

ARCHEAN CHEMICAL INDUSTRIES PRIVATE LIMITED

CIN: U24298TN2009PTC072270

Registered Office: No.2, North Crescent Road, T. Nagar, Chennai 600 017, Tamil Nadu, INDIA

12TH ANNUAL GENERAL MEETING NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the Shareholders of the Company will be held on Wednesday, the 29th December 2021 at 4.30 p.m. at the Registered Office of the Company at No.2, North Crescent Road, T. Nagar, Chennai 600 017 to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1

To consider and adopt the financial statements of the Company for the year ended 31st March 2021, including the audited Balance Sheet as at 31st March 2021 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the reports of the Board of Directors and Auditors.

Item No. 2

To appoint M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants who are retiring Auditors, being eligible offers themselves for re-appointment for a period of consecutive five years and to fix their remuneration.

To consider and, if thought fit, pass the following as an ordinary resolution:

RESOLVED THAT pursuant to Sections 139, 141 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/S. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration Number: 003990S/S200018), Chennai shall continue to hold the office as Auditors of the Company from the conclusion of this Annual General Meeting ('AGM') until the conclusion of the AGM to be held for the financial year 2025 – 2026, at such remuneration to be agreed between the Auditors and the Board of Directors of the Company for every financial year, subject to the Auditors complying with the legal and regulatory provisions and the eligibility criteria laid down under Section 139 of the Companies Act, 2013.

RESOLVED FURTHER THAT in addition, reasonable out-of-pocket expenses and taxes as applicable may be reimbursed to the Auditors including any other permissible services agreed between the Auditors and the Board of Directors of the Company from time to time.

SPECIAL BUSINESS:

Item No.3

To approve and regularize the appointment of Mr. C G Sethuram as Independent Director

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

RESOLVED THAT Mr. C G Sethuram (DIN 01081951), who was appointed as Additional Director in Independent Director capacity by the board on 6th December 2021 pursuant to the provisions of section 161 and other applicable provisions, if any, of the Companies Act 2013 read with the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Independent Director with effect from 6th December 2021 for a period of five years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such deeds, acts and things as may be required to give effect to this resolution including filing of e-forms with Ministry of Corporate Affairs

Item No.4

To approve and regularize the appointment of Mr. K M Mohandass as Independent Director

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

RESOLVED THAT Mr. K M Mohandass (DIN 00707839), who was appointed as Additional Director in Independent Director capacity by the board on 6th December 2021 pursuant to the provisions of section 161 and other applicable provisions, if any, of the Companies Act 2013 read with the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Independent Director with effect from 6th December 2021 for a period of five years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such deeds, acts and things as may be required to give effect to this resolution including filing of e-forms with Ministry of Corporate Affairs

Item No.5

To approve for Investments of Compulsory Convertible Preference Shares to the extent of Rs.200 Crores in the Capital of Archean Salt Holdings Private Limited

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

RESOLVED THAT the consent of the member of the Company be and is hereby accorded to invest /subscribe of Compulsory Convertible Preference Shares upto Rs. 200 Crores in Archean Salt Holdings Private Limited.

RESOLVED FURTHER THAT the members of the Company, Mr. E Sai Ram, Chief Financial Officer of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be required in this regard including filing of necessary e-forms with the Registrar of Companies.

Item No.6

TO APPROVE FOR CREATION, OFFER AND ISSUE OF 4,80,000 COMPULSORY CONVERTIBLE DEBENTURES (CCDS) HAVING A FACE VALUE OF RS.100/- EACH TO BE ISSUED ON RIGHTS BASIS

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

RESOLVED THAT pursuant to the provisions of Sections 42, 62, 71, 179 and all other applicable provisions, if any, of the Companies Act, 2013, read along with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules under the Companies Act, 2013, (including statutory modification(s), amendment(s) or re-enactment thereof and any circulars, notifications, clarifications, rules passed there under from time to time), subject to such other approvals, consents, sanctions, permissions, as may be necessary from all appropriate statutory and regulatory authorities, approval of the members be and is hereby accorded to create, offer, issue and allot upto 4,80,000 Compulsory Convertible Debentures (CCDs) having a face value of Rs.100/- aggregating to Rs. 4,80,00,000/- (Rupees Four Crore Eighty Lakhs only) on rights basis to the existing shareholders of the Company in proportionate to their shareholding on the following terms and conditions.

- i) That the offer shall be made by a notice specifying the number of CCD offered and limiting a time, not being less than 15 days and not more than 30 days from the date of the offer within which the offer shall be accepted or renounced.
- ii) That the Board of Directors can allot the CCD as per the acceptance or renouncement received from the shareholders.

- iii) That if any member declines to accept the CCD offered, the Board of Directors are empowered to dispose of such CCDs in the manner which is not disadvantageous to the shareholder and the Company.
- iv) That the proposed CCDs upon conversion of shares shall rank pari passu with the existing equity shares of the Company
- v) Upon conversion of CCDs into shares, each shareholder shall have a right to renounce or decline the shares offered to it or any of them in favour of any other person.

RESOLVED FURTHER THAT the draft Letter of Offer as placed before the meeting containing the terms of the Compulsory Convertible Debentures (CCDs) including its conversion terms, be and is hereby approved and any Director of the Company be and is hereby authorised to issue Letter of Offer to all the existing shareholders of the Company and to do all such acts, deeds and things as are necessary or expedient in this regard including but not limited to undertaking filing of requisite forms and documents with the concerned Registrar of Companies / Ministry of Corporate Affairs.

RESOLVED FURTHER THAT Mr. P. Ranjit, Managing Director, Mr. S.Meenakshisundaram, Director, Mr. E. Sai Ram, CFO be and are hereby severally authorized to sign and execute the agreement / documents in relation to issuance of Compulsory Convertible Debentures (CCDs) and do all such acts, deeds and things as they may in their sole and absolute discretion deem necessary or desirable in connection with the Issue or any matters incidental thereto including but not limited to the determination of timing of the Issue, amount, coupon / interest rate(s), yield, utilization of issue proceeds, allotment and other terms and conditions of the Issue.

RESOLVED FURTHER THAT Mr. P. Ranjit, Managing Director, Mr. S.Meenakshisundaram, Director, Mr. E. Sai Ram ,CFO be and are hereby severally authorized to finalize all the terms and conditions and the structure of the proposed CCDs, take such steps and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings and accept any alterations or modification(s) as it may deem fit and proper, approve allotment of the CCDs, and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the CCDs (and otherwise in relation to the issue of the CCDs in one or more tranches from time to time) and the utilization of the issue proceeds in such manner as may be determined by the Authorised Officer/s, subject however, to applicable laws, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit or as the may suo moto decide in its absolute discretion in the best interests of the Company.

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to the transaction document as may be required in connection with issuance of CCDs in presence of any Director of the Company who shall severally sign the same in token thereof.

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be taken out of the registered office of the Company or to any other place outside the State where the registered office of the Company situate, for the purpose of affixing the same to the transaction documents in presence of any Director of the Company who shall severally sign the same in token thereof.

RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorised to issue a 'certified true copy' of this resolution to the concerned authorities / parties as may be required from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to file necessary e-Forms with Registrar of Companies and to do all such acts, deeds or things which are necessary to give effect to this resolution.

Item No-7 To approve for issuance of Unlisted, Redeemable and Secured NCDs for a value not exceeding Rs. 250 Crores

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

Series B: 2500 unlisted, redeemable, non-convertible debentures having face value of Rs.10,00,000/- each to be issued at Rs.10,00,000/- each aggregating to Rs.250 crores

RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and all other applicable provisions, if any, of the Companies Act, 2013, read along with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules under the Companies Act, 2013 and subject to such other approvals, consents, sanctions, permissions, as may be necessary from all appropriate statutory and regulatory authorities, approval of the Board be and is hereby accorded to create, offer, issue and allot up to 2500 unlisted, rated, secured, redeemable and Non-Convertible Debentures (NCDs) having a face value of Rs.10,00,000/- per debenture with an issue price of Rs.10,00,000/- per debenture aggregating to Rs.250,00,00,000/- (Rupees Two Hundred Fifty Crores only) to the following proposed debenture holders as below;

Details of NCD holders:

Sl. No.	Name of the proposed NCD holders
1	India Resurgence Fund – Scheme I
2	India Resurgence Fund – Scheme II
3	Piramal Investment Advisory Services Private Limited

on a private placement basis on such terms and conditions as are specified in the draft Information Memorandum (IM) and other NCD documents thereof.

RESOLVED FURTHER THAT in connection with the issuance of Non-Convertible Debentures, the following documents viz.

1. Offer Letter in PAS-4
2. Debenture Trustee Appointment Agreement
3. Debenture Trust Deed for New Debentures
4. Amended and Restated Trust and Retention Account Agreement
5. Amended and Restated Pledge Agreement
6. POAs in relation to the Amended and Restated Pledge Agreement
7. Deed of Mortgage
8. Safe Custody Letter
9. Agency Letter
10. Deed of Hypothecation
11. New Demand Promissory Note
12. Pari passu letter between the Existing Debenture Trustee and the New Debenture Trustee
13. ARP Letters

and such other documents as may be required in connection with the NCDs (together referred to as **(Transaction Documents)**) as tabled at the Meeting be and are hereby approved.

