chennai 600 017
	Time	04.30 P.M.
	Special Resolution Passed	NIL

Extraordinary General Meeting / Postal Ballot

There was no Extra-Ordinary General Meeting held during the financial year 2022-23. However, earlier approved ESOP scheme, was ratified by the shareholders post IPO on 26th March 2023 through Postal Ballot. Mr. S Ganesan, Practicing Company Secretary was appointed as Scrutinizer for the same. The results of the Postal Ballot were 88.33% in favour and 11.67% were against the resolutions.

None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing of special resolution through postal ballot. No Special Resolution is proposed to be passed 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.

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

9. General Shareholder Information

Financial Year	2022-23
Date of Annual General Meeting	26th July 2023
Time	10.30 A.M.
Venue	Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
Date of book Closure/Record Date	N.A./ 21st July 2023
Dividend Payment Date	Will be paid on or before August 24, 2023 Rs. 2.50 per share (125%)
Approval of financial results / statements (both standalone and consolidated) for the Financial Year	April 01, 2023 to March 31, 2024
Quarter ending June 30, 2023	Second week of August 2023
Quarter ending September 30, 2023	Second week of November 2023
Quarter ending December 31, 2023	Second week of February 2024
Year ending March 31, 2024	Last week of May 2024
	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)	The equity shares of the Company are listed on 1. National Stock Exchange of India Ltd. (NSE) (Address: Exchange Plaza, 5th Floor, Plot No. C/1, G block, Bandra Kurla Complex, Bandra (e), Mumbai - 400 051) and 2. BSE Limited (BSE) (Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001) under “Permitted Securities” Category.
Listing fees	The Company has made payment of listing fee to BSE and NSE within the prescribed time period. The shares of the Company were not suspended from trading during the FY 2022-23
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, Maharashra,400083
Share Transfer System	As on 31st March 2023, the entire shares of the company is in Demat mode and there is no physical shareholding.
Dematerialization of shares and liquidity:	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, 2023, 100% of the equity shares are held in dematerialized form.
Pattern of Shareholding as on March 31, 2023	Data in statement form – forming part of this Report
Distribution of shareholding as on March 31, 2023	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,Maharashra,400083, Phone: 8108114949 **Investor Correspondence / Compliance Officer** Mr. G Arunmozhi, Company Secretary & Compliance Officer Archean Chemical Industries Limited, No.2, North Crescent Road, T Nagar, Chennai 600 017 Phone: 044 - 61099999 e-mail ID: secretarial@archeanchemicals.com

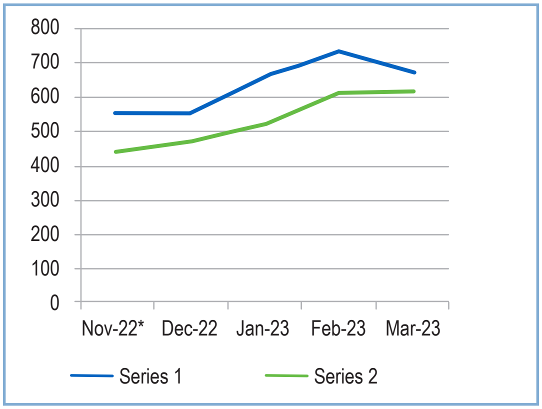
Market price data (*Shares listed on November 21, 2022)

FY 2022-23	Quotation at NSE (Rs)	
Month	**High**	**Low**
Apr-22	N.A.	N.A.
May-22	N.A.	N.A.
Jun-22	N.A.	N.A.
Jul-22	N.A.	N.A.
Aug-22	N.A.	N.A.
Sep-22	N.A.	N.A.
Oct-22	N.A.	N.A.
Nov-22*	554.45	440.20
Dec-22	554.50	471.65
Jan-23	658.60	523.00
Feb-23	731.80	610.10
Mar-23	669.25	621.10

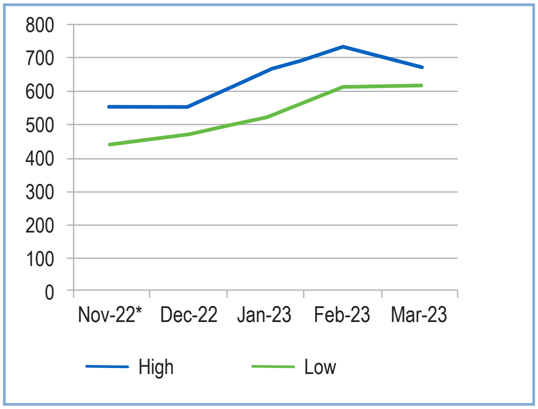
FY 2022-23	Quotation at BSE (Rs)	
Month	**High**	**Low**
Apr-22	N.A.	N.A.
May-22	N.A.	N.A.
Jun-22	N.A.	N.A.
Jul-22	N.A.	N.A.
Aug-22	N.A.	N.A.
Sep-22	N.A.	N.A.
Oct-22	N.A.	N.A.
Nov-22*	554.45	440.05
Dec-22	554.40	471.15
Jan-23	658.00	516.55
Feb-23	731.75	606.40
Mar-23	672.95	605.60

Performance in Comparison to Broad Based Indices

National Stock Exchange of India Limited:



BSE Limited



Distribution Pattern

No. of shares	Shareholders		No. of shares	
	Number	%	Held	%
upto 500	46999	96.26	2584885	2.10
501 – 1000	1164	2.38	738658	0.60
1001 – 2000	285	0.58	416943	0.34
2001 – 3000	85	0.12	209398	0.17
3001 – 4000	54	0.11	189669	0.16
4001 – 5000	32	0.06	148026	0.12
5001 – 10000	81	0.17	567780	0.46
10001 and above	124	0.25	118197630	96.05
Total	48824	100.00	123052989	100.00

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

• Hajipir, Rann of Kutch, 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 2023	Ratings obtained on March 4, 2022
Non-convertible Debentures	Not applicable since there is no debt	ICRA BB-

Non Convertible Debentures were redeemed on 19th November 2022.

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.

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.

Discretionary Requirements: Company has adopted following discretionary 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/wp-content/uploads/2023/05/Policy-on-Material-Subsidiaries.pdf.

f) The policies on Related Party Transactions are available on the Company's website at https://www.archeanchemicals.com/wp-content/uploads/2022/02/Policy-on-Related-Party-Transactions.pdf.

g) Disclosures of 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.

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 Mr. R Satheesh Kumar, Company Secretary in Practice 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.

Rs. in Lakhs

Audit fees	38.40
Tax Audit fees	8.00
Certification Fee on IPO	105.00
Reimbursement of expenses	1.03
Others – Certification Fee	4.00
Total	156.43

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

a) number of complaints filed during the financial year - Nil

b) number of complaints disposed of during the financial year - Nil

c) 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 Company.

11. There is no non-compliance of any requirement of Corporate Governance report.

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 as Annexure C.

16. There is no demat suspense account/ unclaimed suspense account

Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of
M/s. ARCHEAN CHEMICAL INDUSTRIES LIMITED
Registered Office: No.2, North Crescent Road, T. Nagar
Chennai- 600017.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Archean Chemical Industries Limited having CIN L24298TN2009PLC072270 and having registered office at No.2, North Crescent Road, T. Nagar, Chennai- 600017 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 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
01	Mr. P Ranjit	01952929	27/11/2018
02	Mr. Subrahmanyam Meenakshisundaram	01176085	24/03/2010
03	Mrs. Padma Chandrasekaran	06609477	13/11/2019
04	Mr. Kandheri Munaswamy Mohandass	00707839	06/12/2021
05	Mr. Chittoor Ghatambu Sethuram	01081951	06/12/2021
06	Mr. P Ravi	02334379	29/01/2022

Ensuring the eligibility of 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.

R Satheesh Kumar
Practicing Company Secretary
FCS 10945: COP No.24139
UDIN: F010945E000403315
PRN: 3291/2023

Place: Chennai
Date : 26thMay 2023

Annexure B

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 hosted in the Company's website at 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 31st March 2023.

P Ranjit
Managing Director
DIN:01952929

Place: Chennai
Date : 26th May 2023

Annexure C

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 Archean Chemical Industries Limited.

1. This Certificate is issued in accordance with the terms of our engagement letter dated 24th March 2023.

2. We have examined the compliance of conditions of Corporate Governance by Archean Chemical Industries Limited ('the Company') for the year ended 31st March 2023, 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, 2023.

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:23212354BGYDUD6813

Place: Chennai
Date: 26th May 2023

Annexure V

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st 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, minutes 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 1st April, 2022 to 31st March, 2023, 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 31st March, 2023, 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; (Debt Listing Regulations applicable till delisting of the debt securities till -2nd January 2023 and equity listing regulations with effect from 21st November,2022)

   c. Securities and Exchange Board of

India (Share Based Employee Benefits) Regulations, 2014;

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 (up to 2nd January, 2023)

f. Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2018 (With effect from 21st November, 2022)

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

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (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 Listing Agreements entered into by the Company with BSE Limited for listing its Debts;

c) The Listing Agreements entered into by the Company with BSE Limited and NSE Limited for listing its Equity shares;

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 1st 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) submitted the disclosures under Regulation 23(9) of SEBI (LODR) Regulations, 2015 for the 2nd Quarter ended 30th September 2022 on 22nd February, 2023 to the stock exchanges.

(ii) intimated to the stock exchanges under Reg 50(1) of SEBI (LODR) Regulations, 2015 for the 2nd Quarter ended 30th September 2022 on 2nd February, 2023 for which a fine of ₹5,900/- was imposed and was duly paid.

(iii) filed after the prescribed period of 45 days to the stock exchanges under Reg 52(1) of SEBI (LODR) Regulations, 2015 for the 2nd Quarter ended 30th September 2022 on 10th February, 2023 for which a fine of ₹5,19,200/- was imposed and was duly paid.

(iv) filed after the prescribed period of 45 days to the stock exchanges under Reg 52(4) of SEBI(LODR) Regulations, 2015 for the 2nd Quarter ended 30th September 2022 on 10th February, 2023 for which a fine of ₹1,03,840/- was imposed and was duly paid.

(v) submitted the disclosures under Regulation 52(7) of SEBI (LODR), Regulations, 2015 for the 2nd quarter ended 30th September, 2022 on 23rd February 2023 to the stock exchanges for which a fine of ₹1,19,180/- was imposed and was duly paid.

(vi) has filed the Security Cover Certificate for security created with respect to its secured listed non-debt securities under Reg 54 (2) of SEBI (LODR) Regulations, 2015 for the 2nd Quarter ended 30th September 2022 on 22nd February, 2023 for which a fine of ₹1,03,840/- was imposed and was duly paid.

(vii) submitted to the stock exchange after prescribed period of 45 days from the end of every quarter ended March 2022 under Reg. 52(7) SEBI (LODR) Regulations, 2015 on 6th July, 2022 for which a fine of ₹ 60,180/- was imposed and was duly paid.

We further report that:

(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.

(ii) Where as in terms of the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 the company was required to appoint a cost auditor for the financial year 2021-22, within one hundred and eighty days of the commencement of every financial year. However, the Company had appointed the cost auditor as on 11th May, 2022. The Company had compounded the offence before the Regional Director – Southern Region, Chennai vide order dated 19th July, 2022.

(iii) 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.

(iv) Based on the Minutes made available to us, we report that all the Board and Committee decisions were passed unanimously.

(v) 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.

(vi) 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) During the year under review, the Company has raised funds through Initial Public Offer. The fresh issue size amounts to 19,778,869 equity shares aggregating to ₹ 8,050.00 million and offer for sale amounts to 16,150,000 aggregating to ₹ 6,573.05 million.

b) The Company approved grant of 4,91,400 Options of Equity Shares of the Company of face value of Rs. 2/- each fully paid-up under the Archean Employee Stock Option Plan 2022' ("ESOP 2022" / "Plan") to the proposed option grantees as recommended by the

Nomination and Remuneration Committee.

c) The Company redeemed 8400 non-convertible debentures of ₹ 840,00,00,000 on 19th November 2022 and Equitable Mortgage on the Company's property was discharged.

d) The Company delisted their debt securities on 2nd January, 2023 upon redemption of the non- convertible debentures.

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 than 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
M.No: 10306, CoP:13428
UDIN: F010306E000394778

Place: Chennai
Date: 26/05/2023

ANNEDURE -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
- The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
- Factories Act, 1948
- Minimum Wages Act, 1948
- Toxic Substances Control Act, 1976
- The Chemical Accidents (Emergency Planning, Preparedness, and Response) Rules, 1996.
- The Indian Chemical Council Responsible Care Program.
- The Central Pollution Control Board (CPCB) guidelines.
- Gujarat Industrial Development Act, 1962.
- Gujarat Factories Rules, 1963.
- Gas Cylinders Rules, 201

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

VINU THOMAS
M.No: 10306, CoP:13428
UDIN: F010306E000394778

Place: Chennai
Date: 26/05/2023

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.

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: F010306E000394778

Place: Chennai
Date: 26/05/2023

Annexure VI

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 31st March, 2023 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 we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Company's Auditors and the Audit Committee of Archean Chemical Industries Limited:
   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 : 26th May 2023	**P Ranjit**	**R Raghunathan**
Place : Chennai	Managing Director	Chief Financial Officer

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 Listed Entity	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	Not Applicable
6	E-mail	info@archeanchemicals.com
7	Telephone	044-61099999
8	Website	www.archeanchemicals.com
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	BSE and NSE
11	Paid-up Capital	Rs. 24,61,05,978
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. G Arunmozhi, Mobile : 9176000955 Email: arunmozhi@archeanchemicals.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Disclosures made in this report are on a standalone basis and pertain only to Archean Chemical Industries Limited.

I. Products/services

14. Details of business activities (accounting for 90% of the turnover): No product is contributing 90% of the turnover however, percentage wise turnover is given in point 15.

Sl. 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% Turnover

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

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

Sl. No.	Product/Service	NIC Code	% of Turnover of the entity
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.

II. Operations

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

Location	Number of Plants	Number of Offices	Total
Hajipir (Gujarat)	1	-	1
Chennai (Tamil Nadu)	-	1	1
Gandhidham (Gujarat)	-	1	1

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	8 (Eight)
International (No. of Countries)	10 (Ten)

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

For FY 2022-23, the exports contribution was 72.52%.

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 52 such customers in which 27 are global and 25 are in domestic market.

III. Employees

18. 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)
			Employees			
1	Permanent (D)	265	259	98%	6	2%
2	Other than Permanent (E)	371	371	100%	NA	NA
3	Total Employees (D+E)	636	-	-	-	-
			Workers			
4	Permanent (D)	NA	NA	NA	NA	NA
5	Other than Permanent (E)	NA	NA	NA	NA	NA
6	Total Workers (D+E)	NA	NA	NA	NA	NA

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
			Differently abled Employees			
1	Permanent (D)	NA	NA	NA	NA	NA
2	Other than Permanent (E)	NA	NA	NA	NA	NA
3	Total differently abled Employees (D+E)	NA	NA	NA	NA	NA
			Differently abled Workers			
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	Total differently abled Workers (F+G)	NA	NA	NA	NA	NA

19. **Participation/Inclusion/Representation of women**

	Total (A)	No. and Percentage of Female	
		No. (B)	% (B/A)
Board of Directors	6	1	16.67
Key Management Personnel	3	0	0

20. **Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current Financial year)			FY 2021-22 (Turnover rate in previous Financial year)			FY 2020-21 (Turnover rate in the year prior to the previous financial year)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	33%	0	33%	31%	1%	32%	16%	1%	17%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

21. **(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

V. CSR Details

22. **(i) Whether CSR is applicable as per section 135 of Companies Act, 2013:**

Yes, CSR is applicable for Archean Chemical as per section 135 of Companies Act, 2013.

i. Turnover (in Rs. Lakhs)- 144106.59

ii. Net worth (in Rs. Lakhs)- 143251.91

VI. Transparency and Disclosures Compliances

23. **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 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, External Grievance policy https://www.archeanchemicals.com/wp-content/uploads/2023/03/External-Grievance-Mechanism-ACIL-2023.pdf	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes, External Grievance Policy https://www.archeanchemicals.com/wp-content/uploads/2023/03/External-Grievance-Mechanism-ACIL-2023.pdf	Nil	Nil	Nil	NA	NA	NA
Shareholders	https://scores.gov.in/admin/Chk_login.html	9	0	Nil	NA	NA	NA
Employees & Workers	Yes, Internal Grievance policy https://www.archeanchemicals.com/wp-content/uploads/2023/03/Internal-Grievance-Policy-ACIL-2023.pdf	Nil	Nil	Nil	NA	NA	NA
Customers	Yes, External Grievance Policy https://www.archeanchemicals.com/wp-content/uploads/2023/03/External-Grievance-Mechanism-ACIL-2023.pdf	Nil	Nil	Nil	NA	NA	NA
Value chain Partners	Yes, External Grievance Policy https://www.archeanchemicals.com/wp-content/uploads/2023/03/External-Grievance-Mechanism-ACIL-2023.pdf	Nil	Nil	Nil	NA	NA	NA

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

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	Reduced Impact on Biodiversity	Opportunity	Brand Reputation	Tree plantation drives & green zone development	Opportunity-to enhance environment
2	Water management-Rainwater utilisation	Opportunity	Conservation of ground water	Rainwater is harvested and stored in pond and utilised	Opportunity-to enhance environment

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has updated and adopted nine areas of Business Responsibility. These are briefly as under:

P1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions Policy and Management processes	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 https://www.archeanchemicals.com/wp-content/uploads/2023/03/IMS-POLICY.pdf https://www.archeanchemicals.com/wp-content/uploads/2023/05/Equal-Opportunity-Policy.pdf https://www.archeanchemicals.com/wp-content/uploads/2023/06/Business-Responsibility-and-Sustanibility-Policy.pdf https://www.archeanchemicals.com/wp-content/uploads/2023/05/Supplier-Sustanibility-Code-of-Conduct.pdf https://www.archeanchemicals.com/wp-content/uploads/2023/05/Anti-Bribery-and-Anti-Corruption-Policy.pdf									
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.	The business upholds NICER Globe's IMS (Integrated Management System) standard (Safe transport of Chemicals) and Archean Chemical is an IBP member (India Bromine platform). The company 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.	Moving forward, the company will define goals and objectives.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Each principle's performance will be evaluated on a regular basis by the senior leadership team.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	Archean Chemical is dedicated to incorporating environmental, social, and governance (ESG) principles into its operations. By enhancing the effects of products on health, safety, and the environment throughout their lifecycles, it complies with the principles of product stewardship. In order to improve the standard of living in the areas it serves.								

	Climate, Resources (Energy & Water), Waste Management, and Nature & Biodiversity are included in the environmental implications. IMS policy for Safety, Health & Environment (SHE) has been adopted by the company. The business is dedicated for using ethical business practises that are good for the community, the workforce, and human capital. Clean, safe, healthy, and equitable working conditions are offered to employees and business partners. It aspires to be the preferred neighbour in the communities where it operates and supports the inclusive and equitable growth of those communities. The Company is also spending through CSR to meet these commitments.
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:

Subject for review	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	As this is the first year of implementation of the company's business responsibility policies, the Senior Leadership Team will periodically review the policy.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The company has complied with the existing regulations relevant to the principles.																	

	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 name of the agency.	Archean Chemical has 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:

All the principles/guidelines are covered by policies.

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable.

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	%age of persons in respective category covered by the awareness programmes
Board of Directors	During the year, the Board of Directors of the company (including its committees) has invested time on various updates comprising matters relating to an array of issues pertaining to the business, regulations, economy and environmental, social and governance standards.		
Key Managerial Personnel	Archean Chemical has adopted Anti-Bribery and Anti-Corruption Policy. Training programmes will be given in the next financial year. Archean Chemical has POSH policy in place and three training programmes were held under POSH policy during the financial year (2022-23). Business Responsibility and Sustainability Policy, Equal Opportunity Policy, IMS Policy and Supplier sustainability Policy has already been adopted.		

