

**Details of Familiarization Programmes imparted to Independent Directors
under Regulation 25(7) of SEBI (LODR) Regulations 2015**

Date of Program	Areas Covered
10.02.2023	1. Nature of the Industry 2. Business model of the listed entity 3. Roles , rights and Responsibilities of Independent Directors

S.No	Name of Independent Director	Number of Programmes attended		Number of hours spent by Independent Directors in such programme	
		2022-23	Cumulative till date	2022-23	Cumulative till date
1	Chittoor Ghatambu Sethuram	1	1	1	1
2	Kandheri Munaswamy Mohandass	1	1	1	1
3	Padma Chandrasekaran	1	1	1	1

Familiarization Programme under Regulation 25(7) of SEBI (LODR)

Regulations 2015

Nature of the Industry

Archean Chemical Industries Limited is a leading specialty marine chemical manufacturer in India and focused on producing and exporting bromine, industrial salt, and sulphate of potash to customers around the world.

Business model of the listed entity

Archean Chemical Industries Limited is a leading specialty marine chemical manufacturer in India and focused on producing and exporting bromine, industrial salt, and sulphate of potash to customers around the world. According to Frost & Sullivan, we are the largest exporter of bromine and industrial salt in India in Fiscal 2021 and have amongst the lowest cost of production globally in both bromine and industrial salt. We produce our products from our brine reserves in the Rann of Kutch, located on the coast of Gujarat, and we manufacture our products at our facility near Hajipur in Gujarat. As of December 31, 2022, we marketed our products to 27 global customers and to 25 domestic customers. Our bromine is used as key initial level materials, which have applications in the pharmaceuticals, agrochemicals, water treatment, flame retardant, additives, oil & gas and energy storage batteries. Industrial salt is an important raw material used in chemical industry for production of sodium carbonate (soda ash), caustic soda, hydrochloric acid, chlorine, bleaching powders, chlorates, sodium sulphate (salt cake) and sodium metal. Sulphate of potash is used as a fertilizer and also has medical uses.

The specialty marine chemicals industry in which we operate has high entry barriers, which include the high cost and intricacy of product development, manufacture, and investment in salt beds, the limited availability of raw materials necessary for production, the limited number of locations with a suitable climate and access to reserves, and the lead time and expenditure required for research and development and building customer confidence and relationships, which can only be achieved through a long gestation period.

Given the nature of the application of our products and the processes involved, our products are subject to, and measured against, high quality standards and sensitive and rigorous product approval systems with stringent impurity specifications. Further, because end products manufactured by our customers are typically subject to stringent regulatory and industry standards, any change in the vendor of the products may require significant time and expense for customers, which acts an entry barrier and disincentives any such change. Thus, customer acquisition is difficult and limits the number of competitors involved in the manufacturing of our products. According to Frost & Sullivan, we have cultivated strong relationships with its customers over the years, established a strategic and successful integrated manufacturing facility, and has proven to be a reputable producer with a track record of providing high quality products that is difficult to replicate.

Further, bromine and certain raw materials that we use in production are highly corrosive, hazardous and toxic chemicals. Therefore, handling these chemicals requires a high degree of technical skill and specialized expertise, and operations involving such hazardous chemicals must be undertaken only by personnel who are well trained to handle such chemicals. We believe that the level of technical skill and expertise that is essential for handling such

chemicals can only be achieved over a period of time, which creates entry barriers for new market entrants.

We believe our experienced personnel have the technical skill and expertise necessary for handling such products.

Additionally, we use brine from our own reservoirs as a raw material, which provides us with a cost advantage over other producers, creating further barriers for new entrants. Our existing brine fields were established over a period of three to four years before commercial cultivation was possible and, accordingly, the development time of brine reservoirs creates an entry barrier to potential domestic competitors. In addition, the Rann of Kutch brine fields are located in environmentally sensitive coastal areas which require a number of regulatory hurdles before production could be established.



Roles, rights, Responsibilities of Independent Directors

The Independent Directors shall-

1. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
9. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
10. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;

11. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
12. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
13. strive to attend the general meetings of the company;
14. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
15. keep themselves well informed about the company and the external environment in which it operates;
16. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
17. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
18. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
19. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
20. act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
21. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

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