RESOLVED FURTHER THAT the consent of the shareholders of the Company be and is hereby accorded for creation of security, charge on the assets of the Company as required under the Transaction Documents for the purpose of securing the NCDs.

RESOLVED FURTHER THAT Mr. P. Ranjit, Managing Director, Mr. S.Meenakshisundaram, Director, Mr. E. Sai Ram, CFO and Mr. R. Muralidharan, Authorised Signatory be and are hereby severally authorized to sign and execute the relevant Transaction Documents on behalf of the Company and do all such acts, deeds and things as they may in their sole and absolute discretion deem necessary or desirable in connection with the Issue or any matters incidental thereto including but not limited to the determination of timing of the Issue, amount, coupon / interest rate(s), yield, utilization of issue proceeds, allotment and other terms and conditions of the Issue.

RESOLVED FURTHER THAT Mr. P. Ranjit, Managing Director, Mr. S.Meenakshisundaram, Director, Mr. E. Sai Ram CFO, Mr. Rajeev Kumar and Mr. R. Muralidharan, Authorised Signatory be and are hereby severally authorized to finalize all the terms and conditions and the structure of the proposed NCDs, take

such steps and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings and accept any alterations or modification(s) as it may deem fit and proper, approve allotment of the NCDs, and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the NCDs (and otherwise in relation to the issue of the NCDs in one or more tranches from time to time) and the utilization of the issue proceeds in such manner as may be determined by the Authorised Officer/s, subject however, to applicable laws, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit or as the may suo moto decide in its absolute discretion in the best interests of the Company.

RESOLVED FURTHER THAT Mr. P. Ranjit, Managing Director, Mr. S.Meenakshisundaram, Director, Mr. E. Sai Ram CFO, Mr. Rajeev Kumar and Mr. R. Muralidharan, Authorised Signatory be and are hereby severally authorized to do all such acts, deeds mentioned herein as they may deem necessary in connection with the issue of the NCDs in one or more tranches from time to time and matters connected therewith including without limitation the following:

- i. to decide remuneration and appointment of intermediaries including without limitation depository, debenture trustee, TRA Monitoring agent and legal counsel required for the issue of NCDs in one or more tranches, from time to time.
- ii. to generally do any other act and / or deed, to negotiate and execute the fee letters and any other documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates and / or give such direction as they deem fit or as may be necessary or desirable with regard to the issue of the NCDs in one or more tranches, from time to time.
- iii. giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time.
- iv. seeking, if required, any approval, consent or waiver from the Company's lenders, and / or parties with whom the Company has entered into various commercial and other agreements, and / or any or all concerned government and regulatory authorities in India, and / or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the NCDs.
- v. to sign and submit all necessary papers and take all necessary steps in this regard including the payment of applicable stamp duty on the Transaction Documents, as the case may be, for issue of the NCDs in one or more tranches from time to time, together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents.
- vi. Finalization of and filing the information memorandum and any relevant tranche or standalone information memorandum for the issue of any tranche of NCDs, if any from time to time with, the Registrar of Companies, Chennai in accordance with the applicable laws and regulations;
- vii. authorizing of the maintenance of a register of holders of the NCDs as may be applicable or required;
- viii. entering into necessary arrangements for appointment of all such intermediaries and / or agencies as may be deemed appropriate to be involved or concerned in such offerings of NCDs from time to time and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such intermediaries and / or agencies and to do all such acts and things as may be necessary and expedient;
- ix. to do all acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolutions and to execute on behalf of the Company such deeds, documents, agreements and writings in this regard;
- x. to facilitate the issuance and to delegate authority to negotiate, modify, sign, execute, register and deliver the Transaction Documents and the Ancillary Documents as may be necessary or required for the aforesaid purpose including to sign and / or dispatch all forms, filings, documents and notices to be signed, submitted and /or dispatched by it under or in connection with the

documents to which it is a party as well as to accept and execute any amendments to the Transaction Documents and further to appoint intermediaries within the fee cap as approved by the Authorised Officers and execute consent letters, appointment letters, engagement letters and to do all such act, deed as may be necessary to appoint the intermediaries, to execute the Transaction Documents, issue debenture certificates to Investor, and do such other acts as are necessary for allotment of NCDs to open and operate such bank accounts, demat accounts, escrow account with banks, institutions or agencies as may be required as per the terms of the issue of the NCDs from time to time; and to do all such acts, deeds ,matters and things and sign all forms, agreements, other deeds, documents, undertakings, declaration, letters and such other papers as may be necessary, desirable and expedient in connection with the issue, allotment and admission on the Depository system from time to time, on behalf of the Company.

RESOLVED FURTHER THAT Mr. P. Ranjit, Managing Director, Mr. S.Meenakshisundaram, Director, Mr. E. Sai Ram CFO, Mr. Rajeev Kumar and Mr. R. Muralidharan, Authorised Signatory be and are hereby severally authorised to approve allotment of the NCDs to entities, bodies corporate, companies, banks, financial institutions and any other categories of eligible investors permitted to invest in the NCDs under applicable laws and issue the debenture certificates to the investors as well as to authorize any officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as such authorized person in his / her / its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of the NCDs.

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to the Transaction Documents as may be required in presence of any Director of the Company, who shall sign the same in token thereof.

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be taken out of the registered office of the Company or to any other place outside the State where the registered office of the Company situate, for the purpose of affixing the same to the Transaction Documents in presence of any two Directors of the Company who shall sign the same in token thereof.

RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorised to issue a 'true copy' of this resolution to the concerned authorities / parties as may be required from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to file necessary e-Forms with Registrar of Companies and to do all such acts, deeds or things which are necessary to give effect to this resolution.

Item No-8 To Increase the Borrowings Power of the Company

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

RESOLVED THAT pursuant to provisions of section 179(3)(d) and Section 180(1)(c) of the Companies Act 2013 and all other applicable provisions, if any, of the Companies Act, 2013, or such other Acts as may be applicable, including any statutory modification(s) or re-enactment thereof, for the time being in force and subject to such other permissions, consents and approvals, if any required from concerned authorities, bodies and agencies and subject to such conditions as may be prescribed by them, consent of the members of the Company be and is accorded to the Board for;

- Borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board may in its discretion think fit, subject to and in accordance with Shareholder's agreement dated 16th October 2018, and
- availing any "Financial Indebtedness" as defined in the Debenture Trust Deed dated 20th September 2018, from time to time any sum or sums of monies, which together with any financial indebtedness already borrowed by the Company (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more banks, financial institutions and other persons, firms, body corporate, whether in India or abroad.

Notwithstanding, that the money or monies to be borrowed or financial indebtedness to be availed by the Company together with the money already borrowed or financial indebtedness already availed, in excess of the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company or financial indebtedness to be availed together with the money already borrowed or financial indebtedness already availed shall not, at any time exceed Rs.1250/- Crores (Rupees One Thousand Two Hundred and Fifty Crores only).

RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act 2013, the powers of the borrowing limits of a private company is within the purview of the Board's power and hence the Board of Directors of the Company be and is hereby authorised to vary the borrowing limits of the Company from time to time without seeking the consent of the members of the Company.

RESOLVED FURTHER THAT the Board or person (s) authorized by the Board, be and is/ are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXIES NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY BEFORE THE SCHEDULED TIME OF THE EXTRA-ORDINARY GENERAL MEETING.**
2. A person can act as Proxy on behalf of members not exceeding fifty and holding not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
3. Relevant Explanatory Statement pursuant to Section 102 (2) of the Companies Act, 2013, in respect of special business set out in Item no. 1 to 2 above is annexed hereto.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Extra- Ordinary General Meeting.

For and On behalf of the Board



P Ranjit
Managing Director
DIN: 01952929

Place : Chennai
Dated : 6th December 2021

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

ITEM NO-3

The Board of Directors have appointed Mr. C G Sethuram (DIN 01081951) as an additional Director in the capacity of Independent Director Category at their meeting held on 6th December 2021 subject to approval of the members of the Company.

The Board hereby seeks the approval of the members of the Company for the appointment of Mr. C G Sethuram (DIN01081951) as an Independent Director of the Company with effect from 6th December 2021 for a period of 5 years.

Except the appointee, none of the Directors of the Company and their relatives are interested in the aforesaid business as set out in Item No. 3

ITEM NO-4

The Board of Directors have appointed Mr. K M Mohandass (DIN 00707839) as an additional Director in the capacity of Independent Director Category at their meeting held on 6th December 2021 subject to approval of the members of the Company.

The Board hereby seeks the approval of the members of the Company for the appointment of Mr. K M Mohandass (DIN 00707839) as an Independent Director of the Company with effect from 6th December 2021 for a period of 5 years.

Except the appointee, none of the Directors of the Company and their relatives are interested in the aforesaid business as set out in Item No. 4

ITEM NO-5

The Board of Directors of the Company at their meeting held on 12th October 2021 have approved to invest/subscribe of Compulsory Convertible Preference Shares upto Rs. 200 Crores in the capital of Archean Salt Holdings Private Limited, subject to the approval of the shareholders of the Company. Since, the limit of this investment exceeds sixty percent of the paid-up capital and free reserves of the Company or 100% of the free reserves of the company, it is proposed to obtain shareholders approval for the said investment

None of the Directors or their relatives is interested or concerned in this special resolution.