Employees other than BoD and KMPs	Archean Chemical has adopted Anti-Bribery and Anti-Corruption Policy. Training programmes will be given in the next financial year. Archean Chemical has POSH policy in place and three training programmes were held under POSH policy during the financial year (2022-23). Business Responsibility and Sustainability Policy, Equal Opportunity Policy, IMS Policy and Supplier sustainability Policy has already been adopted.
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): NIL

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (in INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty / Fine	Not Applicable				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (in INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Not Applicable				
Punishment					

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

Case Details	**Name of the regulatory/ enforcement agencies / judicial institutions**
Not Applicable	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 objective is to prevent and prohibit corruption, bribery, and similar acts. 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 anti-Bribery and anti-corruption policy is given below.

https://www.archeanchemicals.com/wp-content/uploads/2023/05/Anti-Bribery-and-Anti-Corruption-Policy.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 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

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

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	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Road Safety	The Road safety programmes and awareness programmes to drivers and transporters are conducted yearly.

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.

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 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	INR 62.3 crore paid in this financial year as advance	NA	Investment of INR 1.29 crore for solving of battery technologies that can be sourced sustainably and contributes to the environmental betterment
Capex	Out of the total cost of INR 7.3 crore we have paid INR 2.2 crore during the year	NA	Investment of INR 7.3 crore for reducing the carbon usage and emissions at site by installing Solar system.

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

Yes, the Company follow sustainable procurement practices in which it source materials locally and optimize distance and time travelled by raw materials, to reduce fuel consumption as well as emissions.

b. If yes, what percentage of inputs were sourced sustainably?

The supply chains are integrated, which facilitate optimum utilization of raw materials, recycling of waste and efficient logistics operations, focusing on sustainability.

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 the course of constructions and operations.
Plastics (including packaging) – Sold to authorized recyclers
E-waste –Sold to authorized recyclers
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 as the major business of the Company is manufacturing of chemical compound. There is no specific plastic, electrical and electronic product manufactured where EPR is applicable under E-Waste Management.

The business produces intermediate goods (input materials) for its clients, who then turn those goods into completed goods. As a result, when our customers recycle these products through authorized recyclers, the packaging materials for these goods are turned into pre-consumer plastic trash. Plastic waste from packing materials used as input into products is recycled by authorized recyclers.

Leadership Indicators

1. 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, the Company has not conducted any LCA study in the Financial Year 2022-23.

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 (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Nil	Nil	Nil	Nil	Nil	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
Nil	Nil	Nil

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 2022-23	FY 2021-22
Nil	Nil	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:

   Not applicable, as the Company does not have any specific product reclamation at the end of the product life.

	FY 2022-23			FY 2021-22		
	Re-used	Re-cycled	Safely Disposed	Re-used	Re-cycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

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	Nil

PRINCIPLE-3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

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)
Permanent Employees											
Male	259	259	100%	259	100%	-	-	-	-	-	-
Female	6	6	100%	6	100%	6	100%	-	-	-	-
Total	265	265	100%	265	100%	6	100%	-	-	-	-
Other than Permanent Employees											
Male	371	-	-	371	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	371	-	-	371	100%	-	-	-	-	-	-

b. Details of measures for the well-being of workers: Not Applicable

Category	% of Workers 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)
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

Benefits	FY 2022-23			FY 2021-22		
	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/N.A.)	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/N.A.)
PF	100%	NA	Yes	100%	-	NA
Gratuity	100%	NA	Yes	100%	-	NA
ESI	NA	NA	NA	NA	-	NA
Others- Please specify	-	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) 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/wp-content/uploads/2023/05/Equal-Opportunity-Policy.pdf

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

	Permanent Employee		Permanent Worker	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	–	–	–	–
Female	–	–	–	–
Total	–	–	–	–

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than permanent workers	NA
Permanent Employees	Yes, the person who feels wronged must express their grievance in writing or in person to the immediate officer or supervisor of the relevant department. This grievance must be acknowledged, and within 10 days of receiving the complaint, the manager or HOD must send the employee a written response with the manager's or HOD's signature outlining the actions taken.

Other than permanent employees	Yes, the person who feels wronged must express their grievance in writing or in person to the immediate officer or supervisor of the relevant department. This grievance must be acknowledged, and within 10 days of receiving the complaint, the manager or HOD must send the employee a written response with the manager's or HOD's signature outlining the actions taken.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category©	No. of employees / workers in respective category, who are part of association(s) or Union(D)	% (D/C)
Total Permanent Employees	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total Permanent Worker	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	**FY 2022-23**					**FY 2021-22**				
	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)**
Employees										
Male	259	**259**	**100%**	259	100%	242	242	100%	242	100%
Female	6	**6**	**100%**	6	100%	5	5	100%	5	100%
Total	265	**265**	**100%**	265	100%	247	247	100%	247	100%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D/ C)
Employees						
Male	259	259	100%	242	242	100%
Female	6	6	100%	5	5	100%
Total	265	265	100%	247	247	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, the coverage such 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.

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 pipe-line 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. (Y/N)

Yes. The process is available at all the locations. The processes include direct interaction with controller or safety officer, suggestion box, approaching the Safety Committee.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, we have Group Mediclaim Policy, Group Personal Accident Policy & Employer Liability Policy.

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

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours 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

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

All the personnel of the Company are protected against occupational hazards by:

- Displaying the greatest levels of corporate behavior towards its customers, workers, and the community in which it operates.
- Developing, implementing, and maintaining company-wide systems that adhere to corporate standards as well as legal mandates for environmental preservation and worker safety.
- Giving engineering control over the management and removal of risks from the system.
- Utilizing cutting-edge technology to ensure health and safety.
- Celebrating Safety Week and holding competitions to motivate people to work safely.
- IS 45001 implementations for high level safety structures

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			**FY 2021-22**		
	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 & Safety practices	Third party safety audit –Once in every two years
Working conditions	Third party safety audit –Once in every two years

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 necessity for corrective action as there is no significant risk/concerns reported during the year 2022-23.

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 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 with periodic audits.

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 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil
Workers	NA	NA	NA	NA

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:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties) % of value chain partners (by value of business done with such partners) that were assessed
Health & Safety practices	100% All the vendors who are having business in our Factory premises 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.

Essential Indicators

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

   Stakeholders are any individual, group, etc. who is impacted by the Company's business operations and projects. The key stakeholders for the company are any such person or group that enhances the business and has a stronger impact on it. Employees, shareholders/investors, distributors, customers, channel partners, research analysts, vendors, suppliers, regulators, and governmental organisations are just a few of the essential stakeholders.

   Such essential stakeholders are identified using a qualitative method. Along with senior management and the board, consultation with and input from many departments are obtained during this process.

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 & Marginalized 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	Mail, 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	Frequent and 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 of the company frequently communicates with important parties, such as investors, clients, vendors, employees, etc.

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, the environment, rural development, water and sanitation, and many other pertinent areas. In the corporate social responsibility report, specific CSR actions are listed.

PRINCIPLE-5

Businesses should respect and promote human rights.

Essential Indicators

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/ C)
Employees						
Permanent	265	265	100%	247	247	100%
Other than permanent	371	371	100%	346	346	100%
Total Employees	636	636	100%	593	593	100%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	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/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Permanent										
Male	259	0	0	259	100%	242	0	0	242	100%
Female	6	0	0	6	100%	5	0	0	5	100%
Other than Permanent										
Male	371	281	75.74%	90	24.68%	346	276	79.76%	70	20.23%
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
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, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in Rs.)	Number	Median remuneration/ salary/ wages of respective category (in Rs.)
Board of Directors (BoD)	1	549.77 Lakhs	Nil	Nil
Key Managerial Personnel	2	61 Lakhs	Nil	Nil
Employees other than BoD and KMP	262	5.51 Lakhs	6	6.78 Lakhs
Workers	NA	NA	NA	NA

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, Company has HR Department to address 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 2022-23			FY 2021-22		
	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. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   The Company has a 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. 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.

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

   Yes. Statutory and regulatory requirement clauses stipulate regarding human values, child labour, equal remuneration and social security.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	100% through statutory compliance
Discrimination at workplace	100% through statutory compliance
Child Labour	100% through statutory compliance
Forced Labour/Involuntary Labour	100% through statutory compliance
Wages	100% through statutory compliance
Other human rights related issues	100% through statutory compliance

10. 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.

   Through awareness and legal & regulatory requirements compliances at all levels through our HR & Safety audit are conducted on periodical basis.

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	100%. All the vendors who are having business in our Factory premises are educated on our various policies and statutory obligations.
Discrimination at workplace	
Child Labour	
Forced Labour / Involuntary Labour	
Wages	
Other human rights related issues	

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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	57222.2 (in MWH)	46917.80 (in MWH)
Total fuel consumption (B)	Coal- 87391 (in MT) Diesel- 39673 (in Ltrs)	Coal- 85099 (in MT) Diesel- 41326 (in Ltrs)
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	Different units in Measurement, hence total energy consumption is non-measurable.	Different units in Measurement, hence total energy consumption is non-measurable.

Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	Different units in Measurement, hence total energy consumption is non-measurable.	Different units in Measurement, hence total energy consumption is non-measurable.
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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. 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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
i) Surface water	Nil	Nil
ii) Ground water	Nil	Nil
iii) Third Party water	Nil	Nil
iv) Sea water/ Desalinated water	5420250 Kilolitres	3968645 Kilolitres
v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5420250 Kilolitres	3968645 Kilolitres
Total volume of water consumption (in kilolitres)	2003238 Kilolitres	3874209 Kilolitres
Water intensity per rupee of turnover (Water consumed / turnover)	0.00037	0.00034
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   Yes, Acidic brine discharge from feed enrichment section is allowed to pass through salt bed neutralizing area, to neutralize partially and then allowed to get diluted with fresh brine of sufficient quantity to obtain ph. 6.7 and then sent for recycling into solar pond.

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

Parameters	Please Specify unit	FY 2022-23	FY 2021-22
NOx	NM^3	**12.77**	**8.58**
SOx	NM^3	**82.47**	**17.40**
Particulate matter (PM)	NM^3	**44**	**39**
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	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.

Yes. Kadam Environmental Consultants have done the Independent Assessment.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameters	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	**NA**	**NA**
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	**NA**	**NA**
Total Scope 1 and Scope 2 emissions per rupee of turnover	**NA**	**NA**	**NA**
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	**NA**	**NA**	**NA**

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

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No

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

Parameters	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic Waste (A)	Plastic Discarded Containers -1.46 Poly Bag liners - 1	Plastic Discarded Containers -1.5 Poly Bag liners - 0.720
E-waste (B)	-	-
Bio-medical waste (C)	0.0091	0.01118
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	Waste Oil - 0.258 Sludge - 9260	Waste Oil - 0.635 ETP Sludge - 9078
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	9262.72	9080.86
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	3.246	2.855
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	3.246	2.855
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Not Applicable	Not Applicable
(ii) Landfilling	Not Applicable	Not Applicable
(iii) Other disposal operations	Not Applicable	Not Applicable
Total	Not Applicable	Not Applicable

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.

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

   MS scrap - Being sold to local vendors

   E-waste being disposed to PCB authorised agencies.

Plastic waste-sent to GPCB authorised agencies

Bio-medical waste Operating Occupational Health Centre (OHC) to provide basic first aid facilities within the premises. Bio-medical waste from this OHC is being regularly collected by Pollution control board authorized agent for onward treatment.

The Company ensures responsible waste management practices involving 100% safe disposal of Waste.

10. 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:

S.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

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: (some information needs to be updated).

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
For commissioning of SOP and Bromine	F. NO. J-11011/149/2010-IA II (I)	09-06-2010	Yes	No	NA

12. 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 thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

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.

S. 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
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From Renewable sources		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	Nil	Nil
From Non-Renewable sources		
Total electricity consumption (D)	57222.2 (MWH)	46917.80 (MWH)
Total fuel consumption (E) Coal (MT) Diesel (Litre)	87391 39673	85099 41326
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	Different units of measurement, hence total energy consumption is Non Measurable.	Different units of measurement, hence total energy consumption is Non Measurable.

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. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater	Nil	Nil
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties	Nil	Nil
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	Nil	Nil

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. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres): Not Applicable

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

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
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
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (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
(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
Total water discharged (in kilolitres)		

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.

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

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover		NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

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.

5. With respect to the ecologically sensitive areas reported at Question 10 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 Chemical monitors the water quality and air quality on a regular basis as per the environmental norms and regulations.

6. 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:

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

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

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.

Yes, on-site and off-site emergency preparedness plan is in place. Weblink of the same is given below https://www.archeanchemicals.com/wp-content/uploads/2023/03/ONSITE-EMMERGENCY-PLAN.pdf

8. 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.

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

Not Applicable

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

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 body) the entity is a member of/ affiliated to.

Sl. 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 Gandhidham
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
Not Applicable	Not Applicable	Not Applicable

Leadership Indicators

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

S. 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
NA	NA	NA	NA	NA	NA

PRINCIPLE-8

Business should promote inclusive growth and equitable development.

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
NA	NA	NA	NA	NA	NA

2. Provide information on 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)	Amounts paid to PAFs in the FY (In INR)
NA	NA	NA	NA	NA	NA

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.

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

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	INR 344.2 crore	INR 326.1 crore
Sourced directly from within the district and neighbouring districts	Within Gujarat - INR 325.2 crore Outside Gujarat - INR 5.4 crore	Within Gujarat - INR 315.3 crore Outside Gujarat - INR 6.2 crore

Leadership Indicator

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
NA	NA
NA	NA

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

S.No.	State	Aspirational District	Amount Spent (In INR)
1	Gujarat	Kutch	1,19,66,621
2	Tamil Nadu	Chennai	33,60,387

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

(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:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1.	Catholyte Material for aqueous flow battery	No, the Company is licensing it from IITM	No benefits shared yet. As realized project yet to commence.	-

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
NA	NA	NA

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	**ENVIRONMENTAL SUSTAINABILITY**		
	Vaccine of Goat Pox	40000 Vaccine dose	Donated to Government Veterinary Hospital - Bhuj
	Tree Plantation / green development at Smritivan -Bhuj	2000 numbers	Smritivan constructed in memory of earthquake victims, inaugurated on 26th January 2023 by State Government authorities
2	**PREVENTIVE HEALTHCARE**		
	Eye check-up camp arranged in Hajipir village	110 patients availed this benefit	100% patients treated
	Mobile Clinic Services in surrounding villages	1000 patients in a month	Total 10 villages covered every week in a month
3	Promoting Education & Hajipir School renovation / repairing	235 students	Hajipir School repairing / renovation completed.
4	Rural / Community Development	1,00,000 pilgrims availed our camp facilities arranged during Hajipir / Matana Matt Mela	
5	Drinking Water supply by tankers in Nara village / BSF camp area	3200 families benefited	60% of village population
6	Performing free Cataract Surgery for poor patients	350 patients	100% are from vulnerable and marginalized groups
7	Sustainable and affordable service for our Juvenile diabetes patients for their Insulin, Diagnostics and Doctor visit.	12 patients for a year	100% are from vulnerable and marginalized groups
8	Sponsorship Funds for educating and maintaining orphan and poor students.	13 students for a year	100% are from vulnerable and marginalized groups

PRINCIPLE-9

Businesses should engage with and provide value to their consumers in a responsible manner.

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 analyzed, 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/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage 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 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	NA	NA	NA	NA	NA	NA
Advertising	NA	NA	NA	NA	NA	NA
Cyber-Security	NA	NA	NA	NA	NA	NA
Delivery of essential services	NA	NA	NA	NA	NA	NA
Restrictive Trade Practices	NA	NA	NA	NA	NA	NA
Unfair Trade Practices	NA	NA	NA	NA	NA	NA
Other	NA	NA	NA	NA	NA	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for Recall
Voluntary Recall	Nil	NA
Forced Recall	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.

   Yes, Cyber Security Policy is available. https://www.archeanchemicals.com/wp-content/uploads/2023/03/Cyber-Security-Policy.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 safety of products / services.

   No issues reported 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 safety of products / services.

Leadership Indicator

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 as follows:

   https://www.archeanchemicals.com/wp-content/uploads/2023/03/ACIL_Bromine.pdf

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)

   Yes, we are displaying information as per the applicable laws.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact-Nil

   b. Percentage of data breaches involving personally identifiable information of customers- Not applicable.

Independent Auditors' Report

To the Members of Archean Chemical Industries Limited

(formerly known as Archean Chemical Industries Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Archean Chemical Industries Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2023, and the standalone statement of Profit and Loss including other comprehensive income, standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, the 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.

We have determined the matters described below to be the key audit matters to be communicated in our report

S. No	Key Audit Matter	Our Response
1.	Revenue from sale of products is recognized on transfer of control to the Customer. The 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	Our audit procedures included verification of existence, completeness, accuracy and cut-off for the sales transactions. • Our tests included performance of an understanding and evaluation of the internal controls over the revenue recognition and a validation of relevant controls.

S. No	Key Audit Matter	Our Response
	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). Considering magnitude and high volume of sales transactions carried out, revenue recognition is considered as a key audit matter	• The tests further covered the proper recognition of revenue through testing of samples of sales transactions, obtaining appropriate supporting evidence with specific attention to key contractual terms that regulate the various performance obligations. • Our audit procedures included analytical review of sales transactions and accounting of revenue. • 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. Evaluating the disclosures made with requirements under the Accounting Standards and the Companies Act, 2013
2.	Inventory at the year end The Company's inventory, generally, is located at its plant at Kutch and its finished goods at the Jakhau and Mundra ports. The Company has a policy of performing verification of its inventory at these locations. The Company has conducted the physical verification of inventories across at Washery plant, Jakhau, and Mundra port between 4th April 2023 and 8th April 2023 by engaging specialists (management experts).	With respect to existence of inventories at the year end, we performed the following procedures: • 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. • Understood and evaluated the competence, independence and objectivity of the experts engaged by the Management. • Participated in the stock count performed by the management at Washery plant, Jakhau, and Mundra port. • Checked roll back procedures from the date of the physical verification to the year end. • On a sample basis, tested the quantity reconciliation from 1st April, 2022 to 31st March, 2023 of raw materials, and finished goods, that was prepared by the Management.

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 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.

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 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 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.

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.
    c. The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone 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) prescribed under Section 133 of the Act.
    e. On the basis of the written representations

received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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. 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 31st March 2023 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 31st March 2023 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 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 Company has not declared any dividend during the financial year. Accordingly, reporting on compliance with the provisions of Section 123 of the Act is not applicable.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under clause g of Rule 11 aforestated is not applicable.

h. 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. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

S.Prasana Kumar
Partner
Membership No. 212354
UDIN : 23212354BGYDUB3026

Place of Signature: Chennai
Date: 26th May 2023

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 31st March 2023.

(i) (a) In respect of the company's fixed assets (Property, Plant& Equipment) and intangible assets

(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, all Property, Plant and Equipment were physically verified by the Management over a period of three years. In our opinion and according to the information and explanation 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) 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 inventories have been physically verified by the management at reasonable intervals during the year (including verification conducted by the management expert). In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and book records were not 10% or more in the aggregate for each class of inventory and have been appropriately 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 books of account of the Company.

(iii) (a) Based on our audit procedures & according to the information and explanation given to us, the Company has not, during the year, made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except for loans of Rs 150 lacs into wholly owned subsidiary during the year for setting up of manufacturing unit for the production of bromine derivatives.

(A) Based on our audit procedures and according to the information and explanation given to us, the company has given a loan of Rs 150 lacs during the year to its wholly owned subsidiary and the entire amount (including loan given in previous year) and interest (including accumulated interest in previous year) thereon aggregating to Rs 1,513.60 lacs is outstanding as at 31st March,2023.

(b) Based on our audit procedures and according to the information and explanation given to us, the investments made and the loans given to wholly owned subsidiary as stated in (a) above are not prejudicial to 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 31st March 2023

(e) There have been no extension, renewal or fresh loan given to close the existing loan during the year by the Company.

(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 Companies Act, 2013 does not arise. Accordingly, paragraph 3(i)(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 with respect of making investment and loans. The Company has not provided guarantees and securities, as applicable

v. Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act, directives and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has been specified by the Central Government under Section 148 (i) of the Companies Act ,2013 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 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.

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 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 statutory dues were in arrears, as at 31st March 2023 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, statutory dues relating to Goods and Services Tax (GST), Employees' State Insurance, Income Tax, Duty of Customs or cess or other statutory dues which have not been deposited with the appropriate authorities on account of dispute are as below:

Name of the Statute	Nature of the Dues	Amount demanded (net of amount paid) (Rs. In lakhs	Amount paid (Rs. 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	Income Tax	20.39	-	AY 2017 – 18	CIT (Appeals), Chennai
Income Tax Act	Income Tax	12.59	-	AY 2018 – 19	Joint CIT (Appeals), Chennai

* AY – Assessment year, FY – Financial year

viii. Based on our audit procedures and as per the information and explanations given by the management, 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, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and the records of the Company examined by us, term loans (vehicle loans) were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and the procedures performed by us , and on overall examination of the standalone financial statements of the Company, 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 subsidiary. 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 subsidiary. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.

x. (a) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of initial public offer for the purposes for which they were raised.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of section 42 and section 62 of the Act have been complied with and the funds raised have been used for the purposes for which the funds were raised does not arise. Accordingly, paragraph 3(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) No report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government

(c) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no whistle blower complaints were 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. Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the Indian accounting standard Related Party Disclosures (Ind AS 24)

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 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 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. (a) Based on our audit procedures and according to the information and explanations given to us, in respect of other than ongoing projects, the company having spent the required amount, there is no amount pending to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub section (5) of section 135 of the Act.

(b) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to transfer unspent amount under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing project to special account in compliance with provision of sub-section (6) of section 135. Accordingly, paragraph 3(xx)(b) 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 : 23212354BGYDUB3026

Place of Signature: Chennai
Date: 26th May 2023

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 31st March 2023 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 31st March 2023, 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 : 23212354BGYDUB3026

Place of Signature: Chennai
Date: 26th May 2023

Standalone Balance Sheet as at March 31, 2023

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A. ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	2	1,06,480.86	1,04,549.48
(b) Capital work in progress	2	3,319.70	1,717.20
(c) Right-of-use assets	3	3,249.59	4,055.44
(d) Intangible assets	4	17.30	14.48
(e) Intangible assets under development	4.1	-	3.50
(f) Financial assets:			
(i) Investments	5A	500.00	509.01
(ii) Loans	7	1,405.06	1,255.06
(iii) Other financial assets	6	2,301.61	202.45
(g) Other non current assets	8	681.71	1,477.61
Total non-current assets		**1,17,955.83**	**1,13,784.23**
Current assets			
(a) Inventories	9	16,776.37	12,078.75
(b) Financial assets:			
(i) Investments	5B	21,007.73	1,111.95
(ii) Trade receivables	10	11,774.34	15,297.34
(iii) Cash and Cash equivalents	11.1	527.20	724.68
(iv) Bank balances other than (iii) above	11.2	2,669.99	4,649.90
(v) Loans	7	42.82	46.80
(vi) Other financial assets	6	1,646.76	1,474.64
(c) Other current assets	8	3,184.09	4,000.77
Total current assets		**57,629.30**	**39,384.83**
TOTAL ASSETS		**1,75,585.13**	**1,53,169.06**
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	2,461.06	1,926.67
(b) Other equity	13	1,40,790.85	24,342.36
Total equity		**1,43,251.91**	**26,269.03**
Liabilities			
Non-Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	14	78.80	84,283.29
(ii) Lease liabilities	15	3,571.20	4,548.95
(iii) Other financial liabilities	16	-	7,698.94

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
(b) Other non-current liabilities	17	-	11,822.95
(c) Provisions	20.1	4.79	33.83
(d) Deferred tax liabilities (Net)	19	11,545.46	956.00
Total non-current liabilities		**15,200.25**	**1,09,343.96**
Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	14	2,070.41	205.10
(ii) Lease liabilities	15	1,218.12	686.05
(iii) Trade payables			
(A) total outstanding dues of micro and small enterprises	21	1,796.83	242.25
(B) total outstanding dues of creditors other than above	21	7,757.19	10,986.97
(iv) Other financial liabilities	16	2,045.65	489.53
(v) Derivative liabilities	16.1	-	3.91
(b) Other current liabilities	17	1,935.70	4,859.80
(c) Current Tax Liabilities	18	283.37	-
(d) Provisions	20.2	25.70	82.46
Total current liabilities		**17,132.97**	**17,556.07**
Total Liabilities		**32,333.22**	**1,26,900.03**
TOTAL EQUITY AND LIABILITIES		**1,75,585.13**	**1,53,169.06**
Notes forming part of Financial statements	1-45		

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 26, 2023

For and on behalf of the Board of Directors

S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
Managing Director
DIN: 01952929

R. Raghunathan
Chief Financial Officer

G. Arunmozhi
Company Secretary

Place : Chennai
Date : May 26, 2023

Standalone Statement of Profit And Loss for the year ended March 31, 2023

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

S. No	Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations	22	1,44,106.59	1,13,043.71
II	Other income	23	4,417.89	1,264.29
III	**Total income (I+II)**		**1,48,524.48**	**1,14,308.00**
IV	**Expenses:**			
	Cost of materials consumed	24	4,570.40	4,488.29
	Purchases of Stock-in-Trade		442.82	-
	Changes in inventories of finished goods and work-in-progress	25	(4,740.18)	(556.20)
	Employee benefits expense	26	7,202.44	3,784.19
	Finance costs	27	9,695.89	16,166.86
	Depreciation and amortisation expenses	28	6,850.89	6,686.19
	Other expenses	29	73,194.35	58,596.92
	Total expenses (IV)		**97,216.61**	**89,166.25**
V	**Profit before exceptional items and tax (III-IV)**		**51,307.87**	**25,141.75**
VI	Exceptional items			
VII	Profit before tax (V+VI)		**51,307.87**	**25,141.75**
VIII	**Income tax expense:**			
	- Current tax	30	2,362.62	-
	- (Excess) provision for tax relating to prior years		-	(1.55)
	- Deferred Tax	30	10,579.87	6,281.91
	Total Income tax expenses (VIII)		**12,942.49**	**6,280.36**
IX	**Profit after tax (VII-VIII)**		**38,365.38**	**18,861.39**
X	Other Comprehensive Income			
	Items that will not be reclassified to Profit or Loss			
	Remeasurements of the defined benefit plans		38.11	13.19
	Income tax expenses relating to the above		(9.59)	(3.32)
	Total other comprehensive income for the year, net of tax (X)		**28.52**	**9.87**
XI	**Total comprehensive income for the year (IX+X)**		**38,393.90**	**18,871.26**
	Earnings per share (Face value of Rs.2/- each)			
	Basic earnings per share (In Rs.)	32	34.76	18.26
	Diluted earnings per share (In Rs.)	32	34.69	18.26
	Notes forming part of Financial statements	1-45		

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 26, 2023

For and on behalf of the Board of Directors

S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
Managing Director
DIN: 01952929

R. Raghunathan
Chief Financial Officer

G. Arunmozhi
Company Secretary

Place : Chennai
Date : May 26, 2023

Standalone Statement of Cash Flow for the Year ended March 31, 2023

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
A. Cash flow from operating activities				
Profit / (loss) before income tax		51,307.87		25,141.75
Adjustments for :				
Depreciation and amortisation expenses	6,850.89		6,686.19	
Finance costs recognised in profit or loss	9,695.89		16,166.86	
Profit on sale of Mutual funds	(377.98)		(125.86)	
Gain on conversion of CCD	(107.17)		-	
Interest income from fixed deposit	(504.35)		(136.24)	
(Profit)/Loss on sale of asset	(5.47)		(2.12)	
Issue of Employee stock options	757.77		-	
Provision no longer required	-		(369.99)	
Provision for doubtful receivables / advances	279.23		-	
Write back of payables	-		(269.02)	
Unrealised net foreign exchange (gain) / loss	(471.13)		876.46	
Operating profit before working capital changes		**16,117.68**		**22,826.28**
Movements in working capital :				
(Increase) / decrease in trade receivables	4,093.90		(7,974.55)	
(Increase) / decrease in inventories	(4,697.62)		(1,016.19)	
(Increase) / decrease in other assets	(48.42)		(411.49)	
Increase / (decrease) in trade payables	(1,669.69)		306.96	
Increase / (decrease) in provisions	(85.80)		(11.25)	
Increase / (decrease) in other liabilities	(13,156.79)		(6,152.15)	
		(15,564.42)		**(15,258.67)**
Cash generated from operations		51,861.13		32,709.36
Income Tax paid		(2,079.25)		-
Net cash generated from operating activities		**49,781.88**		**32,709.36**
B. Cash flow from investing activities				
Interest received	504.35		136.24	
Investment in / Proceeds from sale of Mutual funds	(19,508.79)		3,130.51	
Loan to subsidiary	(150.00)		(1,255.06)	
Investment made to wholly owned subsidiary	-		(500.00)	
Investment in / maturity of bank deposits, net	(55.25)		(4,618.97)	
Acquisition of property, plant and equipment	(9,674.37)		(9,659.04)	

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
Proceeds from sale of property, plant and equipment	101.60		2.85	
Net cash used in investing activities		**(28,782.46)**		**(12,763.47)**
C. Cash flow from financing activities				
Fresh Issue of Equity Shares	78,859.96		-	
Proceeds from borrowings	2,099.90		198.14	
Repayment of NCD	(84,000.00)		-	
Repayment of Other borrowings	(439.08)		(1,553.04)	
Repayment towards lease liabilities	(1,459.49)		(1,242.36)	
Interest paid - Others	(16,258.19)		(19,774.36)	
Net cash used in financing activities		**(21,196.90)**		**(22,371.62)**
Net increase/ (decrease) in cash and cash equivalents		**(197.48)**		**(2,425.73)**
Cash and cash equivalents as at the beginning of the year		724.68		3,150.41
Cash and Cash equivalents as at the end of the year		**527.20**		**724.68**

Note: The Statement of Cash Flow is prepared using 'Indirect Method' as prescribed in Ind AS 7.

Notes forming part of Financial statements 1-45

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 26, 2023

For and on behalf of the Board of Directors

S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
Managing Director
DIN: 01952929

R. Raghunathan
Chief Financial Officer

G. Arunmozhi
Company Secretary

Place : Chennai
Date : May 26, 2023

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	Rs in lakhs
Balance as at March 31, 2021	**1,92,66,681**	**1,926.67**
Changes in equity share capital due to prior period Errors	-	-
Restated balance as at March 31, 2021	**1,92,66,681**	**1,926.67**
Changes in equity share capital during the year	**-**	**-**
- Adjustment for Sub-Division of Equity Shares*	7,70,66,724	-
Balance as at March 31, 2022	**9,63,33,405**	**1,926.67**
Changes in equity share capital due to prior period Errors	-	-
Restated balance as at March 31, 2022	**9,63,33,405**	**1,926.67**
Changes in equity share capital during the year	2,67,19,584	534.39
Balance as at March 31, 2023	**12,30,52,989**	**2,461.06**

b)

Particulars	Reserves & Surplus				Items of other comprehensive income	ESOP Outstanding Account	Total
	Securities Premium	Retained earnings	Equity component of compound financial instrument	Debenture Redemption Reserve	Actuarial Gain / (Loss)		
a. Balance as at March 31, 2021	**15,085.52**	**(10,024.50)**	**455.29**	**-**	**(45.21)**	**-**	**5,471.10**
b. Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-
c. Restated balance at the beginning of the current reporting year (a+b)	15,085.52	(10,024.50)	455.29	-	(45.21)	-	5,471.10
d. Other comprehensive income for the current year	-	-	-	-	9.87	-	9.87
e. Profit for the FY 2021-22	-	18,861.39	-	-	-	-	18,861.39
f. Transfer to debenture redemption reserve	-	(8,400.00)	-	8,400.00	-	-	-
g. Balance as at March 31, 2022	**15,085.52**	**436.89**	**455.29**	**8,400.00**	**(35.34)**	**-**	**24,342.36**
h. Changes in accounting policy/ prior period errors	-	-	-		-	-	-
i. Restated balance at the beginning of the current reporting year (l+m)	15,085.52	436.89	455.29	8,400.00	(35.34)	-	24,342.36
j. Other comprehensive income for the current year	-	-	-	-	28.52	-	28.52
k. Profit for the FY 2022-23	-	38,365.38	-		-	-	38,365.38
l. Transfer to retained earnings	-	8,400.00	-	(8,400.00)	-	-	-

Particulars	Reserves & Surplus				Items of other comprehensive income	ESOP Outstanding Account	Total
	Securities Premium	Retained earnings	Equity component of compound financial instrument	Debenture Redemption Reserve	Actuarial Gain / (Loss)		
m. Conversion to Equity Shares		-	(455.29)	-	-	-	(455.29)
n. Premium on fresh issue of Shares	80,104.42	-	-	-	-	-	80,104.42
o. Premium on Conversion of CCD	533.19	-	-	-	-	-	533.19
p. Adjustment of Share issue expenses	(2,885.50)	-	-	-	-	-	(2,885.50)
q. Transfer to ESOP Outstanding Account	-	-	-	-	-	757.77	757.77
r. Balance as at March 31, 2023	**92,837.63**	**47,202.27**	**-**	**-**	**(6.82)**	**757.77**	**1,40,790.85**

* Pursuant to shareholders' approval at the Extraordinary General Meeting held on November 15, 2021, the Company sub-divided each equity share of face value of Rs. 10/- into five equity shares of face value of Rs. 2/- per share, with effect from the record date of December 16, 2021.

Notes forming part of Financial statements 1-45

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 26, 2023

For and on behalf of the Board of Directors

S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
Managing Director
DIN: 01952929

R. Raghunathan
Chief Financial Officer

G. Arunmozhi
Company Secretary

Place : Chennai
Date : May 26, 2023

Note 1

Corporate information

Archean Chemical Industries Limited (Formerly knows as Archean Chemical Industries Private 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 Significant 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 significant 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 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 1.25 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 1st 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 effective 1st April 2022.

The Company is in 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. It may be noted that we expect there would be a change in Accounting policies section of the financial statements as the standard would require presentation of 'material accounting policies' as against 'significant accounting policies' disclosed so far."

1.4 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 Rs. 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.

1.5 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 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.

1.6 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.

1.7 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 of remaining lease payments discounted at the incremental borrowing rate. Right to use asset has been recognised to this extent .

1.8 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.

1.9 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."

1.10 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 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.

1.13 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

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.

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.

1.15 Other Income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a proportionate time basis, by reference to the principal outstanding and the effective interest rate applicable , which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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 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 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.

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 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.

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 Segment reporting

The Company is engaged in the activities related to production and supply 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, and hence the entire operations are to be classified as a single business segment, namely marine chemicals industry. 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.

1.22 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

1.23 Export incentives

Export incentives are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that incentives will be received.

1.24 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is virtually certain to expect ultimate collection.

1.25 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.

(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, 2023	As at March 31, 2022
Carrying amounts of:		
Salt works	24,471.33	25,451.13
Buildings	24,586.48	24,659.27
Plant and equipment	55,090.51	52,742.26
Furniture and fixtures	187.82	64.39
Office equipments	70.07	48.49
Computers	107.81	136.15
Vehicles	1,966.84	1,447.79
Total	**1,06,480.86**	**1,04,549.48**
Capital Work-in-progress	**3,319.70**	**1,717.20**

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	-	-	-	-	-

Capital Work-in-progress balance as at March 31, 2022

Particulars	Amount in CWIP as at March 31, 2022				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in progress	1,657.82	9.23	50.15	-	1,717.20
Projects temporarily suspended	-	-	-	-	-

(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, 2021	**25,758.79**	**29,238.22**	**64,492.93**	**172.17**	**71.83**	**282.68**	**1,596.74**	**1,21,613.36**
Additions	6,535.05	176.77	2,648.23	25.56	10.67	26.4	404.03	9,826.71
Disposals	-	-	-	-	-	-	(14.58)	(14.58)
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**

Accumulated depreciation and impairment	Salt Works	Buildings	Plant and equipment	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
Balance as at March 31, 2021	**5,946.65**	**3,386.21**	**10,992.84**	**101.08**	**20.55**	**105.59**	**341.88**	**20,894.80**
Depreciation expense	896.06	1,369.51	3,406.06	32.26	13.46	67.34	210.37	5,995.06
Disposals	-	-	-	-	-	-	(13.85)	(13.85)
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**
Carrying amount as at March 31, 2022	**25,451.13**	**24,659.27**	**52,742.26**	**64.39**	**48.49**	**136.15**	**1,447.79**	**1,04,549.48**
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**

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.

(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
Balance as at March 31, 2021	1,460.67	3,503.38	4,964.05
Additions	70.74	1,174.09	1,244.83
Balance as at March 31, 2022	1,531.41	4,677.47	6,208.88
Additions	-	-	-
Balance as at March 31, 2023	**1,531.41**	**4,677.47**	**6,208.88**

Accumulated depreciation and impairment	Land and Building	ISO tanks	Total
Balance as at March 31, 2021	139.23	1,326.72	1,465.95
Depreciation for the year	78.22	609.27	687.49
Balance as at March 31, 2022	217.45	1,935.99	2,153.44
Depreciation for the period	88.12	717.73	805.85
Balance as at March 31, 2023	**305.57**	**2,653.72**	**2,959.29**

Net Carrying amount as at March 31, 2022	1,313.96	2,741.48	4,055.44
Net Carrying amount as at March 31, 2023	**1,225.84**	**2,023.75**	**3,249.59**

Note:

(a) Refer note 36 for details on Right of use assets

(b) 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/ख 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.