The Board of Directors recommends this Special Resolution for approval of the shareholders.

ITEM NO-6

The Board of Directors in their meeting held on 12th October, 2021 have approved the issuance of Compulsory Convertible Debentures to the extent of Rs.4.80 cores on rights basis to the existing shareholders of the Company in proportionate to their shareholding on the following terms and conditions.

- i) That the offer shall be made by a notice specifying the number of CCDs offered and limiting a time, not being less than 7 days and not more than 30 days from the date of the offer within which the offer shall be accepted or renounced.
- ii) That the Board of Directors can allot the CCDs as per the acceptance or renouncement received from the shareholders.
- iii) That if any member declines to accept the CCDs offered, the Board of Directors are empowered to dispose of such CCDs in the manner which is not disadvantageous to the shareholder and the Company.

- iv) That the proposed CCDs upon conversion of shares shall rank pari passu with the existing equity shares of the Company
- v) Upon conversion of CCDs into shares, each shareholder shall have a right to renounce or decline the shares offered to it or any of them in favour of any other person.

Disclosures with reference to proposed issue of Compulsory Convertible Debentures:

1	Objects of the issue	Funds for business operations
2	Total number of securities to be issued	4,80,000 CCDs
3	Price or price band	Rs.100 per CCD
4	Basis on which the price has been arrived at	Nil
5	Relevant date with reference to which the price has been arrived at	Nil
6	Class or classes of persons to whom the allotment is proposed to be made	On Right basis to existing shareholders
7	Intention of promoters, directors or key managerial personnel to subscribe to the offer	Nil
8	Proposed time within which the allotment shall be completed	Within 15 days from the date of issuance.
9	Name of the proposed allottees and the percentage of post preferential offer capital that may be held by them	Nil
10	The change in control, if any, in the company that would occur consequent to the preferential offer	Nil
11	The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price	Nil

There will not be change in the pre issue and post issue shareholding pattern of the Company pursuant to the issue of Compulsory Convertible Debentures. The change will occur only on the date of conversion.

The terms and conditions with respect to issuance of Compulsory Convertible Debentures including conversion terms, etc. are governed by the CCD Subscription Agreement.

None of the Directors or their relatives is interested or concerned in this special resolution.

The Board of Directors recommends this Special Resolution for approval of the shareholders.

ITEM NO-7

The Board of Directors at their meeting held on 12th October 2021 approved the issue unlisted, redeemable and secured 2500 Nos. of Non Convertible Debentures with a face value of Rs.10,00,000/- per debenture aggregating to Rs.250 crores pursuant to the restructuring arrangement with the Investors of the Company.

The following agreements / documents proposed to be executed in connection with the issuance of 2500 Nos. of unlisted, redeemable and secured Non Convertible Debentures.

1. Offer Letter in PAS-4
2. Debenture Trustee Appointment Agreement
3. Debenture Trust Deed for New Debentures
4. Amended and Restated Trust and Retention Account Agreement
5. Amended and Restated Pledge Agreement
6. POAs in relation to the Amended and Restated Pledge Agreement

7. Deed of Mortgage
8. Safe Custody Letter
9. Agency Letter
10. Deed of Hypothecation
11. New Demand Promissory Note
12. Pari passu letter between the Existing Debenture Trustee and the New Debenture Trustee
13. ARP Letters

The Board hereby seek the approval of the members of the Company by way of Special Resolution.

None of the Directors of the Company and their relatives are interested in the aforesaid business as set out in Item No. 7

ITEM NO-8

The Company proposed to issue Non Convertible Debentures to the extent of Rs. 250 crores by issuing 2500 unlisted, redeemable, non-convertible debentures having face value of Rs.10,00,000/- each to be issued at Rs.10,00,000/- each and to avail upto Rs.100 crores by way of working capital from Banks/Financial Institutions etc. To avail such borrowings, the borrowing power of the company needs to be increased from Rs. 1100 crores to Rs.1250 crores subject to shareholders's approval.

With reference to the above, Company intends to revise the borrowing limits of the Company which was passed earlier by the members of the Company in its meeting held on 27th September 2019.

The Board hereby seek the approval of the members of the Company by way of Special Resolution.

None of the Directors of the Company and their relatives are interested in the aforesaid business as set out in Item No. 8

For and On behalf of the Board



P Ranjit
Managing Director
DIN: 01952929

Place : Chennai
Dated : 6th December 2021

ARCHEAN CHEMICAL INDUSTRIES PRIVATE LIMITED
CIN: U24298TN2009PTC072270

ATTENDANCE SLIP

Folio No./DP ID: _____ Client ID: _____	No. of Shares held: _____
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I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the Twelfth Annual General Meeting of the Company No.2, North Crescent Road, T. Nagar, Chennai 600 017.

Member's Name _____	Proxy's Name _____
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Notes:

1. A Member entitled to attend & vote at the meeting is entitled to appoint a proxy to attend & vote on poll instead of him/her.
2. The proxy form duly signed across the revenue stamp should reach the Company's Regd. Office before the scheduled time of the meeting.

ARCHEAN CHEMICAL INDUSTRIES PRIVATE LIMITED

CIN: U24298TN2009PTC072270

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name(s) of the Member(s)	:	
Registered Address	:	
E-mail ID	:	
Folio no. / DP ID	:	
Client ID	:	

I/We, being the Member(s) of Archeon Chemical Industries Private Limited holding _____ Equity Shares hereby appoint:

Name		or failing him/ her	Name	
Address			Address	
Email ID			Email ID	
Signature			Signature	

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Twelfth Annual General Meeting of ARCHEAN CHEMICAL INDUSTRIES PRIVATE LIMITED to be held on 29th December 2021 at No.2, North Crescent Road, T. Nagar, Chennai 600 017 Tamil Nadu, INDIA and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
Ordinary Business	
1	To approve audited financial statements for the financial year ended 31 st March 2021
2	To appoint M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants who are retiring Auditors, being eligible offers themselves for re-appointment
Special Business	
3	To approve and regularize the appointment of Mr. C G Sethuram as Independent Director
4	To approve and regularize the appointment of Mr. K M Mohandass as Independent Director
5	To Approve for Investments in Compulsory Convertible Preference Shares to the extent of Rs.200 Crores in the capital of Archeon Salt Holdings Private Limited
6	To approve for creation, offer and issue of 4,80,000 Compulsory Convertible Debentures (CCDs) having a face value of Rs.100/- each to be issued on rights basis
7	To approve for issuance of Unlisted, Redeemable and Secured NCDs for a value not exceeding Rs. 250 Crores
8	To Increase the borrowing Power of Company

Signed this ____ day of _____, 2021

Signature of Shareholder_____
Signature of Proxy holders

AFFIX REVENUE STAMP

NOTE: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company before the commencement of the Meeting.

**ROUTE MAP FOR THE LOCATION OF THE TWELFTH ANNUAL GENERAL MEETING
TO BE HELD ON 29th December 2021**

No.2, North Crescent Road, T. Nagar, Chennai 600 017, Tamil Nadu, India



ARCHEAN CHEMICAL INDUSTRIES PRIVATE LIMITED
CIN: U24298TN2009PTC072270

DIRECTORS' REPORT (2020-21)

The Directors have pleasure in presenting their Twelfth Annual report on the business and operations of the Company and the financials for the year ended 31st March 2021.

1. Financial Performance

Summary of the financial statements for the year is given below

₹ in Lakhs

Particulars	Financial Year ended 31 March 2021	Financial Year ended 31 March 2020
Sales / Income from Business Operations	74076.43	60,817.07
Other Income	1402.56	828.78
Total Income	75478.99	61,645.85
Less: Expenses	66431.40	63,381.82
Profit / (Loss) before tax and Extraordinary / exceptional items	9047.59	(1,735.97)
Less: Extraordinary / exceptional items	-	-
Profit / (Loss) before tax	9047.59	(1,735.97)
Less: Current Income Tax	-	--
Less: Previous year adjustment of Income Tax	(1.20)	(47.64)
Less: Deferred Tax	2390.13	1,876.95
Net Profit / (Loss) after Tax	6658.66	(3,565.28)
Earnings per share (Basic)	32.24	(17.26)
Earnings per Share (Diluted)	32.24	(17.26)

For financial year 2020-21, the revenue from operations was ₹ 74,076.43 lakhs as against ₹ 60,817.07 lakhs during the last year 2019-20, with an increase of 22.44%. EBITDA for the year was at ₹ 27,625.19 lakhs compared to ₹ 15,631.45 lakhs for the previous year. Net Profit after tax for the year stood at ₹ 6,658.66 lakhs as against net loss after tax of ₹ (3,565.28) lakhs in the previous year.

2. Review of Business Operations and Future Prospects

a. Salt operations

Revenue from Industrial Salt segment reported a moderate increase of sales over the last year. This is attributable to better price realisation and increase in sales quantity. During the year under review, your Company increased the sales volume of salt and made deeper inroads into Chinese market. The company also started supplying salt to prestigious customers in Taiwan. Considering the outlook for Industrial Salt the company expects growth in volumes during the coming years.

b. Bromine

During the year under review, your Company has witnessed increase in the sales over the last year. The Company is confident to tap the Bromine market and will gear up its sales performance. Thanks to the inroads made by the company in the overseas market, India is now viewed as a reliable source for Bromine in the international markets.