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Assets	Net Block as at March 31, 2023	Net Block as at March 31, 2022
Buildings	24,586.48	24,659.27
Plant and Machinery	55,076.55	52,729.68
Furniture & Fixtures	51.97	55.50
Vehicles	1,218.15	1,163.15
Computers	69.51	110.20
Office Equipment	43.09	40.26
Salt Works	24,471.33	25,451.13
RoU - Land and Building	1,124.91	1,132.31
Total	**1,06,641.99**	**1,05,341.50**

Note 4 Intangible Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Software	17.30	14.48
Total	**17.30**	**14.48**

Particulars	Software
Balance as at March 31, 2021	**48.26**
Additions	4.80
Balance as at March 31, 2022	**53.06**
Additions	7.48
Balance as at March 31, 2023	**60.54**
Accumulated depreciation and impairment	
Balance as at March 31, 2021	**34.93**
Amortisation expense	3.65
Balance as at March 31, 2022	**38.58**
Amortisation expense	4.66
Balance as at March 31, 2023	**43.24**
Carrying amount as at March 31, 2022	14.48
Carrying amount as at March 31, 2023	**17.30**

(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, 2023	As at March 31, 2022
Intangible assets under development	-	3.50

Intangible assets under development Ageing schedule	As at March 31, 2023	As at March 31, 2022
Particulars		
Projects in progress		
Less than 1 year	-	3.50
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**-**	**3.50**
Projects temporarily suspended	**-**	**-**

Note 5A: Non current investments

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares / units	Rs in lakhs	No of shares / units	Rs in lakhs
A. Investment in Equity Instruments - Unqoted				
Subsidiary (at cost)				
Acume chemicals private limited	50,00,000	500.00	50,00,000	500.00
(equity shares of Rs. 10 each fully paid up)				
Total		**500.00**		**500.00**
B. Investments in Mutual Funds (FVTPL) - Unquoted				
Units in Mutual funds		-		9.01
Total Non current investments		**500.00**		**509.01**
Aggregate amount of quoted investments		-		-
Aggregate amount of Unquoted investments		500.00		509.01
Aggregate amount of impairement in value of investments		-		-

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 5B : Current investments

Particulars	As at March 31, 2023	As at March 31, 2022
Mutual Funds (FVTPL) - Unquoted		
Units in Mutual Funds*	21,007.73	1,111.95
Total Investments	21,007.73	1,111.95

** Pertains to Escrow accounts for DSRA - Debt service reserve account to the extent of Rs. 1,111.95 for the FY 21-22 based on arrangement with Debenture trustees. Post IPO, the debentures were redeemed and the escrow accounts were closed.*

Note 6: Other financial assets

Particulars	Non current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)				
a) Security deposits measured at amortised cost				
With related Party	-	-	1,200.00	1,200.00
With Others	100.83	120.10	337.24	14.83
b) Interest accrued on deposits				
With related Party	108.54	23.43	-	-
With Others	57.08	58.92	87.49	16.31
c) Export benefits receivable	-	-	-	226.12
d) Derivative Assets	-	-	4.60	-
e) Others	-	-	17.43	17.38
f) Bank Deposits with more than 12 months maturity*	2,035.16	-	-	-
	2,301.61	**202.45**	**1,646.76**	**1,474.64**

** includes an amount of Rs.235.16 lakhs given as guarantee to Paschim Gujarat Vij Company Limited (PGVCL)*

Note 7: Loans

Particulars	Non current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)				
Loans to Acume Chemicals private limited (Wholly owned subsidiary)	1,405.06	1,255.06	-	-
Loans to employees	-	-	42.82	46.80
Total	**1,405.06**	**1,255.06**	**42.82**	**46.80**

(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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)				
a) Capital advances	626.13	1,235.57	-	-
b) Balances with statutory authorities	55.58	242.04	439.47	556.10
c) Others	-	-	400.65	-
d) Prepaid expenses	-	-	422.15	1,272.27
e) Advance to suppliers other than for capital asset	-	-	1,921.82	2,172.40
(Unsecured, considered doubtful)				
f) Advance to suppliers other than for capital asset	-	-	359.09	175.69
Less: Provision for Advance	-	-	(359.09)	(175.69)
	681.71	**1,477.61**	**3,184.09**	**4,000.77**

Note 9: Inventories (lower of cost or net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
a Raw materials and components	335.06	430.76
b Work-in-progress	6,104.30	5,403.04
c Stores & spares	1,631.27	1,578.13
d Finished goods	8,618.31	4,348.27
e. Finished goods in transit	87.43	318.55
Total	**16,776.37**	**12,078.75**

Note : *Refer Note 14 for Inventories pledged as security towards loans*

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 10: Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	11,774.34	15,247.34
Trade Receivables which have significant increase in Credit Risk	204.72	832.02
Trade Receivables - credit impaired	2,079.00	1,405.87
Total	**14,058.06**	**17,485.23**
Allowance for doubtful debts (expected credit loss allowance)		
- towards receivables that are credit impaired	(2,079.00)	(1,355.87)
- towards receivables which have significant increase in Credit Risk	(204.72)	(832.02)
Total	**11,774.34**	**15,297.34**

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, 2023	As at March 31, 2022
Balance at beginning of the year	(2,187.89)	(2,557.88)
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(95.83)	369.99
Balance at end of the year	**(2,283.72)**	**(2,187.89)**

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (At Amortised Cost)		
(i) Undisputed Trade Receivables – considered good		
- Less than 6 months	11,774.34	15,247.34
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		
- Less than 6 months	154.72	650.44

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	151.03
- More than 3 years	50.00	30.55
(iii) Undisputed Trade Receivables – credit impaired		
- Less than 6 months		-
- 6 months - 1 year	27.53	-
- 1-2 years	518.48	-
- 2-3 years	0.09	242.99
- More than 3 years	1,532.90	1,162.88
(iv) Disputed Trade Receivables – considered good		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(vi) Disputed Trade Receivables – credit impaired		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Less: Provision	(2,283.72)	(2,187.89)
Net receivables	**11,774.34**	**15,297.34**

** Ageing has been computed based on transaction date.*

(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, 2023	As at March 31, 2022
(a) Balances with banks in current accounts and deposit accounts		
(i) In Current account	73.06	721.69
(ii) In term deposits with banks (original maturities less than 3 months)	450.00	-
(b) Cash on hand	4.14	2.99
Total Cash and cash equivalents	**527.20**	**724.68**

Note 11.2 : Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks held as margin money and guarantees*	1,169.99	32.90
Deposits due to mature after three months but before twelve months from the reporting date	1,500.00	4,617.00
Total other bank balances	**2,669.99**	**4,649.90**
Total Cash and bank balances	**3,197.19**	**5,374.58**

* *Includes guarantee given in favour of National Stock Exchange of India Limited and Director General of Foreign Trade.*

Note 12: Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	No. of Shares		Rs in lakhs	
AUTHORISED :				
Equity shares:				
Equity shares of Rs.2/- each	16,00,00,000	16,00,00,000	3,200.00	3,200.00
ISSUED :				
Equity shares of Rs.2/- each	12,30,52,989	9,63,33,405	2,461.06	1,926.67
SUBSCRIBED AND FULLY PAID UP :				
Equity shares of Rs.2/- each	12,30,52,989	9,63,33,405	2,461.06	1,926.67

Pursuant to shareholders' approval at the Extraordinary General Meeting held on November 15, 2021, the Company sub-divided each equity share of face value of Rs. 10/- into five equity shares of face value of Rs. 2/- per share, with effect from the record date of December 10, 2021.

The Company has increased its Authorised Share Capital from Rs. 2,300 lakhs to Rs. 3,200 lakhs vide shareholders' approval at the Extraordinary General Meeting held on November 15, 2021.

The Company has completed the Initial Public Offer (IPO) of 3,59,28,869 Equity shares of face value of Rs. 2/- each at an issue price of Rs. 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 672,000 CCDs into 6,940,715 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.

Note 12.1 Reconciliation of number of shares

Particulars	Year ended 2022-23		Year ended 2021-22	
	No. of Shares	Amount (Rs. In lakhs)	No. of Shares	Amount (Rs. In lakhs)
Balance at the beginning of the year	9,63,33,405	1,926.67	1,92,66,681	1,926.67
Adjustment for Sub-Division of Equity Shares	-	-	7,70,66,724	-
Conversion of CCD	69,40,715	138.81	-	-
Fresh issue of shares - IPO & adjustement for OFS	1,97,78,869	395.58	-	-
Balance at the end of the year	**12,30,52,989**	**2,461.06**	**9,63,33,405**	**1,926.67**

Note 12.2: Terms / Rights attached to Equity Shares

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

(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, 2023		As at March 31, 2022	
	No. of Shares	%	No. of Shares	%
Mr. P. Ranjit	2,66,57,197	21.66%	2,66,57,197	27.67%
Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP)	3,76,93,219	30.63%	3,94,58,790	40.96%
SBI Small cap Fund	95,65,772	7.77%	-	0.00%
India Resurgence Fund Scheme - II	76,46,141	6.21%	1,17,42,530	12.19%

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, 2023			As at March 31, 2022		
	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	16,08,768	1.31%	-21.56%	16,08,768	1.67%	-13.00%
Mr. P. Ranjit	2,66,57,197	21.66%	-21.71%	2,66,57,197	27.67%	13.00%
Chemikas Specialty LLP (formerly known as Goodearth Fertilisers Company LLP)	3,76,93,219	30.63%	-25.22%	3,94,58,790	40.96%	-

Note 12.4: The Company has issued Stock options to employees under ESOP Scheme 2022. (Refer Note 33D)

Note 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, 2023 and March 31, 2022.

Note 12.6: The loans from the following promotors were converted into equity shares of Rs.10 each with a premium of Rs.38.41 per share in the financial year 2018-19.

Name of the shareholder	Unsecured loan	Issue price per share (Rs.)	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
Total	**4,486.00**		**92,66,681**	**3,559.33**

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 13: Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
a Securities premium	92,837.63	15,085.52
b Retained earnings (Net of other comprehensive income)	47,195.45	401.55
c Equity component of compulsorily convertible debentures	-	455.29
d Debenture Redemption Reserve	-	8,400.00
e Share Options Outstanding Account	757.77	-
Total	**1,40,790.85**	**24,342.36**

Details to other equity

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Securities premium		
Balance at the beginning of the year	**15,085.52**	**15,085.52**
Add : Premium on shares issued during the year	80,637.61	-
Less: Adjustment of Share Issue Expenses	(2,885.50)	-
Balance at the end of the year	**92,837.63**	**15,085.52**
(b) Retained earnings		
Balance at the beginning of the year	**401.55**	**(10,069.71)**
Profit attributable to the owners of the company	38,393.90	18,871.26
Transferred from Debenture Redemption Reserve	8,400.00	-
Transferred to Debenture Redemption Reserve	-	(8,400.00)
Balance at the end of the year	**47,195.45**	**401.55**
(c) Equity component of Compulsorily convertible debentures		
Balance at the beginning of the year	**455.29**	**455.29**
Changes during the year	(455.29)	-
Balance at the end of the year	**-**	**455.29**

Particulars	As at March 31, 2023	As at March 31, 2022
(d) Debenture Redemption Reserve		
Balance at the beginning of the year	8,400.00	-
Transferred during the year	(8,400.00)	8,400.00
Balance at the end of the year	**-**	**8,400.00**
(e) Share Options Outstanding Account		
Balance at the beginning of the year	-	-
Transferred during the year	757.77	-
Balance at the end of the year	**757.77**	**-**
Total Other equity	**1,40,790.85**	**24,342.36**

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.

(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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
Non convertible debentures	-	84,000.00	-	-
Term Loans				
- from Banks	78.80	95.97	16.95	56.88
- from Others	-	187.32	53.46	148.22
Loans repayble on demand				
- from Banks	-		2,000.00	
Total	**78.80**	**84,283.29**	**2,070.41**	**205.10**

Note:

a) Post IPO, the Company has redeemed Non - Convertible debentures on November 19, 2022. The delisiting of redeemed debentures from BSE was completed on January 02, 2023.

b) Pursuant to resolution of the Board dated October 22, 2022, the 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 ₹ 672 lakhs, which was paid at the time of allotment of CCDs."

c) 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 way of hypothecation of specific vehicle.

d) 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.

e) Loan repayable on demand from banks: The Loan is secured by

   a) Exclusive charge on fixed deposits of Rs.15 Crs,

   b) Second pari paasu charge on the buildings and plant & equipment of the Company,

   c) First pari passu charge on the current assets of the Company. Rate of Interest -8.75% p.a.

b) Debt Reconcilation

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	4,789.32	5,235.00
Current Borrowing (Working Capital Loan)	2,000.00	-
Non - Current Borrowing plus Current maturities of long term debt And liability portion of CCD (Including the Interest accrued and not due on borrowings -non current)	149.21	92,187.33
Total	**6,938.53**	**97,422.33**

(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**
Cash Flows				
- 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	
Interest expense	581.76	8,000.89	812.70	9,395.35
Interest paid	(581.76)	(15,375.89)	-	(15,957.65)
Debt as at March 31, 2023	**2,000.00**	**149.21**	**4,789.32**	**6,938.53**

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, 2021	931.21	96,950.89	4,508.46	1,02,390.56
Cash Flows				
- Proceeds	-	198.14	-	198.14
- Repayments	(931.21)	(528.76)	(1,242.36)	(2,702.33)
Non-cash Transactions	-	-	1,236.53	1,236.53
Interest expense	(118.06)	15,223.36	732.37	15,837.67
Interest paid	118.06	(19,656.30)	-	(19,538.24)
Debt as at March 31, 2022	**-**	**92,187.33**	**5,235.00**	**97,422.33**

(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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Liability on right to use assets under IND As 116 - Refer note 36	3,571.20	4,548.95	1,218.12	686.05
Total	**3,571.20**	**4,548.95**	**1,218.12**	**686.05**

Note 16: Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
a. Compulsorily convertible debentures carried at amortised cost	-	323.94	-	-
b. Interest accrued and not due on borrowings	-	7,375.00	-	-
c. MD Commission Payable	-	-	1,861.50	-
d. Payable towards procurement of capital assets	-	-	115.54	443.17
e. Employee benefits payable	-	-	58.13	35.88
f. Retention money	-	-	10.48	10.48
Total	**-**	**7,698.94**	**2,045.65**	**489.53**

Note 16.1: Derivative liabilities

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Fair value of futures contract	-	-	-	3.91
Total	**-**	**-**	**-**	**3.91**

(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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
a Customer advances	-	11,822.95	1,690.19	4,692.41
b Statutory remittances	-	-	245.51	167.39
	-	**11,822.95**	**1,935.70**	**4,859.80**

Note 18: Current Tax Liabilities (Net)

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for Taxation	-	-	2,362.62	-
Less: Advance Tax and Tax Deducted at source	-	-	(2,079.25)	-
Total	**-**	**-**	**283.37**	**-**

Note 19: Deferred tax balances

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	922.85	10,542.46
Deferred tax liabilities	(12,468.31)	(11,498.46)
Net Deferred Tax Asset / (Liability)	**(11,545.46)**	**(956.00)**

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

2022-23	Opening balance	Recognised in profit or loss	Recognised in other comprehensive	Closing balance
Deferred tax asset / (liabilities) in relation to:				
Deferred tax liabilities:				
Property plant and equipment	(11,498.46)	(969.85)	-	(12,468.31)
Deferred tax assets:				
Carried forward loss	9,759.26	9,759.26	-	-
Provision for Employee benefits	-	(9.59)	9.59	-
Disallowance u/s 40(a)	-		-	-
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
Net Deferred Tax Asset / (Liability)	**(956.00)**	**(10,579.87)**	**9.59**	**(11,545.46)**

2022-23	Opening balance	Recognised in profit or loss	Recognised in other comprehensive	Closing balance
Deferred tax asset / (liabilities) in relation to :				
Deferred tax liabilities:				
Property plant and equipment	(10,573.90)	(924.56)	-	(11,498.46)
Deferred tax assets:				
Carried forward loss	15,162.05	5,402.79	-	9,759.26
Provision for Employee benefits	-	(3.32)	3.32	-
Disallowance u/s 40(a)	2.37	2.37	-	(0.00)
Provision for Doubtful Debts / Advances	675.41	124.87	-	550.54
DTA on timing differences on ROU assets and liabilities	63.30	(169.36)	-	232.66
Net Deferred Tax Asset / (Liability)	**5,329.23**	**(6,281.91)**	**3.32**	**(956.00)**

(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, 2023	As at March 31, 2022
Provision for Gratuity	-	33.83
Provision for Leave encashment	4.79	-
Total	**4.79**	**33.83**

Note 20.2: Provisions - Current

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Leave encashment	0.03	41.46
Provision for Gratuity	25.67	41.00
Total	**25.70**	**82.46**

Note 21: Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
Amount dues to micro enterprises and small enterprises - Refer Note 38	1,796.83	242.25
Dues of creditors other than micro enterprises and small enterprises	7,757.19	10,986.97
Total	**9,554.02**	**11,229.22**

Note 21.1: Trade payables are non-interest bearing and are normally settled as per due dates.

Note 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, 2023

Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1,796.83	-			1,796.83
Others	7,360.62	236.36	10.45	149.76	7,757.19
Disputed MSME					-
Disputed dues others					-

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Outstanding as at March 31, 2022

Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	242.25	-	-	-	242.25
Others	10,788.38	39.37	11.15	148.07	10,986.97
Disputed MSME	-	-	-	-	-
Disputed dues others	-	-	-	-	-

Note 22: Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sales of Products		
Domestic sales	39,454.59	33,470.43
Export sales	1,04,502.79	79,488.00
(b) Other operating revenues		
Export Incentives	0.13	-
Scrap sales	149.08	85.28
Total	**1,44,106.59**	**1,13,043.71**

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.

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue by Geography		
India	39,603.80	33,555.71
Rest of the world	1,04,502.79	79,488.00
Total revenue from contracts with customers	**1,44,106.59**	**1,13,043.71**
Revenue by offerings		
Manufactured goods		
(a) Marine chemicals		
Salt	72,812.70	51,289.95
Bromine	70,839.22	60,528.49
Sulphate of Potash	305.59	1,139.99
(b) Others	149.08	85.28
Total revenue from contracts with customers	**1,44,106.59**	**1,13,043.71**

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, 2023	Year ended March 31, 2022
Interest income on bank deposits (at amortised cost)	504.35	136.24
Profit on sale from mutual funds	245.33	89.65
Income on mutual funds due to change in fair value	132.65	36.21
Insurance Claim Received	1,569.11	
Miscellaneous income	683.40	122.10
Write back of payables	-	269.02
Provision no longer required	-	369.99
Profit on sale of fixed assets	5.47	2.12
Net gain on exchange fluctuation	1,277.58	238.96
Total	**4,417.89**	**1,264.29**

(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, 2023	Year ended March 31, 2022
Opening Stock of Raw Materials	430.76	535.90
Add: Purchases	4,474.70	4,383.15
Less: Closing Stock of Raw Materials	335.06	430.76
Consumption of raw materials	**4,570.40**	**4,488.29**

Note 25: Changes in Inventories of finished goods, work-in-progress and stock in trade

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Stock:		
Work-in-progress	5,403.04	4,161.27
Finished goods	4,666.82	5,352.39
Closing Stock:		
Work-in-progress	6,104.30	5,403.04
Finished goods	8,705.74	4,666.82
(Increase)/Decrease in Stocks	**(4,740.18)**	**(556.20)**

Note 26: Employee benefits expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	6,965.01	3,613.87
Staff welfare	51.15	28.17
Contribution to provident and other funds	186.28	142.15
Total	**7,202.44**	**3,784.19**

Note 27: Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on debentures	8,000.89	15,198.81
Interest on working capital borrowings	581.76	107.90
Interest on finance lease	812.70	732.37
Effective interest on CCDs carried at amortised cost	-	34.71
Bank charges	294.96	78.20
Interest on delayed payment of taxes	5.58	14.87
Total	**9,695.89**	**16,166.86**

(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, 2023	Year ended March 31, 2022
Depreciation on Property, plant and equipment and Right on Usage of assets pertaining to continuing operations	6,846.23	6,682.54
Amortisation of intangible assets	4.66	3.65
Total	**6,850.89**	**6,686.19**

Note 29: Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	2,571.66	2,322.22
Power and fuel	13,419.39	10,226.95
Rent expense	28.33	43.54
Traveling and conveyance	564.62	496.60
Repairs and maintenance		
- Buildings	100.69	164.24
- Plant and Machinery	829.38	830.26
- Others	711.76	443.97
Insurance	1,074.90	1,009.67
Rates and taxes, excluding taxes on income	91.69	220.02
Packing, Dispatching and Freight	46,234.53	36,072.42
Loading charges	4,045.76	4,017.54
Hire charges - equipment	720.18	795.99
Printing and stationery	17.85	17.10
Communication expenses	49.74	47.06
CSR expenses (Refer Note 29.2)	131.32	102.79
Auditor's remuneration (Refer Note 29.1)	51.03	54.16
Legal and professional charges	710.63	1,197.33
Selling and distribution expenses	1,308.11	388.46
Provision for doubtful debts and advances	279.23	-
Administration expenses	253.55	146.60
Total	**73,194.35**	**58,596.92**

(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, 2023	Year ended March 31, 2022
Statutory auditor's:		
(a) For services as auditors	38.00	41.00
(b) Tax audit	8.00	5.85
(c) For other services	4.00	6.00
(d) For reimbursement of expenses	1.03	1.31
Total	**51.03**	**54.16**

Note: Payment to Statutory Auditors towards Certification Services on account of IPO (Rs. 105 Lakhs) has been adjusted against Securities premium.

Note 29.2: Expenditure incurred for Corporate social responsibility

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent under section 135 of the Companies Act, 2013	213.36	75.85
Amount spent during the year on:		
i) Construction/acquisition of an asset	-	-
ii) Purposes other than (i) above	153.27	102.79

Details of Excess CSR expenditure Under Section 135 (5) of Companies Act, 2013

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance Excess Spent as on first day of Previous Year	82.04	55.10
Amount Spent during the year	153.27	102.79
Amount required to be Spent during the year	213.36	75.85
Balance Excess Spent as on last day of Previous Year	21.95	82.04

Of the total Amount of Rs. 153.27 lakhs, Rs.119.66 spent is paid to Archean Foundation for CSR Activities Nature of CSR activities: Medical camp and Water distribution and other charity activities

(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, 2023	Year ended March 31, 2022
Income tax expense		
Current tax		
- Current tax	2,362.62	-
- (Excess) provision for tax relating to prior years	-	(1.55)
Deferred tax		
In respect of the current period/year	10,579.87	6,281.91
Total income tax expense	**12,942.49**	**6,280.36**

Note 30.2: Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(9.59)	(3.32)
Total income tax recognised in other comprehensive income	**(9.59)**	**(3.32)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(9.59)	(3.32)
Items that may be reclassified to profit or loss	-	-
Total income tax recognised in other comprehensive income	**(9.59)**	**(3.32)**

Note 30.3: The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit / (Loss) before tax	51,307.87	25,141.75
Income tax expense calculated at 25.17%	12,914.19	6,328.18
Tax adjustment:		
(a) other impacts due to permanent allowances / disallowances as per IT Act	34.31	30.56
(b) Effect of other adjustments / disallowances	(6.01)	(78.38)
Income tax expense recognised in profit or loss	**12,942.49**	**6,280.36**
Effective Tax Rate	**25.23%**	**24.98%**

(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.