The outlook for the business remains positive and your Company looks forward to increasing the Bromine production and sales during the coming years. With our competitiveness due to closeness to markets, good quality and freight advantage, your Company is confident of making further inroads into the market by adding new customers on both domestic as well as export front during the coming years

c. Sulphate of Potash (SOP):

During the year under review, the monthly SOP production showed more consistency than earlier year.

The SOP market is quite vibrant and your Company has broad based its clientele. Traditionally confined to Europe, today your company can boast of having customers across various countries like Belgium, UAE, Thailand and Morocco. The markets are also quite active and the company has been receiving enquiries from several markets. Your Company is engaged in continuous discussions with technology partners and trying to optimise the production to get the desired conversion ratios.

Business Outlook:

Under the present Covid-19 times, the entire world economy is under stress and it has created an unprecedented weak business scenarios across the globe. All countries in the World are fighting against Corona virus and struggling to revive the economy to the pre-Covid levels. On account of unremoved fear of Corona virus pandemic, there has been tremendous shortage of workforce across all the sectors for the production process. The operational performance of Q1 of 2020-21 was affected due to lock-down measures by the Government of India on account of Covid-19 .

Under this present scenario, the business outlook of the Company will be moderate and cautious and the Company would strive to maintain the existing levels of revenue and would explore all the avenues to improve sales and profitability. We are confident that we will overcome this crisis and bounce back with full energy and vigour.

3. Change in the nature of business, if any

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

4. Employee Stock Option Scheme

The Board have approved the Employee Stock Option Scheme (ESOP) for a maximum of 4,81,667 options and have also obtained the approval of the members of the Company in the Annual General Meeting held on 27th September 2019 and conferred power to the Board to identify the eligible employees and grant options in accordance with the Scheme.

Subsequent to the close of the year the board at its meeting held on 1st July 2021 has decided to cancel the ESOP approval obtained from the shareholders on 27th September 2019. The company may offer shares under the ESOP scheme in future under the provision of the Company Act, 2013

5. Non Convertible Debentures

Debenture Trustee

The Non Convertible Debentures issued by the Company were fully secured and the details of the Debenture Trustee of the Company as are as under:

Name of the Debenture Trustee : **IDBI Trusteeship Services Limited**
Registered Office : Asian Building, Ground Floor,
No.17, R Kamani Marg,
Ballard Estate, Mumbai – 400 001.

Listed with Bombay Stock Exchange (BSE)

The 8,400 Nos. of listed, redeemable and non convertible debentures of a face value of ₹10,00,000/- (Rupees Ten Lakhs only) amounting to ₹ 840 crores which were allotted to the debenture holders were listed with Bombay Stock Exchange as per details below:

Sl. No.	Tranche	No. of NCDs	Value of NCDs ₹ crores	Date of listing with BSE
1	Tranche I	7,397	739.70	7 th December 2018
2	Tranche III	403	40.30	21 st May 2019
3	Tranche II	600	60.00	26 th July 2019
	Total	8,400	840.00	

6. Adoption of IndAS

Since the Company is a debt listed Company, it has prepared and presented its standalone and consolidated financial statements for the financial year ended 31st March 2021 in accordance with the IndAS.

7. Details of Directors or KMP who were appointed or resigned during the year:

i) Change in the Composition of the Board

The following were the Board of Directors as on 31st March 2021:

Sl. No.	Name of the Director	DIN	Designation	Date of Appointment
1	Mr. P. Ranjit	01952929	Managing Director	27 th Nov 2018
2	Mr. S Meenakshisundaram	01176085	Director	24 th Mar 2010
3	Mr. Shantanu Nalavadi	02104220	Nominee Director	23 rd Nov 2018
4	Mrs. Padma Chandrasekaran	06609477	Independent Director	13 th Nov 2019
5	Mr. Vishal Kumar Gupta	02368313	Nominee Director	4 th September 2020

ii) Directors appointed during the year

During the year under review, the following director was appointed on the Board of the Company.

Sl. No.	Name of the Director	DIN	Designation	Date of appointment
1	Mr. Vishal Kumar Gupta	02368313	Nominee Director	4 th September 2020

iii) Directors resigned during the year

During the year under review, No Director has resigned from the Board.

iv) KMP resigned during the year

During the year under review, No Key Managerial Person has resigned from the Company.

8. Board of Directors

During the year under review, the Board of Directors met four times as per details given below:

Sl. No	Name of Director	No of Meetings Attended	Board Meeting dates & Attendance			
			4 th Sep 2020	21 st Dec 2020	4 th Feb 2021	31 st Mar 2021
1.	Mr. S Meenakshisundaram	4	Y	Y	Y	Y
2.	Mr. P Ranjit	4	Y	Y	Y	Y
3.	Mr. Shantanu Nalavadi	1	Y	N	N	N
4.	Mrs. Padma Chandrasekaran	2	Y	Y	N	Y
5.	Mr. Vishal Kumar Gupta	1	Y	N	N	N

Committees of the Board

The Board has the following committees and the Composition of the Committees of the Board as on 31st March 2021, are as under:

Sl. No	Name of the Committee	Composition of Committee
1.	Nomination Remuneration committee	1. Mr.S Meenakshisundaram 2. Mr Shantanu Nalavadi
2.	Stakeholder Relationship Committee	1. Mr.S Meenakshisundaram 2. Mr Shantanu Nalavadi
3.	Audit Committee	1. Mr.S Meenakshisundaram 2. Mr Vishal Kumar Gupta
4.	Corporate Social Responsibility Committee	1. Mr.S Meenakshisundaram 2. Mr Shantanu Nalavadi
5.	Management Committee	1. Mr. S. Meenakshisundaram 2. Mr. Shantanu Nalavadi 3. Mr. P Ranjit

Committee Meetings:

Except CSR and Audit Committee, no other Committee meeting was held the meeting during the period under review.

During the year under review, the CSR committee met once as per details below:

Sl. No	Name of Member	No of Meetings Attended	Date of Meeting	Directors Attended
1.	Mr. S Meenakshisundaram	1	14 th July 2020	Yes
2.	Mr. Shantanu Nalavadi	1		Yes

During the year under review, the Audit Committee has not met, since there were no financials considered.

9. Annual Return

The extract of Annual Return pursuant to provisions of section 92 read with rule 12 of Company (*Management and Administration*) Rules, 2014 is as per **Annexure I** to this report.

10. Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- a) in the preparation of the annual accounts for the financial year, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2020-2021 and of the profit of the company for that period ended on 31 March 2021;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. Declaration of Independent Directors:

The Company has received declarations from the Independent Director to the effect that they meet the criteria of independence as provided in Section 149 of the Companies Act 2013.

12. Statutory Auditors

Due to the resignation of M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants, Chennai, (FRN 117366W/W100018) on 9th July 2021, M/S. PKF Sridhar & Santhanam LLP, Chartered Accountants (*Firm Registration Number: 003990S/S200018*), appointed as Statutory Auditors of the Company on 13th July 2021 vide circular resolution passed by the Board of Directors and approved by the shareholders of the Company at the Extraordinary General Meeting of the Company held 16th July upto conclusion of the Twelfth Annual General Meeting.

The Company has received the consent letter from M/S. PKF Sridhar & Santhanam LLP, Chartered Accountants (*Firm Registration Number: 0039905/S200018*) dated 4th December 2021 to act as Statutory Auditors of the Company for a period of five years from the conclusion of the Twelfth Annual General Meeting until the conclusion of Seventeenth Annual General Meeting. The said appointment for a period of five years was as per Section 139 & 142 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014.

13. Cost Auditor

As per Rule 4 of the Companies (Cost Records and Audit) Rules 2014, appointment of Cost Auditor is not mandatory since the exports revenue is more than 75% of its total revenue. However, the Company is maintaining Cost Records as per Rule 3 of the Companies (Cost Records and Audit) Rules 2014.

14. Secretarial Auditor

M/s. HVS & Associates, Practicing Company Secretaries were appointed as Secretarial Auditors of the Company for the financial year 2020-2021 as required under Section 204 of the Companies Act 2013 and the rules made thereunder.

The Secretarial Audit Report issued by the Secretarial Auditor in Form MR-3 for the financial year 2020-21 is attached as **Annexure II** to this report.

The Board took note of the remarks on the Secretarial audit report regarding delay in appointment of Chief Financial Officer beyond six month period allowed under section 203(4) of the Companies Act, 2013. We write to inform you that due to Covid19 your company was not able to identify suitable person for the said post. However, your company appointed Chief Financial Officer on 4th September 2020.

15. 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 2021.

16. Comments by the Board on every qualification, reservation or adverse remark or disclaimer by the Statutory Auditors

There were no qualifications, reservations or adverse remarks in the report of the Statutory Auditors for the year under review.

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

The Board at its meeting held on 13th November 2019 had re-constituted a Nomination & Remuneration Committee under section 178 (1) of Companies Act, 2013. However Your Company is yet to devise a policy with respect to Directors appointment, payment of remuneration and discharge of their duties.

18. Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013

Details of Loans, Guarantees/Securities and Investments were provided in the financial statements of the company.

19 . Particulars of Contracts or arrangements made with Related Parties

All Contracts/ arrangements/ transactions entered by the Company during the year under review with related parties were in the ordinary course of business and on an arm's length basis. In order to avoid duplicity of information in the Annual report, the details regarding related party transactions during the year under review may please be read from Note No. 34 of the financial statements of the Company.

20. Transfer to Reserves

Company has transferred NIL amount to reserves during the year under review.

21. Dividend

No dividend was recommended during the year under review.

22. Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of 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 between the end of the financial year, i.e. 31st March 2021 to which these financial statements relate and to the date of this report.

23. Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo Section 134 (3)(m):

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	Company installed VFD's in pumps which operate at variable load, sizing of the pumps, trimming the impeller of pumps, replacement of high-capacity pumps with energy efficient pumps and new models for energy conservation. Annualized power savings will be in the tune of 3771 MW. On water conservation, company harvested the rainwater in the tune of 1.6 Mn m3 and consumed in process plant wherever possible. Also, company took initiatives to use the raw water & reject water in process instead of industrial water, which is the major milestone in water conservation.
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(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. Also company had took approval for connecting the plant with grid line which will help us to utilize power from grid and also power trading can be done with renewable power production units, which is the primary focus of the company
(iii)	the capital investment on energy conservation equipment's	Energy conservation is our primary focus. We connected the pump house PS-3 & PS-5 with overhead HT line from power plant. With this, one of the major power consumption pump house PS-5 got connected to HT line which reduced the diesel consumption. Currently all the pump stations of ACIPL are connected to HT line. This way we reduced the diesel consumption and also savings in the energy cost.

b. Technology absorption:

(i)	the effort made towards technology absorption	During financial year 20-21, company tied up with external firm for use of high NaCl feed stock in plant by introduction of flotation process. Samples were sent and trials are in progress at laboratory.
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	Use of High NaCl content KTMS in SOP plant. This will increase production and also yield.
(iii)	in case of imported technology (<i>imported during the last three years reckoned from the beginning of the financial year</i>) 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 2021	Financial Year ended 31st March 2020
Foreign Exchange Earnings	51,490.09	47,683.92
Foreign Exchange Outgo	7,394.62	14,299.26

24. Statement concerning development and Implementation of Risk Management Policy of the Company – Section 134 (3) (n):

During the year under review, your Directors have been entrusted with the responsibility of:

- (a) Overseeing and approving the Company's enterprise wide risk management framework; and
- (b) Overseeing that all the risks that the organisation faces such as strategic, financial, credit, market, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

Your Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management system, organizational structures, processes, standards, code of conduct governs how the Company conducts business and manages associated risks.

25. Details of policy developed and implemented by the company on its Corporate Social Responsibility Initiatives:

Your 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, though your company is not mandated to spend CSR activity, the company has carried out CSR activities during the year under review on a voluntary basis in the interest of Society.

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.

26. Annual evaluation of Board's Performance

Your Company has carried out annual evaluation of Board's performance during the year under review.

27. 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 during the year under review.

28. Subsidiaries/ Associates/ Joint Ventures

During the year under review your Company closed its overseas wholly owned subsidiary viz. *M/s. Marine Chemicals Trading Pte Ltd.*, Singapore and final order issued by the appropriate authority. The same was intimated to Reserve Bank of India through authorized Dealer of the Company.

29. Deposits

The Company has not accepted any deposits from its employees during the year under review. There were no other deposits falling under Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

30. 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.

31. 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 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 your Company has in all material respects adequate internal financial control systems over financial reporting and such internal financial controls over the financial reporting were operating effectively as on 31st March, 2020.

32. Constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace

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

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

33. Disclosure of composition of Audit Committee and providing Vigil Mechanism

A. Audit Committee

According to Section 177 of Companies Act, 2013 the company is not mandated to constitute an Audit committee but the Company has constituted based on internal regulations. The details of Audit Committee meetings held during the period under review were disclosed under point No.8 of this Report.

B. Vigil Mechanism

Your Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. Your Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct to Mr. P Ranjit, (DIN:01952929), Managing Director.

During the year under review, no employee was denied access to report violations of applicable laws and regulations and the Code of Conduct.

34. Particulars of ratio of Remuneration of each Director to the median of Employees remuneration and such other details as may be prescribed- Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:

- i) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year**

The ratio of remuneration of Mr. P. Ranjit, Managing Director to the median remuneration of employees is 91.47:1. None of the other directors were receiving remuneration from the Company.

- ii) **The percentage increase in the median remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**

There was no increase in the remuneration of Whole time Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2020-21 due to Covid -19 impact.

- iii) **The number of permanent employees of the Company**

There were 263 numbers of permanent employees in the Company as on 31st March 2021.

35. Details of top ten employees in terms of remuneration drawn and name of every employee: Rule 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014:

Pursuant to rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, the details regarding the employees who were in receipt of remuneration not less than eight lakh and fifty thousand rupees per month are disclosed hereunder.

Particulars	Mr. P. Ranjit	Mr. A Subramanyam	Mr. Vinod Gupta	Mr. E Sai Ram
Designation of the employee	Managing Director	Head of Operations	Chief Executive Officer (till 30.11.2020)	Chief Financial Officer
Remuneration received	324.72 Lacs	165.51 Lacs	190.49 Lacs	98.81 Lacs
Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent
Qualifications and experience of the employee	B.A. (Eco), New York University, MBA, The University of Chicago Booth School of Business.	Commerce Graduate	Chemical Engineer from IIT and has a Masters from IIM, Ahmedabad	CA, CS and LLB
Date of commencement of employment	14 th July 2009	14 th July 2009	8 th April 2019	27 th June 2018
The age of employee	47	66	50	56
The last employment held by the employee	Not applicable	Not applicable	Head Manufacturing initiatives at Reliance Industries Limited	Ganga Kaveri Seeds Pvt Ltd

The percentage of equity shares held by the employee in the company	14.67%	Nil	Nil	Nil
Whether employee is a relative of any director or manager of the Company	No	No	No	No

36. Compliance Certificate

A compliance Certificate as stipulated under regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements), 2015 is placed at **Annexure-IV** and forms part of the Directors' Report.

37. Corporate Governance

A detailed report on Corporate Governance as stipulated under regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements), 2015 is placed at **Annexure-V** and forms part of the Directors' Report.

38. Share Capital:

As on 31st March 2021, the Authorised Share Capital of the Company stood at Rs.23,00,00,000 divided into 2,30,00,000 Equity Shares of Rs.10/- each and the Paid-up Share Capital of the Company stood at Rs. 19,26,66,810 divided into 1,92,66,681 Equity Shares of Rs.10/- each.

- The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise during the year under review.
- The Company has not bought back any of its securities during the year under review.
- The Company has not issued any Sweat Equity Shares during the year under review.
- No Bonus Shares were issued during the year under review.
- The Company has not provided any Stock Option Scheme to the employees.
- There were no Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to which loan was given by the Company.
- Your Company has not issued any securities that are convertible into equity shares at a future date and nor any such shares are outstanding previously.
- As on 31st March 2021, none of the Directors of the Company held instruments convertible into equity shares of the company.

39. Credit Rating

As at 31 March 2021, ICRA Limited had given a credit rating of ICRA BB - (ICRA Double BB Minus) from ICRA B+ (ICRA B Plus) as on 27th January 2021.

40. Secretarial Standards

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

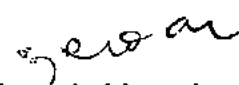
41. Acknowledgements:

The Directors wish to place on record their sincere thanks to the Bankers / financial institutions for their continued support and also the Joint Venture partners viz., Sojitz Corporation for their continued involvement and improvement of the business, the technology providers and other experts for extending their support to the Company's Project.

For and behalf of the Board of Directors

Date: 6th December 2021
Place: Chennai


P Ranjit
Managing Director
DIN: 01952929


S Meenakshisundaram
Director
DIN: 01176085

Annexure to Directors' Report:

- (i) **Annexure I** – Extract of the Annual Return in MGT-9
- (ii) **Annexure II** – Secretarial Audit Report in Form MR-3
- (iii) **Annexure III** -Annual Report on CSR Activities for the Financial Year 2020-2021
- (iv) **Annexure IV**- Compliance Certificate by CFO
- (v) **Annexure V**- Corporate Governance Report

**Annexure I
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

For the financial year ended on 31st March 2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. Registration & Other Details:

1.	CIN	U24298TN2009PTC072270
2.	Registration Date	14-07-2009
3.	Name of the Company	ARCHEAN CHEMICAL INDUSTRIES PRIVATE LIMITED
4.	Category/Sub-category of the Company	CATEGORY: COMPANY LIMITED BY SHARES SUB - CATEGORY: INDIAN NON- GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	No.2, North Crescent Road T Nagar, Chennai 600 017
6.	Whether listed company	DEBT LISTED
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Registry Management Services Private Limited 2 nd Floor, Kences Tower, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai- 600 017.