Note 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, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
India	39,603.80	33,555.71	1,17,955.83	1,13,784.23
Rest of the world	1,04,502.79	79,488.00	-	-
Total	**1,44,106.59**	**1,13,043.71**	**1,17,955.83**	**1,13,784.23**

** 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

One external customer contributed more than 10% of total revenues of the Company. The share of the revenue for the year ended March 31, 2023 is 23.4%, 20.6% for the year ended March 31, 2022.

Note 32: Basic and Diluted earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic Earnings per share (Rs. 2/- each)	34.76	18.26
Diluted Earnings per share (Rs. 2/- each)	34.69	18.26
Face value per equity share (in Rs. 2/- each)	2.00	2.00

(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, 2023	Year ended March 31, 2022
Profit for the year after tax	38,365.38	18,861.39
Adjustment: Coupon interest on Compulsorily Convertible Debentures ("CCDs"), net of tax	-	0.03
Profit for the year attributable to owners of the Company	38,365.38	18,861.42

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, 2023	Year ended March 31, 2022
Weighted average number of equity shares used in the calculation of basic earnings per share	11,03,72,837	9,63,33,405
Adjustment:		
Compulsorily Convertible Debentures ("CCDs")	-	69,40,715
Weighted average number of equity shares used in the calculation of basic earnings per share	11,03,72,837	10,32,74,120
Adjustment:		
Employee Stock Options	2,35,785	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	11,06,08,622	10,32,74,120

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 Rs. 148.28 lakhs (Previous year ended March 31, 2022 - Rs.124.22 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.

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Gratuity (Funded)	
	As at March 31, 2023	As at March 31, 2022
Present Value of obligations at the beginning of the year	**202.55**	**203.84**
Current service cost	33.35	40.38
Interest Cost	12.34	12.35
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	(35.30)	(11.41)
Benefits paid	(4.78)	(42.61)
Liabilities assumed / (transferred)	-	-
Present Value of obligations at the end of the year	**208.16**	**202.55**
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	**127.72**	**121.65**
Interest Income	7.78	7.37
Expected Return on plan assets	2.81	1.78
Contributions from the employer	48.96	39.53
Benefits Paid	(4.78)	(42.61)
Actuarial gain/ (loss) on plan assets		
Fair Value of plan assets at the end of the year	**182.49**	**127.72**

Particulars	As at March 31, 2023	As at March 31, 2022
Amounts recognized in the Balance Sheet		
Present value of projected benefit obligation at the end of the year	(208.16)	(202.55)
Fair value of plan assets at end of the year	182.49	127.72
Funded status of the plans – Liability recognised in the balance sheet	**(25.67)**	**(74.83)**
Provision for Gratuity - Non current liability	**-**	**(33.83)**
Provision for Gratuity - current liability	**(25.67)**	**(41.00)**

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Components of defined benefit cost recognised in profit or loss		
Current service cost	33.35	40.38
Net Interest Expense	12.34	12.35
Interest Income	(7.78)	(7.37)
Net Cost in Profit or Loss	**37.91**	**45.36**
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	(35.30)	(11.41)
Return on plan assets	(2.81)	(1.78)
Net Cost in Other Comprehensive Income	**(38.11)**	**(13.19)**

Assumptions	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.20%	6.09%
Expected rate of salary increases	13.00%	13.00%
Expected rate of attrition	35.00%	20.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Average Expected Future service	2 years	4 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.

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 (Rs. in lacs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate		
- 1% increase (+100 BP)	(3.96)	(8.34)
- 1% decrease (-100 BP)	4.19	9.19
Salary growth rate		
- 1% increase (+100 BP)	3.38	7.48
- 1% decrease (-100 BP)	(3.28)	(7.05)
Attrition rate		
- 1% increase (+100 BP)	(1.30)	(3.02)
- 1% decrease (-100 BP)	1.35	3.28

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 Rs. 47.18 lakhs (2021-22: Rs. 41.00 lakhs).

C. Long Term Compensated Absence

The compensated absences cover the Company's liability for earned leave & Sick leave.

Assumptions	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.20%	6.09%
Expected rate of salary increases	13.00%	13.00%
Expected rate of attrition	35.00%	20.00%

D. Share Based Payments

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committe 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, 2023	Year ended March 31, 2022
Options outstanding at the beginning of the year	-	-
Granted during the year	4,91,400.00	-
Forfeited/Expired during the year	-	-
Exercised during the year	-	-
Options outstanding at the end of the year	4,91,400.00	-

Each Employee Stock Options converts into one equity share at an exercise price of Rs. 2/- per share. The fair value of options granted as on the date of grant is Rs. 407.

An amount of Rs. 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 it's 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	As at March 31, 2023	As at March 31, 2022
Debt *	2,149.21	92,187.33
Cash and bank balances	3,197.19	5,374.58
Net debt	(1,047.98)	86,812.75
Equity	1,43,251.91	26,269.03
Total Equity**	1,43,251.91	26,269.03
Net debt to equity ratio (in times)	-0.01	3.30

** 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 company that are managed as capital.*

34.2 Categories of financial instruments

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
a) Financial assets measured at fair value - Mutual fund investments	21,007.73	1,120.96
b) Financial assets measured at fair value - Derivative Assets	4.60	-
Measured at amortised cost		
a) Cash and bank balances	3,197.19	5,374.58
b) Loan to related party	1,405.06	1,255.06
c) Investments in subsidiaries	500.00	500.00
d) Other financial assets at amortised cost	15,760.93	17,021.23
Financial liabilities		
a) Measured at amortised cost	13,748.88	1,03,906.08
b) Measured at FVTPL	4,789.32	5,238.91

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.

Note 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 (Rs). 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.

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, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	FC	INR	FC	INR
EUR	0.90	80.56	0.88	74.39
GBP	0.01	0.95	0.00	0.01
SGD	0.01	0.45	-	-
USD	8.11	666.58	224.00	16,981.13
Total		**748.54**		**17,055.53**

Currency	Assets as at			
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	FC	INR	FC	INR
EUR	4.52	405.32	11.84	1,002.18
AED	-	-	0.06	1.24
USD	99.36	8,168.84	237.15	17,977.94
Total		**8,574.16**		**18,981.36**

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, 2023	Year ended March 31, 2022
Financial Assets (A)		
USD	408.44	898.90
EUR	20.27	50.11
Financial Liabilities (B)		
USD	33.33	849.06
EUR	4.03	3.72
Total (A) - (B)	391.35	96.23

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.

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, 2023 would not have any impact as there are no liabilities with floating rate as at March 31, 2023. 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 credit worthy 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 counter parties 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 2022-23 except for two customers whose outstanding balance was Rs.3632.16 Lakhs. (FY 2021-22 - Nil).

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.

Note 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.

The table below provides details regarding the contractual maturities of financial liabilities 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
Interest accrued but not due on borrowings	-	-	-	-	-	-	-
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 table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments other than interest on NCD as at March 31, 2022

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	-	11,229.22	-	-	-	11,229.22	11,229.22
Interest accrued but not due on borrowings	-	-	7,375.00		-	7,375.00	7,375.00
Others	-	493.44	-	-	-	493.44	493.44
Finance lease liability	-	1,446.58	2,849.06	1,687.76	8,749.25	14,732.65	5,235.00
Fixed interest rate instruments	16.95%	245.73	84,282.60	22.40	323.94	84,874.67	84,812.33

The carrying amounts of the above are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Non-interest bearing	11,599.67	11,722.66
Finance lease liability	4,789.32	5,235.00
Fixed interest rate instruments	2,149.21	92,187.33
	18,538.20	1,09,144.99

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
As at March 31, 2023					
Investments	21,007.73	-	-	500.00	**21,507.73**
Security Deposits	1,537.24	-	-	100.83	**1,638.07**
Export benefits receivable	-	-	-	-	**-**
Trade Receivables	11,774.34	-	-	-	**11,774.34**
Total Cash and bank balances	3,197.19	-	-	-	**3,197.19**
Bank Deposits	-	2,035.16	-	-	**2,035.16**
Others	109.52	165.62			**275.14**
Loans	42.82	1,405.06	-	-	**1,447.88**
As at March 31, 2022					
Investments	1,111.95	9.01	-	500.00	**1,620.96**
Security Deposits	1,214.83	-	-	120.10	**1,334.93**
Export benefits receivable	226.12	-	-	-	**226.12**
Trade Receivables	15,297.34	-	-	-	**15,297.34**
Others	33.69	82.35			**116.04**
Loans	46.80	1,255.06	-	-	**1,301.86**
Cash and Cash Equivalents	5,374.58	-	-	-	**5,374.58**

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 Rs. 73,970 lakhs issued under tranche I programme during the year 2018-19 and the company has issued NCDs worth of Rs.4,030 lakhs under tranche III programme and NCDs worth Rs. 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 delisiting of redeemed debentures from BSE was completed on January 02,2023.

Note 34.10: Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Note : 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, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Measured at fair value through profit or loss (FVTPL)					
a) Financial assets measured at fair value - Mutual fund investments	Level 1	21,007.73	21,007.73	1,120.96	1,120.96
b) Financial assets measured at fair value - Derivative Instruments	Level 1	4.60	4.60	-	-
Financial liabilities					
a) Lease Liabilities measured at FVTPL	Level 3	4,789.32	4,789.32	5,235.00	5,235.00
b) Derivative Instruments measured at FVTPL	Level 3	-	-	3.91	3.91

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.

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 (Refer Note 40)
iii. 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
	Bahuvidhaah 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
	Ms. Padma Chandrasekaran - Independent Director
	Mr. R. Raghunathan - CFO (CFO with effect from 1 June 2022)
	Mr. G Balaji - Company Secretary (resigned with effect from 30 Nov 2021)
	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 (appointed with effect from 12 May 2022)

(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, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Jakhau Salt Company Private Limited				
- Reimbursement of Jetty Expenses	419.98	356.19	(25.81)	(29.54)
- Reimbursement of Expenses	15.05	17.51	-	-
- others	-	3.74	-	-
Bharath Salt Refineries Limited				
- Reimbursement of Expenses	19.98	(27.86)	-	-
- Purchase of traded goods	442.82	-	-	-
- Transportation charges receivable	-	15.81	-	-
Archean Salt Holdings Private Limited				
- Receivable	-	-	-	4.33
P. Ranjit				
- Office Rent (GDM)	43.76	49.51	(1,862.72)	(2.63)
Goodearth Maritime Private Limited				
- Receivable Bromine	-	-	50.00	50.00
- Provision for doubtful receivables	-	-	-	-
- Reversal of provision for doubtful receivables	-	(50.00)		
- Expenses towards jetty services	2,123.90	1,411.73	2,058.70	1,403.95
- Shipment Management fee expenses	500.75	667.35	-	-
- Reimbursement of expenses	576.67	428.66	-	-
Archean Industries Private Limited				
- Reimbursement of Expenses	-	14.41	14.41	14.41
Sea Salt Holdings Pte Limited				
- Receivable	-	-	1,099.00	755.16
'- Provision for doubtful receivables			-	(137.73)
- Reversal of provision for doubtful receivables	(137.73)	-	-	-
- Reimbursement of expenses	62.27	-	-	
- Sale of salt	3,534.08	2,871.19	-	-
Cloudgen Digital Private Limited				
- Others	-	0.17	0.30	0.17
Archean Foundation				
Towards CSR expenses	119.66	102.79	-	-
KGF Granites Private Limited				
- Reimbursement of Expenses	-	1.20	1.20	1.20
Acume Chemicals Private Limited				
Loans given	150.00	1,255.06	1,513.62	1,277.91
- Reimbursement of Expenses	0.04	15.07	15.13	15.07
- Interest income	95.33	25.27	-	-

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

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, 2023	Year ended March 31, 2022
Employee benefits expense		
Mr. P Ranjit	2,476.13	476.08
Sitting Fees paid to directors	37.25	9.50
Mr. E Sairam	20.52	106.87
Mr.R Raghunathan	65.72	-
Mr.G Arunmozhi	25.08	-
Mr. G Balaji	-	20.78
Mr. Abhishek Pandey	0.99	2.08

Note 36: Lease arrangements

The Company leases many assets including land and buildings and machinery. Information about leases for which the Company is a lessee is presented below:

Right to use assets

Particulars	Land and Building	ISO tanks	Total
Balance as at March 31, 2021	**1,321.44**	**2,176.66**	**3,498.10**
Additions during the year	70.74	1,174.09	1,244.83
Disposals during the year	-	-	-
Depreciation charge for the year	78.22	609.27	687.49
Disposals during the year	-		-
Balance as at March 31, 2022	**1,313.96**	**2,741.48**	**4,055.44**
Additions during the year	-	-	-
Disposals during the year	-	-	-
Depreciation charge for the year	88.12	717.73	805.85
Disposals during the year	-		-
Balance as at March 31, 2023	**1,225.84**	**2,023.75**	**3,249.59**

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Lease Liabilities

Particulars	As at March 31, 2023	As at 31 March 2022
Maturity analysis - contractual undiscounted cash flows		
- Less than one year	1,836.59	1,446.58
- One to five years	3,503.20	4,536.82
- More than five years	8,100.03	8,749.25
Total undiscounted lease liabilities	**13,439.82**	**14,732.65**
Lease liabilities included in the financial statement as at		
- Current	1,218.12	686.05
- Non Current	3,571.20	4,548.95

Particulars	As at March 31, 2023	As at 31 March 2022
Amounts recognised in profit or loss		
- Interest on lease liabilities	812.70	732.37
- Expenses relating to short-term leases	28.33	43.54

The company's incremental borrowing rate is 17%

Movement of Lease Liabilities

Particulars	As at March 31, 2023	As at 31 March 2022
Balance at the beginning of the year	**5,235.00**	**4,508.46**
Lease liability on Ind AS 116 "Leases" adoption	-	-
Additions	-	1,239.99
Accretion of interest	812.70	732.37
Payments	(1,459.49)	(1,242.36)
Forex	201.11	(3.46)
Deletions	-	-
Balance at the end of the year	**4,789.32**	**5,235.00**

(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, 2023	As at March 31, 2022
Contingent liabilities		
a. Disputed Service tax, Sales tax and Income tax dues under appeal (refer Note 37.1 (a))	654.68	1,705.47
b. Capital Commitments	2,187.90	233.46
	2,842.58	**1,938.93**

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, 2023	As at March 31, 2022
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	-
Income tax matters decided in the Company favour by appellate authorities for which department is in further appeal	FY 2012-13	ITAT	-	540.02
	FY 2013-14		-	500.75
EPCG Licence	FY 2013-14	DGFT	-	43.00
Total			**654.68**	**1,705.47**

Note: Closing balance of amount paid under protest Rs. 55.58 (March 31, 2022: Rs. 242.04)

Future cash flows in respect of the above matters are determinable only on receipts of judgments/ decisions pending at various forums / authorities.

(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, 2023 and March 31, 2022 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, 2023	As at March 31, 2022
The principal amount remaining unpaid to any supplier at the end of each accounting year;	1,796.83	242.19
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	0.06
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small 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	-	0.06
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	-	0.06

Note 39: Events after the reporting date

Nil

Note 40: Others

A. On December 15, 2021,The class of the company has changed to Public limited from Private limited and the CIN changed to U24298TN2009PLC072270.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 and the CIN Changed to L24298TN2009PLC072270.

B. Shareholders vide their EGM resolution dated November 15, 2021 had approved the equity shares spilt in the ratio of 5 shares for every one share with face value revised from Rs. 10 per share to Rs. 2 per share and the allotment carried out on December 16, 2021. Accordingly the EPS figures for current and comparative periods have been adjusted retrospectively as per Para 28 of IND AS 33, Earnings per share.

C. Acume chemicals private limited, wholly owned subsidiary of the company incorporated on November 18, 2021

D. 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"

E. The borrowings from banks and financial institutions have been used for the purposes for which it was taken at the balance sheet date.

F. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company and benami property.

G. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond statutory period.

H. The Company has not traded or invested in Crypto currency or virtual currency during the financial period.

I. 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.)

J. 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 comapnies for the FY 2022-23.

Relationship with struckoff companies for the FY 2021-22 is as follows:

Name of Struck off Company	Nature of Transactions	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Bharath Residual Industries Private Limited	Receivable	-	Debtor

K. Dividend of Rs. 2.50 per equity share amounting to Rs. 3076.32 Lakhs for the Financial Year 2022-23 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.

Note 41: Employee Stock Option Plan 2022 :

Pursuant to the resolution passed by the Board and resolution passed at the Nomination and 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. (Refer Note 33D)

Note 42: Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 26, 2023.

Note 43:

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.

Note 44:

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 45: Ratios

Ratio	% times	Numerator	Denominator	As on 31st March, 2023	As on 31st March, 2022	% of variance	Reason for variance*
a) Current ratio	Times	Current Assets	Current liabilities	3.36	2.24	49.9%	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]	0.02	3.51	-99.6%	Decrease is due to redemption of NCDs along with Interest Accrued.
c) Debt service coverage ratio	Times	Profit before tax + Interest on term loans, working capital, Interest on finance lease & interest on CCD + Depreciation	Interest on term loans, working capital & Interest on finance lease + Finance cost capitalised + Loans repaid + Reduction in lease liability	0.72	2.64	-72.9%	Decrease is due to redemption of NCDs along with Interest Accrued.
d) Return on equity ratio	Percentage	Profit after tax	Average Shareholder's Equity	45.26%	112.05%	-59.6%	Drop in Return on Equity is due to increase in Net worth on account of IPO Proceeds .
e) Inventory turnover ratio	Times	Revenue from operations	Average inventory	9.99	9.77	2.2%	-
f) Trade receivables turnover ratio	Times	Revenue from operations	Average accounts receivable	10.65	10.23	4.1%	-
g) Trade payables turnover ratio	Times	Cost of goods sold	Average trade payables	6.23	5.00	24.6%	-

Ratio	% times	Numerator	Denominator	As on 31st March, 2023	As on 31st March, 2022	% of variance	Reason for variance*
h) Net capital turnover ratio	Times	Revenue from operations	Working capital Current assets - Current liabilities	3.56	5.18	-31.3%	Due to increase in Current Assets by way of increase in investment in Mutual Funds.
i) Net profit ratio	Percentage	Profit/ loss after tax	Revenue from operations	26.62%	16.69%	59.6%	Due to higher profitability in the current year.
j) Return on capital employed	Percentage	PBIT	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) “	38.87%	34.60%	12.4%	-
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	5.53%	7.33%	24.5%	-

** 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 26, 2023

For and on behalf of the Board of Directors

S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
Managing Director
DIN: 01952929

R. Raghunathan
Chief Financial Officer

G. Arunmozhi
Company Secretary

Place : Chennai
Date : May 26, 2023

CONSOLIDATED FINANCIAL STATEMENTS 2022-2023

Independent Auditors' Report

To the Members of Archean Chemical Industries Limited

(formerly known as Archean Chemical Industries Private Limited)

Report on the Audit of the Consolidated Financial Statements Opinion

Opinion

We have audited the accompanying consolidated financial statements of Archean Chemical Industries Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated Balance Sheet as at 31st March 2023, 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 significant 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 subsidiary 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 31st March 2023, and their consolidated profit, consolidated total comprehensive income, their consolidated statement of 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 in accordance with 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 the provisions of Companies Act, 2013. 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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter	Our Response
1.	Revenue from sale of products is recognized on transfer of control to the Customer. The 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.	Our audit procedures included verification of existence, completeness, accuracy and cut-off for the sales transactions. • Our tests included performance of an understanding and evaluation of the internal controls over the revenue recognition and a validation of relevant controls.

S. No	Key Audit Matter	Our Response
	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). Considering magnitude and high volume of sales transactions carried out, revenue recognition is considered as a key audit matter	• The tests further covered the proper recognition of revenue through testing of samples of sales transactions, obtaining appropriate supporting evidence with specific attention to key contractual terms that regulate the various performance obligations. • Our audit procedures included analytical review of sales transactions and accounting of revenue. • 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. Evaluating the disclosures made with requirements under the Accounting Standards and the Companies Act, 2013
2.	Inventory at the year end The Company's inventory, generally, is located at its plant at Kutch and its finished goods at the Jakhau and Mundra ports. The Company has a policy of performing verification of its inventory at these locations. The Company has conducted the physical verification of inventories across at Washery plant, Jakhau, and Mundra port between 4th April 2023 and 8th April 2023 by engaging specialists (management experts).	With respect to existence of inventories at the year end, we performed the following procedures: • 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. • Understood and evaluated the competence, independence and objectivity of the experts engaged by the Management. • Participated in the stock count performed by the management at Washery plant, Jakhau, and Mundra port. • Checked roll back procedures from the date of the physical verification to the year end. • On a sample basis, tested the quantity reconciliation from 1st April, 2022 to 31st March, 2023 of raw materials, and finished goods, that was prepared by the Management.

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.

Responsibilities of the Management and Those Charged with Governance 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 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 Holding Company, its subsidiary company, 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 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.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of 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 information of subsidiary (Acume Chemicals Private Limited) included in the Statement, whose audited financial statements reflects total assets of Rs.1,988.15 lacs and net assets of Rs 351.28 lacs as at 31st March 2023, total revenues Nil, total loss after tax of Rs 108.26 lacs and total comprehensive income of (Rs 108.26 lacs), and net cash flow of (Rs 425.10 lacs) for the year ended on that date, as considered in the audited Consolidated Financial Statement. This audited financial information have been audited by the other auditor whose report 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 the subsidiary (Acume Chemicals Private Limited) is based solely on the reports of the other auditors. Our report on the Statement is not modified in respect of this matter with respect to reliance on the work done and the report 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 and the financial statements / financial information certified by the Management.

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.

   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 31st March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies, is disqualified as on 31st March 2023 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 company, and 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) 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 consolidated financial statements as also the other financial information of the subsidiary, 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 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 company incorporated in India.

   iv. (a) The respective management of Holding Company, its subsidiary company 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 company incorporated in India 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 company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

   (b) The respective management of the Holding Company, its subsidiary company have represented that, to the best of it’s 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 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 and

   (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 company 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) contain any material mis-statement.

(d) The Group incorporated in India have not paid/declared any dividend during the financial year. Accordingly, reporting on compliance with the provisions of Section 123 of the Act is not applicable.

(e) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

(f) 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 company which were not audited by us, we report that the remuneration paid by the Holding Company, its subsidiary company 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 : 23212354BGYDUC4838

Place of Signature: Chennai
Date: 26th May 2023

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 consolidated financial statements as of and for the year ended 31st March 2023.

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.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

S. Prasana Kumar
Partner
Membership No. 212354
UDIN : 23212354BGYDUC4838

Place of Signature: Chennai
Date: 26th May 2023

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 Archean 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 Archean Chemical Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March 2023, we have audited the internal financial controls over financial reporting of the Holding Company" and other auditors have audited its 1 subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, its subsidiary company 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 Company and its subsidiary company, 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 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 company, 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 company which are companies incorporated in India, 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 31st March 2023, 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 one subsidiary company, which are company 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 : 23212354BGYDUC4838

Place of Signature: Chennai
Date: 26th May 2023

Consolidated Balance Sheet as at March 31, 2023

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A. ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	2	1,06,488.65	1,04,549.48
(b) Capital work in progress	2	3,617.91	1,719.64
(c) Right-of-use assets	3	4,502.35	4,055.44
(d) Intangible assets	4	17.30	14.48
(e) Intangible assets under development	4.1	-	3.50
(f) Financial assets:			
(i) Investments	5A	-	9.01
(ii) Loans	7	-	-
(iii) Other financial assets	6	2,193.62	179.71
(g) Deferred tax assets (Net)	19	30.81	-
(h) Other non current assets	8	989.98	2,735.10
Total non-current assets		**1,17,840.62**	**1,13,266.36**
Current assets			
(a) Inventories	9	16,776.37	12,078.75
(b) Financial assets:			
(i) Investments	5B	21,007.73	1,111.95
(ii) Trade receivables	10	11,774.33	15,297.34
(iii) Cash and Cash equivalents	11.1	597.26	1,219.84
(iv) Bank balances other than (iii) above	11.2	2,669.99	4,649.90
(v) Loans	7	42.84	46.80
(vi) Other financial assets	6	1,631.63	1,459.56
(c) Other current assets	8	3,202.57	4,000.77
Total current assets		**57,702.72**	**39,864.91**
TOTAL ASSETS		**1,75,543.34**	**1,53,131.27**
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	2,461.06	1,926.67
(b) Other equity	13	1,40,640.92	24,301.89
Total equity		**1,43,101.98**	**26,228.56**

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Liabilities			
Non-Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	14	78.80	84,283.29
(ii) Lease liabilities	15	3,571.20	4,548.95
(iii) Other financial liabilities	16	-	7,698.94
(b) Other non-current liabilities	17	-	11,822.95
(c) Provisions	20.1	4.79	33.83
(d) Deferred tax liabilities (Net)	19	11,545.46	956.00
Total non-current liabilities		**15,200.25**	**1,09,343.96**
Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	14	2,070.41	205.10
(ii) Lease liabilities	15	1,218.12	686.05
(iii) Trade payables			
(A) total outstanding dues of micro and small enterprises	21	1,796.83	242.25
(B) total outstanding dues of creditors other than above	21	7,758.67	10,987.07
(iv) Other financial liabilities	16	2,144.93	489.53
(v) Derivative liabilities	16.1	-	3.91
(b) Other current liabilities	17	1,943.08	4,862.38
(c) Current tax liabilities (Net)	18	283.37	-
(d) Provisions	20.2	25.70	82.46
Total current liabilities		17,241.11	17,558.75
Total Liabilities		32,441.36	1,26,902.71
TOTAL EQUITY AND LIABILITIES		**1,75,543.34**	**1,53,131.27**
Notes forming part of Financial statements	1-45		

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 26, 2023

For and on behalf of the Board of Directors

S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
Managing Director
DIN: 01952929

R. Raghunathan
Chief Financial Officer

G. Arunmozhi
Company Secretary

Place : Chennai
Date : May 26, 2023

Consolidated Statement of Profit And Loss for the Year ended March 31, 2023

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

S. No	Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations	22	1,44,106.59	1,13,043.71
II	Other income	23	4,327.13	1,239.01
III	**Total income (I+II)**		**1,48,433.72**	**1,14,282.72**
IV	**Expenses:**			
	Cost of materials consumed	24	4,570.40	4,488.29
	Purchases of Stock-in-Trade		442.82	-
	Changes in inventories of finished goods and work-in-progress	25	(4,740.18)	(556.20)
	Employee benefits expense	26	7,204.70	3,784.19
	Finance costs	27	9,695.90	16,166.88
	Depreciation and amortisation expenses	28	6,863.34	6,686.19
	Other expenses	29	73,229.14	58,612.09
	Total expenses (IV)		**97,266.12**	**89,181.44**
V	**Profit before exceptional items and tax (III-IV)**		**51,167.60**	**25,101.28**
VI	**Exceptional items**			
VII	Profit before tax (V+VI)		51,167.60	25,101.28
VIII	**Income tax expense:**			
	- Current tax	30	2,362.62	-
	- (Excess) provision for tax relating to prior years		-	(1.55)
	- Deferred Tax	30	10,549.06	6,281.91
	Total Income tax expenses (VIII)		**12,911.68**	**6,280.36**
IX	**Profit after tax (VII-VIII)**		**38,255.92**	**18,820.92**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to Profit or Loss			
	- Remeasurements of the defined benefit plans		38.11	13.19
	- Income tax expenses relating to the above		(9.59)	(3.32)
	- Total other comprehensive income for the year, net of tax (X)		28.52	9.87
XI	**Total comprehensive income for the year (IX+X)**		**38,284.44**	**18,830.79**
	Earnings per share (Face value of Rs. 2 each)			
	Basic earnings per share (In Rs.)	32	34.66	18.22
	Diluted earnings per share (In Rs.)	32	34.59	18.22

Notes forming part of Financial statements 1-45

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 26, 2023

For and on behalf of the Board of Directors

S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
Managing Director
DIN: 01952929

R. Raghunathan
Chief Financial Officer

G. Arunmozhi
Company Secretary

Place : Chennai
Date : May 26, 2023

Consolidated Statement of Cash Flow for the Year ended March 31, 2023

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
A. Cash flow from operating activities				
Profit / (loss) before income tax		51,167.60		25,101.28
Adjustments for :				
Depreciation and amortisation expenses	6,863.34		6,686.19	
Finance costs recognised in profit or loss	9,695.90		16,166.88	
Profit on sale of Mutual funds	(377.98)		(125.86)	
Gain on conversion of CCD	(107.17)			
Interest income from fixed deposit	(413.59)		(136.24)	
(Profit)/Loss on sale of asset	(5.47)		(2.12)	
Provision no longer required	-		(369.99)	
Issue of Employee stock options	757.77		-	
Provision for doubtful receivables / advances	279.23		-	
Write back of payables	-		(269.02)	
Unrealised net foreign exchange (gain) / loss	(471.13)		876.46	
Operating profit before working capital changes		**16,220.90**		**22,826.30**
Movements in working capital :				
(Increase) / decrease in trade receivables	4,093.91		(7,974.55)	
(Increase) / decrease in inventories	(4,697.62)		(1,016.19)	
(Increase) / decrease in other assets	(289.84)		(1,631.16)	
Increase / (decrease) in trade payables	(1,668.31)		307.06	
Increase / (decrease) in provisions	(85.80)		(11.25)	
Increase / (decrease) in other liabilities	(13,052.71)		(6,149.57)	
		(15,700.37)		**(16,475.66)**
Cash generated from operations		51,688.13		31,451.92
Income Tax paid		(2,079.25)		-
Net cash generated from operating activities		**49,608.88**		**31,451.92**
B. Cash flow from investing activities				
Interest received	413.59		136.24	
Investment in / Proceeds from sale of Mutual funds	(19,508.79)		3,130.51	
Investment in / maturity of bank deposits, net	(55.25)		(4,618.97)	
Acquistion of property, plant and equipment	(9,985.70)		(9,661.48)	
Proceeds from sale of property, plant and equipment	101.60		2.85	
Net cash used in investing activities		**(29,034.55)**		**(11,010.85)**

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
C. Cash flow from financing activities				
Fresh Issue of Equity Shares	78,859.96		-	
Proceeds from borrowings	2,099.90		198.14	
Repayment of NCD	(84,000.00)		-	
Repayment of Other borrowings	(439.08)		(1,553.04)	
Repayment towards lease liabilities	(1,459.49)		(1,242.36)	
Interest paid - Others	(16,258.20)		(19,774.38)	
Net cash used in financing activities		**(21,196.91)**		**(22,371.64)**
Net increase/ (decrease) in cash and cash equivalents		**(622.58)**		**(1,930.57)**
Cash and cash equivalents as at the beginning of the year		1,219.84		3,150.41
Cash and Cash equivalents as at the end of the year		**597.26**		**1,219.84**

Note: The Statement of Cash Flow is prepared using 'Indirect Method' as prescribed in Ind AS 7.

Notes forming part of Financial statements 1-45

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 26, 2023

For and on behalf of the Board of Directors

S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
Managing Director
DIN: 01952929

R. Raghunathan
Chief Financial Officer

G. Arunmozhi
Company Secretary

Place : Chennai
Date : May 26, 2023

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

(a) Equity share capital

Particulars	No of shares	Rs in lakhs
Balance as at March 31, 2021	**1,92,66,681**	**1,926.67**
Changes in equity share capital due to prior period Errors	-	-
Restated balance as at March 31, 2021	**1,92,66,681**	**1,926.67**
Changes in equity share capital during the year	**-**	**-**
- Adjustment for Sub-Division of Equity Shares*	7,70,66,724	-
Balance as at March 31, 2022	**9,63,33,405**	**1,926.67**
Changes in equity share capital due to prior period Errors	-	-
Restated balance as at March 31, 2022	**9,63,33,405**	**1,926.67**
Changes in equity share capital during the year	2,67,19,584	534.39
Balance as at March 31, 2023	**12,30,52,989**	**2,461.06**

b)

Particulars	Reserves & Surplus				Items of other comprehensive income	ESOP Outstanding Account	Total
	Securities Premium	Retained earnings	Equity component of compound financial instrument	Debenture Redemption Reserve	Actuarial Gain / (Loss)		
a. Balance as at March 31, 2021	**15,085.52**	**(10,024.50)**	**455.29**	**-**	**(45.21)**	**-**	**5,471.10**
b. Changes in accounting policy/ prior period errors	-	-	-		-	-	-
c. Restated balance at the beginning of the current reporting year (a+b)	15,085.52	(10,024.50)	455.29	-	(45.21)	-	5,471.10
d. Other comprehensive income for the current year	-	-	-	-	9.87	-	9.87
e. Profit for FY 2021-22	-	18,820.92	-	-	-	-	18,820.92
f. Transfer to debenture redemption reserve	-	(8,400.00)	-	8,400.00	-	-	-
g. Balance as at March 31, 2022	**15,085.52**	**396.42**	**455.29**	**8,400.00**	**(35.34)**	**-**	**24,301.89**
h. Changes in accounting policy/ prior period errors	-	-	-		-	-	-
i. Restated balance at the beginning of the current reporting period (l+m)	15,085.52	396.42	455.29	8,400.00	(35.34)	-	24,301.89
j. Other comprehensive income for the current year	-	-	-	-	28.52	-	28.52
k. Profit for FY 2022-23	-	38,255.92	-	-	-	-	38,255.92
l. Transfer to retained earnings	-	8,400.00	-	(8,400.00)	-	-	-

Particulars	Reserves & Surplus				Items of other comprehensive income	ESOP Outstanding Account	Total
	Securities Premium	Retained earnings	Equity component of compound financial instrument	Debenture Redemption Reserve	Actuarial Gain / (Loss)		
m. Conversion to Equity Shares	-	-	(455.29)	-	-	-	(455.29)
n. Premium on fresh issue of Shares	80,104.42	-	-	-	-	-	80,104.42
o. Premium on Conversion of CCD	533.19	-	-	-	-	-	533.19
p. Adjustment of Share issue expenses	(2,885.50)	-	-	-	-	-	(2,885.50)
q. Transfer to ESOP Outstanding Account	-	-	-	-	-	757.77	757.77
r. Balance as at March 31, 2023	**92,837.63**	**47,052.34**	**-**	**-**	**(6.82)**	**757.77**	**1,40,640.92**

* Pursuant to shareholders' approval at the Extraordinary General Meeting held on November 15, 2021, the Company sub-divided each equity share of face value of Rs. 10/- into five equity shares of face value of Rs. 2/- per share, with effect from the record date of December 16, 2021.

Notes forming part of Financial statements 1-45

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 26, 2023

For and on behalf of the Board of Directors

S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
Managing Director
DIN: 01952929

R. Raghunathan
Chief Financial Officer

G. Arunmozhi
Company Secretary

Place : Chennai
Date : May 26, 2023

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

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 Significant 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 significant 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 Subsidiary - Acume Chemicals Private Limited used in the consolidation is drawn up to the same reporting date as that of the holding Company i.e. 31 March 2023.

Acume chemicals private limited, wholly owned subsidiary of the holding company incorporated on November 18, 2021.

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 1.24 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 1st 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 effective 1st April 2022.

The Group is in 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. It may be noted that we expect there would be a change in Accounting policies section of the financial statements as the standard would require presentation of 'material accounting policies' as against 'significant accounting policies' disclosed so far.

1.4 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 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 Rs. 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.

1.5 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 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.

1.6 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.

1.7 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.

1.8 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 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.

1.9 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.

1.10 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.

1.11 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.

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.

1.12 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.

1.13 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.

1.14 Other Income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a proportionate time basis, by reference to the principal outstanding and the effective interest rate applicable , which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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 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.

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, 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 considered for deriving basic plus dilutive shares during the year / period.

1.20 Segment reporting

The Group is engaged in the activities related to manufacture and supply 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, and hence the entire operations are to be classified as a single business segment, namely marine chemicals industry. 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.

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 expeirences 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 Export incentives

Export incentives are not recognized until there is reasonable assurance that the company will comply with the conditions attaching to them and that incentives will be received.

1.23 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is virtually certain to expect ultimate collection.

1.24 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.

(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, 2023	As at March 31, 2022
Carrying amounts of:		
Salt works	24,471.33	25,451.13
Buildings	24,586.48	24,659.27
Plant and equipment	55,093.34	52,742.26
Furniture and fixtures	189.93	64.39
Office equipments	70.07	48.49
Computers	110.66	136.15
Vehicles	1,966.84	1,447.79
Total	**1,06,488.65**	**1,04,549.48**
Capital Work-in-progress	**3,617.91**	**1,719.64**

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	-	-	-	-	-

Capital Work-in-progress balance as at March 31, 2022

Particulars	Amount in CWIP as at March 31, 2022				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in progress	1,660.26	9.23	50.15	-	1,719.64
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, 2021	**25,758.79**	**29,238.22**	**64,492.93**	**172.17**	**71.83**	**282.68**	**1,596.74**	**1,21,613.36**
Additions	6,535.05	176.77	2,648.23	25.56	10.67	26.4	404.03	9,826.71
Disposals	-	-	-	-	-	-	(14.58)	(14.58)
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**

Accumulated depreciation and impairment	Salt Works	Buildings	Plant and equipment	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
Balance as at March 31, 2021	**5,946.65**	**3,386.21**	**10,992.84**	**101.08**	**20.55**	**105.59**	**341.88**	**20,894.80**
Depreciation expense	896.06	1,369.51	3,406.06	32.26	13.46	67.34	210.37	5,995.06
Disposals	-	-	-	-	-	-	(13.85)	(13.85)
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**
Carrying amount as at March 31, 2022	**25,451.13**	**24,659.27**	**52,742.26**	**64.39**	**48.49**	**136.15**	**1,447.79**	**1,04,549.48**
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**

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.

(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
Balance as at March 31, 2021	1,460.67	3,503.38	4,964.05
Additions	70.74	1,174.09	1,244.83
Balance as at March 31, 2022	1,531.41	4,677.47	6,208.88
Additions	1,264.35	-	1,264.35
Balance as at March 31, 2023	**2,795.76**	**4,677.47**	**7,473.23**

Accumulated depreciation and impairment	Land and Building	ISO tanks	Total
Balance as at March 31, 2021	139.23	1,326.72	1,465.95
Depreciation for the year	78.22	609.27	687.49
Balance as at March 31, 2022	217.45	1,935.99	2,153.44
Depreciation for the period	99.71	717.73	817.44
Balance as at March 31, 2023	**317.16**	**2,653.72**	**2,970.88**

Net Carrying amount as at March 31, 2022	1,313.96	2,741.48	4,055.44
Net Carrying amount as at March 31, 2023	**2,478.60**	**2,023.75**	**4,502.35**

Note:

(a) Refer note 36 for details on Right of use assets

(b) 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/ख 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.