II. Principal Business Activities of the Company:

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	INDUSTRIAL SALT	25010090	53%
2	BROMINE	28013020	40%
3	SULPHATE OF POTASH	31043000	7%

III. Particulars of Holding, Subsidiary and Associate Companies:

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	NIL				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):
Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	56,53,193	-	56,53,193	29.34	56,53,193	-	56,53,193	29.34	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	78,91,758	-	78,91,758	40.96	78,91,758	-	78,91,758	40.96	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	135,44,951	-	135,44,951	70.30	135,44,951	-	135,44,951	70.30	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(I):-	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	52,21,730	-	52,21,730	27.10	52,21,730	-	52,21,730	27.10	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	5,00,000	5,00,000	2.60	-	5,00,000	5,00,000	2.60	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	52,21,730	5,00,000	57,21,730	29.70	52,21,730	5,00,000	57,21,730	29.70	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	52,21,730	5,00,000	57,21,730	29.70	52,21,730	5,00,000	57,21,730	29.70	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,87,66,681	5,00,000	1,92,66,681	100.00	1,87,66,681	5,00,000	1,92,66,681	100.00	-

B) Shareholding of Promoter:

S. No	Shareholder's Name	Shareholding at the beginning of the year [As on 1-April-2020]			Shareholding at the end of the year [As on 31-March-2021]			% Change in Sh. Holding
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	P Ravi	28,26,596	14.67	14.67	28,26,596	14.67	14.67	-
2	P Ranjit	28,26,597	14.67	14.67	28,26,597	14.67	14.67	-
3	Goodearth Fertilisers Company LLP (formerly Goodearth Fertilisers Co. P Ltd.)	78,91,758	40.96	40.96	78,91,758	40.96	40.96	-
	TOTAL	1,35,44,951	70.30	70.30	1,35,44,951	70.30	70.30	

C) Change in Promoters' Shareholding:

Sl. No	Particulars	Shareholding at the beginning of the year [As on 1-April-2020]		Cumulative Shareholding during the year [As on 31-March-2021]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1,35,44,951	70.30		
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NO CHANGE DURING THE YEAR			
3	At the end of the year			1,35,44,951	70.30

D) Shareholding Pattern of top ten Shareholders:**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 1-April-2020]		Cumulative Shareholding during the year [As on 31-March-2021]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	57,21,730	29.70	57,21,730	29.70
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE DURING THE YEAR			
3	At the end of the year	57,21,730	29.70	57,21,730	29.70

E) Shareholding of Directors and Key Managerial Personnel:-

No Directors (or) Key Managerial Personnel holds any share in the Capital of the Company

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [As on 1-April-2020]		Cumulative Shareholding during the year [As on 31-March-2021]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	28,26,597	14.67		
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NO CHANGE DURING THE YEAR			
3	At the end of the year	-	-	28,26,597	14.67

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ In. Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	85,986.63	-	-	85,986.63
ii) Interest due but not paid	0	-	-	0.00
iii) Interest accrued but not due	6,939.26	-	-	6,939.26
Total (i+ii+iii)	92,925.89	-	-	92,925.89
Change in Indebtedness during the financial year				0.00
* Addition	5,862.41	-	-	5,862.41
* Reduction	(906.20)	-	-	-906.20
Net Change	4,956.21	-	-	4,956.21
Indebtedness at the end of the financial year				0.00
Principal Amount	86,132.57	-	-	86,132.57
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11,749.53	-	-	11,749.53
Total (i+ii+iii)	97,882.10	-	-	97,882.10

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (In Lakhs)**

S. No.	Particulars of Remuneration	P. Ranjit Managing Director	Total Amount ₹
1	Gross salary (₹)	324.72	324.72
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify-	-	-
	Total (A)	324.72	327.72
	Ceiling as per the Act	N.A.	N.A.

B. Remuneration to other directors: - NIL

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD: (In Lakhs)

S.No	Particulars of Remuneration	CEO	CS	CFO	Total
		Mr. Vinod Gupta (upto 30.11.2020)	Mr. G Balaji	Mr. E Sai Ram	
1	Gross salary (₹)	190.49	24.87	98.81	314.17
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	- as % of profit	-	-		-
	others, specify...	-	-		-
5	Others, please specify-	-	-	-	-
	Total	190.49	24.87	98.81	314.17

98.81

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -

No Penalties/Punishment order against the Company during the financial year 2020-2021 and there is no Compounding of offences during the Financial year 2020-2021 - NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					

C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and behalf of the Board of Directors

Date: 6th December 2021

Place: Chennai


P Ranjit

Managing Director
DIN: 01952929


S Meenakshisundaram

Director
DIN: 01176085

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2021

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

To,

The Members,

ARCHEAN CHEMICAL INDUSTRIES PRIVATE 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 PRIVATE LIMITED (CIN: U24298TN2009PTC072270)** (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, 2020 to 31st March, 2021**, 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, 2021**, 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, 1992;

Head Office : New No. 6, Old No. 18, 1st Floor, Poes Road, 1st Street, Teynampet, Chennai - 600 018.

E-mail ID : chennai@hvsassociates.in, Tel : 044 - 35001081 / 82 GSTIN : 33AAJFH2289R1ZP

Branch Office : New No. 35/113A, (Old No. 35/253), 1st Floor, Ram Nivas, Thrikkakara, Ernakulam - 682 021.

E-mail ID : kochi@hvsassociates.in, Tel : +91 9074429964. GSTIN : 32AAJFH2289R2ZQ

PAN : AAJFH2289R | TAN : CHEH06266B | Web : www.hvsassociates.in



HVS & Associates

Company Secretaries

- b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Based on the Management Representation given by the Company, we state that the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines and all other relevant provisions that are specifically applicable to the Company.

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 Bombay Stock Exchange(s) for listing its Debts;

We state that, during the Financial Year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except the filing of e-forms relating to creation of charge against vehicle loans obtained by the Company from banks/financial institutions due to non-response by the lenders on registration of charge, despite several follow-ups by the Company.

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive 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) During the year under review the Company had appointed a Chief Financial Officer with effect from 04/09/2020. However, his appointment was made after the period allowed for filling the causal vacancy caused by resignation of Chief Financial Officer, under section 203(4) of the Companies Act, 2013.
- (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 majority decision is carried through.
- (v) As represented by the Management and relied upon 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.

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HVS & Associates

Company Secretaries

- (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.
- (vii) We further report that during the audit period:
- During the year under review there were no instances of Public/Right/Preferential issue of shares / Debentures/Sweat Equity, etc.
 - During the year under review there were no instances of Redemption / buy-back of securities.
 - Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013. Being a private limited company, provisions of section 180 of the Companies Act, 2013 are not applicable to the Company.
 - During the year under review there were no instances of Merger / amalgamation / reconstruction, etc. other than events involving the Company.
 - Foreign technical collaborations- No Foreign technical collaborations were entered into by the Company during the year under review.

Date: 04/12/2021
Place: Chennai



For **HVS & Associates**
Company Secretaries
FRN: P2016TN048300

P.K. Sundaresan
M.No: 9009, COP: 14483
UDIN: F009009C001662364

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 PRIVATE 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. 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. The verification was done 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 Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards are the responsibility of the management. Subject to paragraph 1 above of this Annexure, our examination was limited to the verification of procedure on test basis.
6. 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
FRN: P2016TN048300



A handwritten signature in blue ink, appearing to read "P.K. Sundaresan".

P.K. Sundaresan
M.No: 9009, COP: 14483
UDIN: F009009C001662364

Date: 04/12/2021

Place: Chennai

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Annexure III

Annual Report on CSR Activities for the Financial Year 2020-21 :

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2020-21:

Sl. No.	Particulars	Remarks
1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and the composition of CSR Committee.	<u>Refer Sections:</u> (a) Corporate Social Responsibility and (b) Disclosures: CSR Committee in this report
2	Average net profit of the Company for last three financial years	(2418.75)
3	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	NIL
4	Details of CSR spent during the financial year:	57.21 Lakhs
5	Total amount to be spent for the financial year	NIL
6	Amount unspent, if any	NIL
7	Manner in which the amount spent during the financial year	CSR spending was done on voluntary basis in the interest of the society through Archean Foundation.

Responsibility Statement:

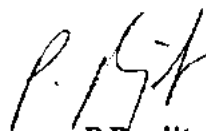
The Responsibility Statement of the Corporate Social Responsibility Committee ("CSR Committee") of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

For and behalf of the Board of Directors

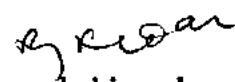
Date: 6th December 2021

Place: Chennai



P Hanjit

Managing Director
DIN: 01952929



S Meenakshisundaram

Director
DIN: 01176085

Annexure-IV

Compliance Certificate
(Regulation 17 (8) of SEBI (LODR) Regulations 2015)
CEO/ CFO CERTIFICATE

To
The Board of Directors
Archean Chemical Industries Private Limited

I, Sai Ram Edara, Chief Financial Officer of Archean Chemical Industries Private Limited, certify that

1. I have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March, 2021 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material 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 my 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. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and i have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
4. I have indicated to the Company's Auditors and the Audit Committee of Archean Chemical Industries Private Limited that:
 - a) significant changes, if any in the Company's internal control over financial reporting during the year;
 - b) significant changes, if any in accounting policies during the year and the same have been disclosed in the notes to the financial statements
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place-Chennai
Date- December 6, 2021

For Archean Chemical Industries Private Limited



Sai Ram Edara
(Chief Financial Officer)

Annexure-V

**SCHEDULE II: CORPORATE GOVERNANCE
(Under Regulation 17(7) of SEBI (LODR) Regulations 2015)**

A. Annual operating plans and budgets and any updates.

Company is following a budgeting process and has an estimated budget planned for the financial year 2021-2022

B. Capital budgets and any updates.

Company has an estimated capital budget planned for the financial year 2021-2022

C. Quarterly results for the listed entity and its operating divisions or business segments.

Summary of the financial statements for the year is given below

Particulars	Financial Year ended 31 March 2021	Financial Year ended 31 March 2020
Sales / Income from Business Operations	74076.43	60,817.07
Other Income	1402.56	828.78
Total Income	75478.99	61,645.85
Less: Expenses	66431.40	63,381.82
Profit / (Loss) before tax and Extraordinary / exceptional items	9047.59	(1,735.97)
Less: Extraordinary / exceptional items	-	-
Profit / (Loss) before tax	9047.59	(1,735.97)
Less: Current Income Tax	-	--
Less: Previous year adjustment of Income Tax	(1.20)	(47.64)
Less: Deferred Tax	2390.13	1,876.95
Net Profit / (Loss) after Tax	6658.66	(3,565.28)
Earnings per share (Basic)	32.24	(17.26)
Earnings per Share (Diluted)	32.24	(17.26)

D. Minutes of meetings of audit committee and other committees of the board of directors.

There was no audit committee meeting held during the financial year 2020-2021.