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Assets	Net Block as at March 31, 2023	Net Block as at March 31, 2022
Buildings	24,586.48	24,659.27
Plant and Machinery	55,076.55	52,729.68
Furniture & Fixtures	51.97	55.50
Vehicles	1,218.15	1,163.15
Computers	69.51	110.20
Office Equipment	43.09	40.26
Salt Works	24,471.33	25,451.13
RoU - Land and Building	1,124.91	1,132.31
Total	**1,06,641.99**	**1,05,341.50**

Note 4 Intangible Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Software	17.30	14.48
Total	**17.30**	**14.48**

Particulars	Software
Balance as at March 31, 2021	**48.26**
Additions	4.80
Balance as at March 31, 2022	**53.06**
Additions	7.48
Balance as at March 31, 2023	**60.54**
Accumulated depreciation and impairment	
Balance as at March 31, 2021	**34.93**
Amortisation expense	3.65
Balance as at March 31, 2022	**38.58**
Amortisation expense	4.66
Balance as at March 31, 2023	**43.24**
Carrying amount as at March 31, 2022	14.48
Carrying amount as at March 31, 2023	**17.30**

(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, 2023	As at March 31, 2022
Intangible assets under development	-	3.50

Intangible assets under development Ageing schedule	As at March 31, 2023	As at March 31, 2022
Particulars		
Projects in progress		
Less than 1 year	-	3.50
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**-**	**3.50**
Projects temporarily suspended	**-**	**-**

Note 5A: Non current investments

Particulars	As at March 31, 2023	As at March 31, 2022
A. Other investments: **Mutual Funds (FVTPL) - Unquoted**		
Book value	-	9.01
Market value	-	9.01
Total	**-**	**9.01**
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of quoted investments	-	-
Aggregate NAV of unquoted investments	-	9.01

Notes forming part of Consolidated financial statements (Contd.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 5B : Current investments

Particulars	As at March 31, 2023	As at March 31, 2022
Mutual Funds (FVTPL) - Unquoted		
Units in Mutual Funds*	21,007.73	1,111.95
Total Investments	21,007.73	1,111.95

** Pertains to Escrow accounts for DSRA - Debt service reserve account to the extent of Rs. 1,111.95 for the FY 21-22 based on arrangement with Debenture trustees. Post IPO, the debentures were redeemed and the escrow accounts were closed.*

Note 6: Other financial assets

Particulars	Non current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)				
a) Security deposits measured at amortised cost				
With related Party	-	-	1,200.00	1,200.00
With Others	101.38	120.10	337.24	14.83
b) Interest accrued on deposits	57.08	59.61	87.49	16.31
c) Export benefits receivable	-	-	-	226.12
d) Derivative Assets	-	-	4.60	-
e) Others	-	-	2.30	2.30
f) Bank Deposits with more than 12 months maturity*	2,035.16	-	-	-
	2,193.62	**179.71**	**1,631.63**	**1,459.56**

** includes an amount of Rs.235.16 lakhs given as guarantee to Paschim Gujarat Vij Company Limited (PGVCL).*

Note 7: Loans

Particulars	Non current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)				
Loans to employees	-	-	42.84	46.80
Total	**-**	**-**	**42.84**	**46.80**

(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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)				
a) Capital advances	934.40	2,493.06	-	-
b) Balances with statutory authorities	55.58	242.04	457.31	556.10
c) Others	-	-	400.65	-
d) Prepaid expenses	-	-	422.15	1,272.27
e) Advance to suppliers other than for capital asset	-	-	1,922.46	2,172.40
(Unsecured, considered doubtful)				
f) Advance to suppliers other than for capital asset	-	-	359.09	175.69
Less: Provision for Advance	-	-	(359.09)	(175.69)
	989.98	**2,735.10**	**3,202.57**	**4,000.77**

Note 9: Inventories (lower of cost or net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
a Raw materials and components	335.06	430.76
b Work-in-progress	6,104.30	5,403.04
c Stores & spares	1,631.27	1,578.13
d Finished goods	8,618.31	4,348.27
e. Finished goods in transit	87.43	318.55
Total	**16,776.37**	**12,078.75**

Note : *(a) Refer Note 14 for assets pledged as security towards loans*

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 10: Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	11,774.33	15,247.34
Trade Receivables which have significant increase in Credit Risk	204.72	832.02
Trade Receivables - credit impaired	2,079.00	1,405.87
Total	**14,058.05**	**17,485.23**
Allowance for doubtful debts (expected credit loss allowance)		
- towards receivables that are credit impaired	(2,079.00)	(1,355.87)
- towards receivables which have significant increase in Credit Risk	(204.72)	(832.02)
Total	**11,774.33**	**15,297.34**

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, 2023	As at March 31, 2022
Balance at beginning of the year	(2,187.89)	(2,557.88)
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(95.83)	369.99
Balance at end of the year	**(2,283.72)**	**(2,187.89)**

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (At Amortised Cost)		
(i) Undisputed Trade Receivables – considered good		
- Less than 6 months	11,774.33	15,247.34
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		
- Less than 6 months	154.72	650.44

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	151.03
- More than 3 years	50.00	30.55
(iii) Undisputed Trade Receivables – credit impaired		
- Less than 6 months		-
- 6 months - 1 year	27.53	-
- 1-2 years	518.48	-
- 2-3 years	0.09	242.99
- More than 3 years	1,532.90	1,162.88
(iv) Disputed Trade Receivables – considered good		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(vi) Disputed Trade Receivables – credit impaired		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Less: Provision	(2,283.72)	(2,187.89)
Net receivables	**11,774.33**	**15,297.34**

** Ageing has been computed based on transaction date.*

(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, 2023	As at March 31, 2022
(a) Balances with banks in current accounts and deposit accounts		
(i) In Current account	143.12	1,216.85
(ii) In term deposits with banks (original maturities less than 3 months)	450.00	-
(b) Cash on hand	4.14	2.99
Total Cash and cash equivalents	**597.26**	**1,219.84**

Note 11.2 : Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks held as margin money and guarantees*	1,169.99	32.90
Deposits due to mature after three months but before twelve months from the reporting date	1,500.00	4,617.00
Total other bank balances	**2,669.99**	**4,649.90**
Total Cash and bank balances	**3,267.25**	**5,869.74**

* *Includes guarantee given in favour of National Stock Exchange of India Limited and Director General of Foreign Trade.*

Note 12: Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	No. of Shares		Rs in lakhs	
AUTHORISED :				
Equity shares:				
Equity shares of Rs.2/- each	16,00,00,000	16,00,00,000	3,200.00	3,200.00
ISSUED :				
Equity shares of Rs.2/- each	12,30,52,989	9,63,33,405	2,461.06	1,926.67
SUBSCRIBED AND FULLY PAID UP :				
Equity shares of Rs.2/- each	12,30,52,989	9,63,33,405	2,461.06	1,926.67

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Pursuant to shareholders' approval at the Extraordinary General Meeting held on November 15, 2021, the Holding Company sub-divided each equity share of face value of Rs. 10/- into five equity shares of face value of Rs. 2/- per share, with effect from the record date of December 10, 2021.

The Holding Company has increased its Authorised Share Capital from Rs. 2,300 lakhs to Rs. 3,200 lakhs vide shareholders' approval at the Extraordinary General Meeting held on November 15, 2021.

The Holding Company has completed the Initial Public Offer (IPO) of 3,59,28,869 Equity shares of face value of Rs. 2/- each at an issue price of Rs. 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 672,000 CCDs into 6,940,715 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.

Note 12.1 Reconciliation of number of shares

Particulars	Year ended 2022-23		Year ended 2021-22	
	No. of Shares	Amount (Rs. In lakhs)	No. of Shares	Amount (Rs. In lakhs)
Balance at the beginning of the year	9,63,33,405	1,926.67	1,92,66,681	1,926.67
Adjustment for Sub-Division of Equity Shares	-	-	7,70,66,724	-
Conversion of CCD	69,40,715	138.81		
Fresh issue of shares - IPO & adjustement for OFS	1,97,78,869	395.58	-	-
Balance at the end of the year	**12,30,52,989**	**2,461.06**	**9,63,33,405**	**1,926.67**

Note 12.2: Terms / Rights attached to Equity Shares

The Holding Company has only one class of Equity shares having a par value of Rs.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.

(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	Year ended 2022-23		Year ended 2021-22	
	No of shares held	%	No of shares held	%
Mr. P. Ranjit	2,66,57,197	21.66%	2,66,57,197	27.67%
Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP)	3,76,93,219	30.63%	3,94,58,790	40.96%
SBI Small cap Fund	95,65,772	7.77%	-	0.00%
India Resurgence Fund Scheme - II	76,46,141	6.21%	1,17,42,530	12.19%

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, 2023			As at March 31, 2022		
	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	16,08,768	1.31%	-21.56%	16,08,768	1.67%	-13.00%
Mr. P. Ranjit	2,66,57,197	21.66%	-21.71%	2,66,57,197	27.67%	13.00%
Chemikas Specialty LLP (formerly known as Goodearth Fertilisers Company LLP)	3,76,93,219	30.63%	-25.22%	3,94,58,790	40.96%	-

Note 12.4: The Holding Company has issued Stock options to employees under ESOP Scheme 2022. (Refer Note 33D)

Note 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, 2023.

Note 12.6: The loans from the following promotors were converted into equity shares of Rs.10 each with a premium of Rs.38.41 per share in the financial year 2018-19.

Name of the shareholder	Unsecured loan	Issue price per share (Rs.)	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
Total	**4,486.00**		**92,66,681**	**3,559.33**

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 13: Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
a Securities premium	92,837.63	15,085.52
b Retained earnings (Net of other comprehensive income)	47,045.52	361.08
c Equity component of compulsorily convertible debentures	-	455.29
d Debenture Redemption Reserve	-	8,400.00
e Shares Outstanding Account	757.77	-
	1,40,640.92	**24,301.89**

Details to other equity

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Securities premium		
Balance at the beginning of the year	**15,085.52**	**15,085.52**
Add : Premium on shares issued during the year	80,637.61	-
Less: Adjustment of Share Issue Expenses	(2,885.50)	
Balance at the end of the year	**92,837.63**	**15,085.52**
(b) Retained earnings		
Balance at the beginning of the year	**361.08**	**(10,069.71)**
Profit attributable to the owners of the company	38,284.44	18,830.79
Transferred from Debenture Redemption Reserve	8,400.00	-
Transferred to Debenture Redemption Reserve	-	(8,400.00)
Balance at the end of the year	**47,045.52**	**361.08**
(c) Equity component of Compulsorily convertible debentures		
Balance at the beginning of the year	**455.29**	455.29
Changes during the year	(455.29)	-
Balance at the end of the year	**-**	**455.29**

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(d) Debenture Redemption Reserve		
Balance at the beginning of the year	8,400.00	-
Transferred during the year	(8,400.00)	8,400.00
Balance at the end of the year	**-**	**8,400.00**
(e) Share Options Outstanding Account		
Balance at the beginning of the year	-	-
Transferred during the year	757.77	-
Balance at the end of the year	**757.77**	**-**
Total Other equity	**1,40,640.92**	**24,301.89**

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.

(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.

(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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
Non convertible debentures	-	84,000.00	-	-
Term Loans				
- from Banks	78.80	95.97	16.95	56.88
- from Others	-	187.32	53.46	148.22
Loans repayable on demand from Banks				
- from Banks	-	-	2,000.00	-
Total	**78.80**	**84,283.29**	**2,070.41**	**205.10**

Note:

a) Post IPO, the Holding Company has redeemed Non - Convertible debentures on November 19,2022. The delisiting of redeemed debentures from BSE was completed on January 02,2023.

b) 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 ₹ 672 lakhs, which was paid at the time of allotment of CCDs.

c) 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 way of hypothecation of specific vehicle.

d) 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.

e) Loan repayable on demand from Banks: The Loan is secured by

   a) Exclusive charge on fixed deposits of Rs.15 Crs,

   b) Second pari paasu 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

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	4,789.32	5,235.00
Current Borrowing (Working Capital Loan)	2,000.00	-
Non - Current Borrowing plus Current maturities of long term debt And liability portion of CCD (Including the Interest accrued and not due on borrowings - non current)	149.21	92,187.33
Total	**6,938.53**	**97,422.33**

(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**
Cash Flows				
- 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)
Debt as at March 31, 2023	**2,000.00**	**149.21**	**4,789.32**	**6,938.53**

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, 2021	**931.21**	**96,950.89**	**4,508.46**	**1,02,390.56**
Cash Flows				
- Proceeds	-	198.14	-	198.14
- Repayments	(931.21)	(528.76)	(1,242.36)	(2,702.33)
Non-cash Transactions			1,236.53	1,236.53
Interest expense	118.06	15,223.36	732.37	16,073.79
Interest paid	(118.06)	(19,656.30)	-	(19,774.36)
Debt as at March 31, 2022	**-**	**92,187.33**	**5,235.00**	**97,422.33**

(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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Liability on right to use assets under IND As 116 - Refer note 36	3,571.20	4,548.95	1,218.12	686.05
Total	**3,571.20**	**4,548.95**	**1,218.12**	**686.05**

Note 16: Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
a. Compulsorily convertible debentures carried at amortised cost	-	323.94	-	-
b. Interest accrued and not due on borrowings	-	7,375.00	-	-
c. MD Commission Payable	-	-	1,861.50	-
d. Payable towards procurement of capital assets	-	-	199.07	443.17
e. Employee benefits payable	-	-	58.13	35.88
f. Retention money	-	-	26.23	10.48
Total	**-**	**7,698.94**	**2,144.93**	**489.53**

Note 16.1: Derivative liabilities

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Fair value of futures contract	-	-	-	3.91
Total	**-**	**-**	**-**	**3.91**

(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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
a Customer advances	-	11,822.95	1,690.19	4,692.41
b Statutory remittances	-	-	252.89	169.97
	-	**11,822.95**	**1,943.08**	**4,862.38**

Note 18: Current Tax Liabilities (Net)

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for Taxation	-	-	2,362.62	-
Less: Advance Tax and Tax Deducted at source	-	-	(2,079.25)	-
Total	**-**	**-**	**283.37**	**-**

Note 19: Deferred tax balances

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	953.77	10,542.46
Deferred tax liabilities	(12,468.42)	(11,498.46)
Net Deferred Tax Asset / (Liability)	**(11,514.65)**	**(956.00)**

Note: Includes DTA of Rs.30.81 lakhs belonging to subsidiary Company

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

2022-23	Opening balance	Recognised in profit or loss	Recognised in other comprehensive	Closing balance
Deferred tax asset / (liabilities) in relation to :				
Deferred tax liabilities:				
Property plant and equipment	(11,498.46)	(969.96)	-	(12,468.42)
Deferred tax assets:				
Carried forward loss	9,759.26	9,728.34	-	30.92
Provision for Employee benefits	-	(9.59)	9.59	-
Disallowance u/s 40(a)	-	-	-	-
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
Net Deferred Tax Asset / (Liability)	**(956.00)**	**(10,549.06)**	**9.59**	**(11,514.65)**

2021-22	Opening balance	Recognised in profit or loss	Recognised in other comprehensive	Closing balance
Deferred tax asset / (liabilities) in relation to :				
Deferred tax liabilities:				
Property plant and equipment	(10,573.90)	(924.56)	-	(11,498.46)
Deferred tax assets:				
Carried forward loss	15,162.05	5,402.79	-	9,759.26
Provision for Employee benefits	-	(3.32)	3.32	-
Disallowance u/s 40(a)	2.37	2.37	-	-
Provision for Doubtful Debts / Advances	675.41	124.87	-	550.54
DTA on timing differences on ROU assets and liabilities	63.30	(169.36)	-	232.66
Net Deferred Tax Asset / (Liability)	**5,329.23**	**(6,281.91)**	**3.32**	**(956.00)**

(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, 2023	As at March 31, 2022
Provision for Gratuity	-	33.83
Provision for Leave encashment	4.79	-
Total	**4.79**	**33.83**

Note 20.2: Provisions - Current

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Leave encashment	0.03	41.46
Provision for Gratuity	25.67	41.00
Total	**25.70**	**82.46**

Note 21: Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
Amount dues to micro enterprises and small enterprises - Refer Note 38	1,796.83	242.25
Dues of creditors other than micro enterprises and small enterprises	7,758.67	10,987.07
Total	**9,555.50**	**11,229.32**

Note 21.1: Trade payables are non-interest bearing and are normally settled as per due dates.

Note 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, 2023

Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1,796.83	-	-	-	1,796.83
Others	7,362.10	236.36	10.45	149.76	7,758.67
Disputed MSME	-	-	-	-	-
Disputed dues others	-	-	-	-	-

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Outstanding as at March 31, 2022

Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	242.25	-	-	-	242.25
others	10,788.48	39.37	11.15	148.07	10,987.07
Disputed MSME	-	-	-	-	-
Disputed dues others	-	-	-	-	-

Note 22: Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sales of Products		
Domestic sales	39,454.59	33,470.43
Export sales	1,04,502.79	79,488.00
(b) Other operating revenues		
Export Incentives	0.13	-
Scrap sales	149.08	85.28
Total	**1,44,106.59**	**1,13,043.71**

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 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.

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue by Geography		
India	39,603.80	33,555.71
Rest of the world	1,04,502.79	79,488.00
Total revenue from contracts with customers	**1,44,106.59**	**1,13,043.71**
Revenue by offerings		
Manufactured goods		
(a) Marine chemicals		
Salt	72,812.70	51,289.95
Bromine	70,839.22	60,528.49
Sulphate of Potash	305.59	1,139.99
(b) Others	149.08	85.28
Total revenue from contracts with customers	**1,44,106.59**	**1,13,043.71**

Note 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, 2023	Year ended March 31, 2022
Interest income on bank deposits (at amortised cost)	413.59	136.24
Profit on sale from mutual funds	245.33	89.65
Income on mutual funds due to change in fair value	132.65	36.21
Insurance Claim received	1,569.11	
Miscellaneous income	683.40	96.82
Write back of payables	-	269.02
Provision no longer required	-	369.99
Profit on sale of fixed assets	5.47	2.12
Net gain on exchange fluctuation	1,277.58	238.96
Total	**4,327.13**	**1,239.01**

(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, 2023	Year ended March 31, 2022
Opening Stock of Raw Materials	430.76	535.90
Add: Purchases	4,474.70	4,383.15
Less: Closing Stock of Raw Materials	335.06	430.76
Consumption of raw materials	**4,570.40**	**4,488.29**

Note 25: Changes in Inventories of finished goods, work-in-progress and stock in trade

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Stock:		
Work-in-progress	5,403.04	4,161.27
Finished goods	4,666.82	5,352.39
Closing Stock:		
Work-in-progress	6,104.30	5,403.04
Finished goods	8,705.74	4,666.82
(Increase)/Decrease in Stocks	**(4,740.18)**	**(556.20)**

Note 26: Employee benefits expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	6,965.01	3,613.87
Staff welfare	53.41	28.17
Contribution to provident and other funds	186.28	142.15
Total	**7,204.70**	**3,784.19**

Note 27: Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on debentures	8,000.89	15,198.81
Interest on working capital borrowings	581.76	107.90
Interest on finance lease	812.70	732.37
Effective interest on CCDs carried at amortised cost	-	34.71
Bank charges	294.97	78.22
Interest on delayed payment of taxes	5.58	14.87
Total	**9,695.90**	**16,166.88**

(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, 2023	Year ended March 31, 2022
Depreciation on Property, plant and equipment and Right on Usage of assets pertaining to continuing operations	6,858.68	6,682.54
Amortisation of intangible assets	4.66	3.65
Total	**6,863.34**	**6,686.19**

Note 29: Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	2,573.42	2,322.22
Power and fuel	13,419.39	10,226.95
Rent expense	31.22	43.54
Travelling and conveyance	567.18	496.60
Repairs and maintenance		
- Buildings	100.69	164.24
- Plant and Machinery	829.38	830.26
- Others	720.98	443.97
Insurance	1,074.90	1,009.67
Rates and taxes, excluding taxes on income	92.12	220.02
Packing, Despatching and Freight	46,234.53	36,072.42
Loading charges	4,045.76	4,017.54
Hire charges - equipment	720.18	795.99
Printing and stationery	17.85	17.10
Communication expenses	49.74	47.06
CSR expenses (Refer Note 29.2)	131.32	102.79
Auditor's remuneration (Refer Note 29.1)	51.43	54.26
Legal and professional charges	711.61	1,202.40
Selling and distribution expenses	1,308.11	388.46
Provision for doubtful debts and advances	279.23	-
Administration expenses	270.10	156.60
Total	**73,229.14**	**58,612.09**

(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, 2023	Year ended March 31, 2022
Statutory auditor's:		
(a) For services as auditors*	38.40	41.10
(b) Tax audit	8.00	5.85
(c) For other services	4.00	6.00
(d) For reimbursement of expenses	1.03	1.31
Total	**51.43**	**54.26**

* Including audit fees of Subsidiary Company

Note: Payment to Statutory Auditors towards Certification Services on account of IPO (Rs.105 Lakhs) has been adjusted against Securities premium.

Note 29.2: Expenditure incurred for Corporate social responsibility

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent under section 135 of the Companies Act, 2013	213.36	75.85
Amount spent during the year on:		
i) Construction/acquisition of an asset	-	-
ii) Purposes other than (i) above	153.27	102.79

Details of Excess CSR expenditure Under Section 135 (5) of Companies Act, 2013

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance Excess Spent as on first day of Previous Year	82.04	55.10
Amount Spent during the year	153.27	102.79
Amount required to be Spent during the year	213.36	75.85
Balance Excess Spent as on last day of Previous Year	21.95	82.04

Of the total Amount of Rs. 153.27 lakhs, Rs.119.66 spent is paid to Archean Foundation for CSR Activities

Nature of CSR activities: Medical camp and Water distribution and other charity activities.

(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, 2023	Year ended March 31, 2022
Income tax expense		
Current tax		
- Current tax	2,362.62	-
- (Excess) provision for tax relating to prior years	-	(1.55)
Deferred tax		
In respect of the current period/year	10,549.06	6,281.91
Total income tax expense	**12,911.68**	**6,280.36**

Note 30.2: Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(9.59)	(3.32)
Total income tax recognised in other comprehensive income	**(9.59)**	**(3.32)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(9.59)	(3.32)
Items that may be reclassified to profit or loss	-	-
Total income tax recognised in other comprehensive income	**(9.59)**	**(3.32)**

Note 30.3: The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit / (Loss) before tax	51,167.60	25,101.28
Income tax expense calculated at 25.17%	12,878.88	6,317.99
Tax adjustment:		
(a) other impacts due to permanent allowances / disallowances as per IT Act	34.31	30.56
(b) Effect of other adjustments / disallowances	(1.51)	(68.19)
Income tax expense recognised in profit or loss	**12,911.68**	**6,280.36**
Effective Tax Rate	**25.23%**	**25.02%**

(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.

Note 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, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
India	39,603.80	33,555.71	1,17,840.62	1,13,266.36
Rest of the world	1,04,502.79	79,488.00	-	-
Total	**1,44,106.59**	**1,13,043.71**	**1,17,840.62**	**1,13,266.36**

** 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

One external customer contributed more than 10% of total revenues of the Company. The share of the revenue for the year ended March 31, 2023 is 23.4%, 20.6% for the year ended March 31, 2022.

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 32: Basic and Diluted earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic Earnings per share (Rs. 2/- each)	34.66	18.22
Diluted Earnings per share (Rs. 2/- each)	34.59	18.22
Face value per equity share (in Rs. 2/- each)	2.00	2.00

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, 2023	Year ended March 31, 2022
Profit for the year after tax	38,255.92	18,820.92
Adjustment: Coupon interest on Compulsorily Convertible Debentures ("CCDs"), net of tax	-	0.03
Profit for the year attributable to owners of the Group	38,255.92	18,820.95

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, 2023	Year ended March 31, 2022
Weighted average number of equity shares used in the calculation of basic earnings per share	11,03,72,837	9,63,33,405
Adjustment:		
Compulsorily Convertible Debentures ("CCDs")	-	69,40,715
Weighted average number of equity shares used in the calculation of basic earnings per share	11,03,72,837	10,32,74,120
Adjustment:		
Employee Stock Options	**2,35,784.67**	**-**
Weighted average number of equity shares used in the calculation of diluted earnings per share	**11,06,08,622**	**10,32,74,120**

(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 Rs. 148.28 lakhs (Previous year ended March 31, 2022 - Rs. 124.22 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.

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Gratuity (Funded)	
	As at March 31, 2023	As at March 31, 2022
Present Value of obligations at the beginning of the year	**202.55**	**203.84**
Current service cost	33.35	40.38
Interest Cost	12.34	12.35
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	(35.30)	(11.41)
Benefits paid	(4.78)	(42.61)
Liabilities assumed / (transferred)	-	-
Present Value of obligations at the end of the year	**208.16**	**202.55**
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of the year	**127.72**	**121.65**
Interest Income	7.78	7.37
Expected Return on plan assets	2.81	1.78
Contributions from the employer	48.96	39.53
Benefits Paid	(4.78)	(42.61)
Actuarial gain/ (loss) on plan assets		
Fair Value of plan assets at the end of the year	**182.49**	**127.72**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amounts recognized in the Balance Sheet		
Present value of projected benefit obligation at the end of the year	(208.16)	(202.55)
Fair value of plan assets at end of the year	182.49	127.72
Funded status of the plans - Liability recognised in the balance sheet	**(25.67)**	**(74.83)**
Provision for Gratuity - Non current liability	**-**	**(33.83)**
Provision for Gratuity - current liability	**(25.67)**	**(41.00)**

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Components of defined benefit cost recognised in profit or loss		
Current service cost	33.35	40.38
Net Interest Expense	12.34	12.35
Interest Income	(7.78)	(7.37)
Net Cost in Profit or Loss	**37.91**	**45.36**
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	(35.30)	(11.41)
Return on plan assets	(2.81)	(1.78)
Net Cost in Other Comprehensive Income	**(38.11)**	**(13.19)**

Assumptions	As at March 31, 2023	As at March 31, 2022
Discount rate	7.20%	6.09%
Expected rate of salary increases	13.00%	13.00%
Expected rate of attrition	35.00%	20.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Average Expected Future service	2 years	4 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.

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

(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.

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 (Rs. in lacs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate		
- 1% increase (+100 BP)	(3.96)	(8.34)
- 1% decrease (-100 BP)	4.19	9.19
Salary growth rate		
- 1% increase (+100 BP)	3.38	7.48
- 1% decrease (-100 BP)	(3.28)	(7.05)
Attrition rate		
- 1% increase (+100 BP)	(1.30)	(3.02)
- 1% decrease (-100 BP)	1.35	3.28

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 Rs. 47.18 lakhs (2021-22: Rs. 41.00 lakhs).

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

C. Long Term Compensated Absence

The compensated absences cover the Company's liability for earned leave & Sick leave.

Assumptions	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.20%	6.09%
Expected rate of salary increases	13.00%	13.00%
Expected rate of attrition	35.00%	20.00%

D. Share Based Payments

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committe 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, 2023	Year ended March 31, 2022
Options outstanding at the beginning of the year	-	-
Granted during the year	4,91,400.00	-
Forfeited/Expired during the year	-	-
Exercised during the year	-	-
Options outstanding at the end of the year	4,91,400.00	-

Each Employee Stock Options converts into one equity share at an exercise price of Rs. 2 per share. The fair value of options granted as on the date of grant is Rs. 407.

An amount of Rs. 757.77 lakhs has been recognized as employee stock options expenses in statement of profit or loss.

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 34: Financial Instruments

Note 34.1: Capital management

The Group manages it's 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, 2023	As at March 31, 2022
Debt *	2,149.21	92,187.33
Cash and bank balances	3,267.25	5,869.74
Net debt	(1,118.04)	86,317.59
Equity	1,43,101.98	26,228.56
Total Equity**	1,43,101.98	26,228.56
Net debt to equity ratio (in times)	-0.01	3.29

** 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, 2023	As at March 31, 2022
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
a) Financial assets measured at fair value - Mutual fund investments	21,007.73	1,120.96
b) Financial assets measured at fair value - Derivative Instruments	4.60	-
Measured at amortised cost		
a) Cash and bank balances	3,267.25	5,869.74
b) Other financial assets at amortised cost	15,637.82	16,983.41
Financial liabilities		
a) Measured at amortised cost	13,849.64	1,03,906.18
b) Measured at FVTPL	4,789.32	5,238.91

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 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.

Note 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.

Note 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 (Rs). 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, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	FC	INR	FC	INR
EUR	0.90	80.56	0.88	74.39
GBP	0.01	0.95	0.00	0.01
SGD	0.01	0.45	-	-
USD	8.11	666.58	224.00	16,981.13
Total		**748.54**		**17,055.53**

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Currency	Assets as at			
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	FC	INR	FC	INR
EUR	4.52	405.32	11.84	1,002.18
AED	-	-	0.06	1.24
USD	99.36	8,168.84	237.15	17,977.94
Total		**8,574.16**		**18,981.36**

Note 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, 2023	Year ended March 31, 2022
Financial Assets (A)		
USD	408.44	898.90
EUR	20.27	50.11
Financial Liabilities (B)		
USD	33.33	849.06
EUR	4.03	3.72
Total (A) - (B)	391.35	96.23

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 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.

(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 Group's 'Profit for the year ended March 31, 2023 would not have any impact as there are no liabilities with floating rate as on March 31, 2023. This is mainly attributable to the Group'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 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 2022-23 except for two customers whose outstanding balance was Rs.3632.16 Lakhs. (FY 2021-22 - Nil).

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 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 33.9.2 below sets out details of facilities that the Group has at its disposal.

Note 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.

(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, 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
Interest accrued but not due on borrowings	-	-	-	-	-	-	-
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

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, 2022

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	-	11,229.32	-	-	-	11,229.32	11,229.32
Interest accrued but not due on borrowings	-	-	-	7,375.00	-	7,375.00	7,375.00
Others	-	493.44	-	-	-	493.44	493.44
Finance lease liability	-	1,446.58	2,849.06	1,687.76	8,749.25	14,732.65	5,235.00
Fixed interest rate instruments	16.95%	245.73	84,282.60	22.40	323.94	84,874.67	84,812.33

(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, 2023	As at March 31, 2022
Non-interest bearing	11,700.43	11,722.76
Finance lease liability	4,789.32	5,235.00
Fixed interest rate instruments	2,149.21	92,187.33
	18,638.96	1,09,145.09

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
As at March 31, 2023					
Investments	21,007.73	-	-	-	21,007.73
Security Deposits	1,537.24	-	-	101.38	1,638.62
Export benefits receivable	-	-	-	-	-
Trade Receivables	11,774.33	-	-	-	11,774.33
Total Cash and bank balances	3,267.25	-	-	-	3,267.25
Others	94.39	57.08			151.47
Bank Deposits	-	2,035.16	-	-	2,035.16
Loans	42.84	-	-	-	42.84
As at March 31, 2022					
Investments	1,111.95	9.01	-	-	1,120.96
Security Deposits	1,214.83	-	-	120.10	1,334.93
Export benefits receivable	226.12	-	-	-	226.12
Trade Receivables	15,297.34	-	-	-	15,297.34
Others	18.61	59.61	-	-	78.22
Loans	46.80	-	-	-	46.80
Cash and Cash Equivalents	5,869.74	-	-	-	5,869.74

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.

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 34.9.2: Financing facility

As per the debenture trust deed, NCD's of Rs. 73,970 lakhs issued under tranche I programme during the year 2018-19 and the Group has issued NCDs worth of Rs.4,030 lakhs under tranche III programme and NCDs worth Rs. 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 delisiting of redeemed debentures from BSE was completed on January 02, 2023.

Note 34.10: Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Note 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, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Measured at fair value through profit or loss (FVTPL)					
Financial assets measured at fair value - Mutual fund investments	Level 1	21,007.73	21,007.73	1,120.96	1,120.96
Financial assets measured at fair value - Derivative Instruments	Level 1	4.60	4.60	-	-
Financial liabilities					
Lease Liabilities measured at FVTPL	Level 3	4,789.32	4,789.32	5,235.00	5,235.00
Derivative Instruments measured at FVTPL	Level 3	-	-	3.91	3.91

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.

(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. 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
	Bahuvidhaah 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
	Ms. Padma Chandrasekaran - Independent Director
	Mr. R.Raghunathan - CFO (CFO with effect from 1 June 2022)
	Mr. G Balaji - Company Secretary (resigned with effect from 30 Nov 2021)
	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 (appointed with effect from 12 May 2022)

(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, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Jakhau Salt Company Private Limited				
- Reimbursement of Jetty Expenses	419.98	356.19	(25.81)	(29.54)
- Reimbursement of Expenses	15.05	17.51	-	-
- Others	-	3.74	-	-
Bharath Salt Refineries Limited				
- Reimbursement of Expenses	19.98	(27.86)	-	-
- Purchase of traded goods	442.82	-	-	-
- Transportation charges receivable	-	15.81	-	-
Archean Salt Holdings Private Limited				
- Receivable	-	-	-	4.33
P. Ranjit				
- Office Rent (GDM)	43.76	49.51	(1,862.72)	(2.63)
Goodearth Maritime Private Limited				
- Receivable Bromine	-	-	50.00	50.00
- Provision for doubtful receivables	-	-	-	-
- Reversal of provision for doubtful receivables	-	(50.00)		
- Expenses towards jetty services	2,123.90	1,411.73	2,058.70	1,403.95
- Shipment Management fee expenses	500.75	667.35	-	-
- Reimbursement of expenses	576.67	428.66	-	-
Archean Industries Private Limited				
- Reimbursement of Expenses	-	14.41	14.41	14.41
Sea Salt Holdings Pte Limited				
- Receivable	-	-	1,099.00	755.16
- Provision for doubtful receivables	-	-	-	(137.73)
- Reversal of provision for doubtful receivables	(137.73)	-	-	-
- Reimbursement of expenses	62.27	-	-	-
- Sale of salt	3,534.08	2,871.19	-	-
Cloudgen Digital Private Limited				
- Others	-	0.17	0.30	0.17
Archean Foundation				
Towards CSR expenses	119.66	102.79	-	-
KGF Granites Private Limited				
- Reimbursement of Expenses	-	1.20	1.20	1.20

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

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, 2023	Year ended March 31, 2022
Employee benefits expense		
Mr. P Ranjit	2,476.13	476.08
Sitting Fees paid to directors	37.25	9.50
Mr. E Sairam	20.52	106.87
Mr.R Raghunathan	65.72	-
Mr.G Arunmozhi	25.08	-
Mr. G Balaji	-	20.78
Mr. Abhishek Pandey	0.99	2.08

Note 36: Lease arrangements

The Group leases many assets including land and buildings and machinery. Information about leases for which the Group is a lessee is presented below:

Right to use assets

Particulars	Land and Building	ISO tanks	Total
Balance as at March 31, 2021	**1,321.44**	**2,176.66**	**3,498.10**
Additions during the year	70.74	1,174.09	1,244.83
Disposals during the year	-	-	-
Depreciation charge for the year	78.22	609.27	687.49
Disposals during the year	-		-
Balance as at March 31, 2022	**1,313.96**	**2,741.48**	**4,055.44**
Additions during the year	1,264.35	-	1,264.35
Disposals during the year	-	-	-
Depreciation charge for the year	99.71	717.73	817.44
Disposals during the year	-		-
Balance as at March 31, 2023	**2,478.60**	**2,023.75**	**4,502.35**

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Lease Liabilities

Particulars	As at March 31, 2023	As at 31 March 2022
Maturity analysis - contractual undiscounted cash flows		
- Less than one year	1,836.59	1,446.58
- One to five years	3,503.20	4,536.82
- More than five years	8,100.03	8,749.25
Total undiscounted lease liabilities	**13,439.82**	**14,732.65**
Lease liabilities included in the financial statement as at		
- Current	1,218.12	686.05
- Non Current	3,571.20	4,548.95

Particulars	As at March 31, 2023	As at 31 March 2022
Amounts recognised in profit or loss		
- Interest on lease liabilities	812.70	732.37
- Expenses relating to short-term leases	31.22	43.54

The company's incremental borrowing rate is 17%

Movement of lease liabilities

Particulars	As at March 31, 2023	As at 31 March 2022
Balance at the beginning of the year	**5,235.00**	**4,508.46**
Lease liability on Ind AS 116 "Leases" adoption	-	-
Additions	-	1,239.99
Accretion of interest	812.70	732.37
Payments	(1,459.49)	(1,242.36)
Forex	201.11	(3.46)
Deletions	-	-
Balance at the end of the year	**4,789.32**	**5,235.00**

(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, 2023	As at March 31, 2022
Contingent liabilities		
a. Disputed Service tax, Sales tax, Income tax and Wealth tax dues under appeal (refer Note 37.1 (a))	654.68	1,705.47
b. Capital Commitments	9,842.51	233.46
Total	**10,497.19**	**1,938.93**

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, 2023	As at March 31, 2022
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	-
Income tax matters decided in the Company favour by appellate authorities for which department is in further appeal	FY 2012-13	ITAT	-	540.02
	FY 2013-14		-	500.75
EPCG Licence	FY 2013-14	DGFT	-	43.00
Total			**654.68**	**1,705.47**

Note: Closing balance of amount paid under protest Rs. 55.58 (March 31, 2022: Rs. 242.04)

Future cashflows in respect of the above matters are determinable only on receipts of judgments/decisions pending at various forums / authorities.

(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, 2023 and March 31, 2022 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.

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount remaining unpaid to any supplier at the end of each accounting year	1,796.83	242.19
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	0.06
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	-	0.06
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	-	0.06

Note 39: Events after the reporting date

Nil

Note 40: Others

A. On December 15, 2021, The class of the Holding Company has changed to Public limited from Private limited and the CIN changed to U24298TN2009PLC072270.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 and the CIN Changed to L24298TN2009PLC072270.

B. The Holding Company Shareholders vide their EGM resolution dated November 15, 2021 had approved the equity shares spilt in the ratio of 5 shares for every one share with face value revised from Rs. 10 per share to Rs. 2/- per share and the allotment carried out on December 16, 2021. Accordingly the EPS figures for current and comparative periods have been adjusted retrospectively as per Para 28 of IND AS 33, Earnings per share.

C. Acume chemicals private limited, wholly owned subsidiary of the Group incorporated on November 18, 2021.

D. 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.

E. The borrowings from banks and financial institutions have been used for the purposes for which it was taken at the balance sheet date.

F. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group and benami property.

G. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond statutory period.

H. The Group has not traded or invested in Crypto currency or virtual currency during the financial period.

I. 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.)

(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

J. 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 2022-23.

'Relationship with struckoff companies for the FY 2021-22 is as follows

Name of Struck off Company	Nature of Transactions	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Bharath Residual Industries Private Limited	Receivable	-	Debtor

K. Dividend of Rs.2.50 per equity share amounting to Rs.3076.32 Lakhs for the Financial Year 2022-23 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.

Note 41: Employee Stock Option Plan 2022 :

Pursuant to the resolution passed by the Board and resolution passed at the Nomination and 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 Group in accordance with Archean Chemical -Employee Stock Option Plan 2022. The Vesting Period of ESOP is between 12 months to 60 months. (Refer Note 33D)

Note 42: Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 26, 2023.

Note 43:

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.

Note 44:

The previous year figures have been regrouped / rearranged to conform to current period 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)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of Consolidated Net Assets	Amount	as % of Consolidated Profit	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
2022-23								
Parent								
Archean Chemical Industries Limited	99.8%	1,42,750.70	100.3%	38,364.18	100.0%	28.52	100.3%	38,392.70
Subsidiary								
Indian:								
Acume Chemicals Private Limited	0.2%	351.28	-0.3%	(108.26)	0.0%	-	-0.3%	-108.26
Total	**100.0%**	**1,43,101.98**	**100.0%**	**38,255.92**	**100.0%**	**28.52**	**100.0%**	**38,284.44**
2021-22								
Parent								
Archean Chemical Industries Limited	98.2%	25769.02	100.2%	18861.38	100.0%	9.87	100.2%	18,871.25
Subsidiary								
Indian:								
Acume Chemicals Private Limited	1.8%	459.54	-0.2%	(40.46)	0.0%	-	-0.2%	(40.46)
Total	**100.0%**	**26,228.56**	**100.0%**	**18,820.92**	**100.0%**	**9.87**	**100.0%**	**18,830.79**

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 26, 2023

For and on behalf of the Board of Directors

S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
Managing Director
DIN: 01952929

R. Raghunathan
Chief Financial Officer

G. Arunmozhi
Company Secretary

Place : Chennai
Date : May 26, 2023

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Archean
Chemical
Industries
Limited

Life's good with our Chemistry

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