A meeting of CSR committee was held on 14th July 2020 and the following agenda items were discussed during the meeting-

i) Approval for CSR activities and expenditure for 2020-21.

E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary. –

Mr. E Sai Ram was appointed as Chief Financial Officer of the Company on 04th September 2020

F. Show cause, demand, prosecution notices and penalty notices, which are materially important. –

Company has not received any show cause, demand, prosecution notices and penalty notices, which are materially important.

G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

There were no fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems during the financial year 2020-2021.

H. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.

There was no material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity

I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity. –

There was no issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity

J. Details of any joint venture or collaboration agreement. –

Company has not entered into any joint venture or collaboration agreement during the financial year 2020-2021.

K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.-

There was no transaction that involves substantial payment towards goodwill, brand equity, or intellectual property

L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc. –

There was no labour problems during the financial year 2020-2021.

M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business. –

There was no sale of investments, subsidiaries, assets which are material in nature and not in normal course of business

N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

The details of foreign exchange earnings and outgo during the financial year 2020-2021 is given below

(Rs in Lakhs)	
Particulars	Financial Year ended 31st March 2021
Foreign Exchange Earnings	51,490.09
Foreign Exchange Outgo	7,394.62

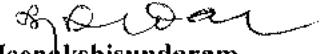
O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The company ought to have conducted the AGM for the financial year 2019-2020 on 31st December 2020. But it has conducted the meeting on 11.05.2021 with a delay of 131 days. Hence the company went for compounding of offences and got the order on 07th September 2021 from Regional Director (MCA).

For and on Behalf of Board of Directors



**P Ranjit
Managing Director
DIN-01952929**



**S Meenakshisundaram
Director
DIN-01176085**

Place-Chennai

Date-06th December 2021

PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Archean Chemical Industries Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Archean Chemical Industries Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March 2021, and profit, 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

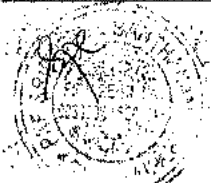
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we 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.



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S.no	Key Audit Matter	Our Response
1.	<p>Revenue for Products is recognized on transfer of control to the Customer.</p> <p>Company's sales catering to Asia / Europe regions. As such, delivery to customers might take different time periods and may result in undelivered goods at the period end.</p> <p>We consider a risk of misstatement of the Financial Statements related to transactions occurring close to the year end, as these transactions could be recorded in the incorrect financial period (cut-off risk).</p> <p>Considering magnitude and high volume of sales transactions carried out cut-off risks in revenue recognition is considered as a key audit matter</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ➤ Assessment of Revenue Recognition is in line with Ind AS. ➤ Verification of occurrence, completeness, accuracy, and cut-off for the sales transactions. ➤ Performing testing of revenue transactions recorded during the year end. ➤ Review of Manual Journals posted to Revenue for any unusual items.
2.	<p>Existence of inventories as at the year end: 11,062.56 lakhs</p> <p>The Company has its inventories located at its plant at Kutch and its finished goods at the Jakhau and Mundra ports.</p> <p>The Company has a policy of performing verification of its inventory at these locations.</p> <p>The Company has conducted the physical verification of inventories across at Washery plant, Jakhau and Mundra port between 24th March 2021 and 30th March 2021 by engaging specialists (expert).</p> <p>We were unable to participate in the physical verification of inventories conducted by the Management at the yearend as our appointment was at later date. However, we have participated in the stock count performed by the management during August 2021 and have also performed alternate procedures to audit the existence of inventory as prescribed by the Standards on Auditing and have therefore identified this as a key audit matter.</p>	<p>With respect to existence of inventories at the locations not visited by us at the year end, we performed the following procedures:</p> <ul style="list-style-type: none"> ➤ 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 during August 2021 at Washery plant and Jakhau. ➤ Performed appropriate roll back procedures from the date of the physical verification to the year end. ➤ With respect to the stock at Mundra Port, performed appropriate roll forward procedures from the date of the physical verification by the expert to the year end and on a sample basis, verified if sale was made out of the production upto the year end by testing the reconciliation of finished goods from the April 1, 2020 to March 31, 2021 and testing the movement of the finished goods from the factory to the port on a sample basis. ➤ On a sample basis, tested the quantity reconciliation from April 1, 2020 to March 31, 2021 of raw materials, and finished goods, that was prepared by the Management.



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Information Other than the 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. The Director's reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. When we read the aforesaid reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

Responsibilities of the Management and Those Charged with Governance for 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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



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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 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 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 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's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 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



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report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The financial statements of the Company for the year ended 31st March, 2020 were audited by the auditor M/s Deloitte Haskins & Sells LLP, Chartered Accountants and have been considered for the comparative purposes.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid 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 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 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 31 March 2021 on its financial position in its financial statements – Refer Note 36 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2021.



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iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021

3. The Company is a Private Limited Company. Hence, the provisions of section 197(16) of the Companies Act is not applicable.

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

S. Prasana Kumar

S. Prasana Kumar
Partner
Membership No. 212354
UDIN: 21212354AAAADB7974

Place of Signature: Chennai
Date: 6th December 2021



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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 Private Limited ("the Company") on the financial statements as at and for the year ended March 31, 2021.

- (i) In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year end and no material discrepancies were noticed on such verification.
 - (c) In respect of immovable properties of freehold land, leasehold land and building, whose title deeds have been pledged as security for non-convertible debentures, these are held in the name of the Company based on the confirmations directly received by us from the debenture trustees.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year (including verification conducted by the 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 material and have been appropriately dealt with in the books of accounts.
- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.
- (iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees or security nor made any investment during the year covered under section 185 and 186 of the Act. Hence, reporting under clause (iv) of the order is not 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 and the rules made there under and hence clause 3(v) of the Order is not applicable.
- (vi) The maintenance of the cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended prescribed by the Central Government under Section 148(1) 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



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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 generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Goods and Services Tax (GST), cess and any other 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 Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31 March 2021 for a period of more than six months from the date they became payable, except as stated below:

Name of the Statute	Nature of the dues	Period to which amounts relates	Amount
The Income Tax Act	TDS	2020-21	20,937

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax (GST), Duty of customs, Excise duty and Value Added Tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the dues	Period to which amounts relates	Amount (Rs. In Lakhs)*	Forum where dispute is pending
Central Sales Tax Act; Gujarat Value Added Tax Act	VAT, CST	FY 2015-16	102.22	Joint Commission, Rajkot
		FY 2015-16	222.51	Joint Commission, Rajkot
		FY 2016-17	273.92	Joint Commission, Rajkot
		FY 2017-18	23.05	Joint Commission, Rajkot
Income tax Act	Income Tax	FY 2012-13	439.77	Income Tax Appellate Tribunal
		FY 2013-14	385.60	Income Tax Appellate Tribunal

* net of amounts paid under protest

(viii)

Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to debenture holders. The company has not taken any loans or borrowings from financial institutions, banks and government.

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- (ix) According to the information and explanations given to us, the funds raised through non-convertible debentures issued during the earlier year and to the extent of outstanding balance have been applied by the Company for the purpose for which they were raised during the year. The Company has not raised moneys by way of term loans, initial public offer or further public offer.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.
- (xi) The Company is a Private Limited Company. Hence, the provisions of Sec 197 is not applicable to the Company.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are 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 financial statements as required by the applicable Indian Accounting Standards.
- (xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or fully or partly paid convertible debentures during the year under review.
- (xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) 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.

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

S. Prasana Kumar

S. Prasana Kumar
Partner
Membership No.: 212354
UDIN: 21212354AAAADB7974

Place of Signature: Chennai
Date: 6th December 2021

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Annexure B

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls with reference to the aforesaid 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 financial statements of Archean Chemical Industries Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "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 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 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

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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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

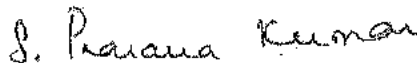
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, 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.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018



S. Prasana Kumar

Partner

Membership No. 212354

UDIN: 21212354AAAADB7974

Place of Signature: Chennai

Date: 6th December 2021

Archean Chemical Industries Private Limited			
Balance Sheet as at March 31, 2021			
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)			
Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
A. ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	2	100,718.55	88,225.38
(b) Capital work in progress	2	1,893.17	15,818.54
(c) Right-of-use assets	3	3,498.10	3,474.34
(d) Intangible assets	4	13.33	11.83
(e) Financial assets:			
(i) Investments	5A	8.72	8.42
(ii) Other financial assets	6	162.44	174.69
(f) Deferred tax assets (Net)	18	5,329.23	7,711.81
(g) Other non-current assets	8	1,720.24	1,382.09
Total non-current assets		113,343.78	116,807.08
Current assets			
(a) Inventories	9	11,062.68	9,882.09
(b) Financial assets:			
(i) Investments	5B	4,116.89	4,707.32
(ii) Trade receivables	10	8,807.30	4,445.46
(iii) Cash and cash equivalents	11.1	3,160.41	2,447.96
(iv) Bank balances other than (iii) above	11.2	30.93	26.87
(v) Loans	7	46.15	39.55
(vi) Other financial assets	6	1,419.64	72.78
(c) Other current assets	8	3,425.30	4,594.05
Total current assets		30,069.18	26,218.15
TOTAL ASSETS		143,402.96	143,023.23
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	1,928.87	1,926.67
(b) Other equity	13	5,471.10	(1,165.10)
Total equity		7,397.77	781.87
Liabilities			
Non-Current liabilities			
(a) Financial liabilities:			
i. Borrowings	14	84,841.15	84,826.41
ii. Lease liabilities	16	4,017.82	3,816.22
iii. Other financial liabilities	16	12,038.81	7,197.81
(b) Other non-current liabilities	17	17,037.78	21,070.24
(c) Provisions	19.1	41.19	-
Total non-current liabilities		117,776.75	116,910.48
Current liabilities			
(a) Financial liabilities:			
i. Borrowings	14	931.21	608.21
ii. Lease liabilities	15	490.64	374.84
iii. Trade payables			
(A) Outstanding dues of micro and small enterprises	20	226.44	432.18
(B) Outstanding dues of creditors other than above	20	10,949.90	16,277.78
iv. Other financial liabilities	16	1,680.11	776.98
(b) Other current liabilities	17	3,861.79	6,812.68
(c) Provisions	19.2	66.35	70.83
Total current liabilities		19,228.44	26,351.18
Total Liabilities		136,005.19	142,261.66
TOTAL EQUITY AND LIABILITIES		143,402.96	143,023.23
Notes forming part of Financial Statements	1-42		

As per our report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S/S200018

S. Prasanna Kumar

S. Prasanna Kumar
Partner
Membership No:212354
UDIN:

Place: Chennai
Date: December 6, 2021

For and on behalf of the Board of Directors

S. Meenakshisundaram
Director
DIN: 01176088

F. Ranjit
Managing Director
DIN: 01952929

E. Sairam
Chief Financial Officer



Place: Chennai
Date: December 6, 2021

Archean Chemical Industries Private Limited
 Statement of Profit And Loss for the year ended March 31, 2021
 (All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

S.No	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	21	74,076.43	60,817.07
II	Other income	22	1,402.56	828.78
III	Total income (I+II)		75,478.99	61,645.85
IV	Expenses:			
	Cost of materials consumed	23	1,674.55	2,499.88
	Purchases of stock-in-trade		-	1,111.71
	Changes in inventories of finished goods, work-in-progress and stock in trade	24	(785.16)	(3,577.93)
	Employee benefits expense	25	3,532.08	3,446.91
	Finance costs	26	13,039.25	12,175.73
	Depreciation and amortisation expense	27	5,538.35	5,191.69
	Other expenses	28	43,432.33	42,533.83
	Total expenses (IV)		66,431.40	63,381.82
V	Profit / (Loss) before exceptional items and tax (III-IV)		9,047.59	(1,735.97)
VI	Exceptional items			
VII	Profit / (Loss) before tax (V+VI)		9,047.59	(1,735.97)
VIII	Tax Expense:			
	- Current year		-	-
	- (Excess) provision for tax relating to prior years		(1.20)	(47.64)
	- Deferred Tax (previous year including write-off of MAT credit relating to earlier years)		2,390.13	1,876.95
	Total tax expenses (VIII)		2,388.93	1,829.31
IX	Profit after tax (VII-VIII)		6,658.66	(3,565.28)
X	Other comprehensive income (net of tax) ("OCI") - gain / (loss) Items that will not be reclassified to Statement of Profit and Loss			
	Remeasurements of the defined benefit plans		(30.01)	(20.03)
	Income tax expenses relating to the above		7.55	5.04
	Total other comprehensive income for the year, (net of tax) - gain / (loss) (X)		(22.46)	(14.99)
XI	Total comprehensive income for the year (IX+X)		6,636.20	(3,580.27)
XII	Earnings per share (Face value of Rs. 10 each) Basic and Diluted earnings per share (in Rs.)	31	32.24	(17.26)
Notes forming part of Financial Statements		1-42		

As per our report of even date attached
 For PKF Sridhar & Santhanam LLP
 Chartered Accountants
 Firm Registration No:003990S/S200018

S. Prasana Kumar

S. Prasana Kumar
 Partner
 Membership No:212354
 UDIN:

Place : Chennai
 Date : December 6, 2021

For and on behalf of the Board of Directors

S. Meenakshisundaram
 S. Meenakshisundaram
 Director
 DIN: 01176085

P. Ranjit
 P. Ranjit
 Managing Director
 DIN: 01952929

E. Satram
 E. Satram
 Chief Financial Officer

Place : Chennai
 Date : December 6, 2021

Archean Chemical Industries Private Limited
Statement of Cash Flow for the year ended March 31, 2021
 (All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
A. Cash flow from operating activities		9,047.59		(1,735.97)
Profit / (loss) before income tax				
Adjustments for :				
Depreciation and amortisation of property, plant and equipment	5,638.35		5,191.69	
Finance costs recognised in profit or loss	13,039.25		12,175.73	
Profit on sale and change in fair value of Mutual funds	(139.78)		(108.05)	
Assets written off	46.53		49.00	
Interest income from fixed deposit	(85.68)		1.89	
Loss / (Profit) on sale of asset	20.94		(14.62)	
Provision for doubtful receivables / advances	485.14		(498.86)	
Write off of service tax refund claims	-		116.81	
Write back of payables	(32.25)		(111.08)	
Unrealised Net foreign exchange (gain) / loss	818.01		1,619.19	
Operating profit before working capital changes		19,690.51		18,421.70
Movements in working capital :				
(Increase) / decrease in trade receivables	(2,654.03)		2,704.87	
(Increase) / decrease in inventories	(1,180.47)		(3,606.99)	
(Increase) / decrease in other assets	(634.07)		(2,386.19)	
Increase / (decrease) in trade payables	(5,511.77)		6,345.87	
Increase / (decrease) in provisions	26.70		22.84	
Increase / (decrease) in other liabilities	(6,874.89)		(4,987.63)	
		(16,828.53)		(1,907.13)
Cash generated from operations		11,909.57		14,778.60
Income Tax paid		-		(25.00)
Net cash generated from operating activities		11,909.57		14,753.60
B. Cash flow from investing activities				
Interest received	85.68		105.42	
Purchase of / proceeds from sale of Mutual funds	729.91		(4,607.69)	
Investment in/maturity of bank deposits, net	(3.96)		-	
Payments for property, plant and equipment	(1,054.75)		(15,203.07)	
Proceeds from sale of property, plant and equipment	67.90		40.25	
Net cash (used in) investing activities		(175.24)		(19,665.09)
C. Cash flow from financing activities				
Proceeds from borrowings	1,013.00		11,781.51	
Repayment of borrowings	(906.20)		(134.74)	
Repayment towards lease liabilities	(1,104.41)		(750.76)	
Interest paid **	(10,034.25)		(8,259.95)	
Net cash (used in) / generated by financing activities		(11,031.86)		2,636.06
Net Increase in cash and cash equivalents		702.46		(2,275.43)
Cash and cash equivalents at the beginning of the year		2,447.95		4,723.38
Cash and Cash equivalents at the end of the year		3,150.41		2,447.95

** Interest paid of Rs. 10,034.25 includes the amount of Rs. 2,577 which has been capitalised in FY 2020-21 pertains to bromline expansion.

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

Notes forming part of Financial Statements

1-42


As per our report of even date attached
 For PKF Sridhar & Santhanam LLP
 Chartered Accountants
 Firm Registration No:003990S/S200018

S. Prasana Kumar

S. Prasana Kumar
 Partner
 Membership No:212354
 UDIN:

Place : Chennai
 Date : December 6, 2021

For and on behalf of the Board of Directors


 S. Meenakshisundaram
 Director
 DIN: 01176085


 P. Ranjit
 Managing Director
 DIN: 01952929


 E. Sairam
 Chief Financial Officer

Place : Chennai
 Date : December 8, 2021



Archean Chemical Industries Private Limited
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
Balance as at April 1, 2019	19,266,681
Changes in equity share capital during the year	-
Balance as at March 31, 2020	19,266,681
Changes in equity share capital during the year	-
Balance as at March 31, 2021	19,266,681

Particulars	Reserves & Surplus			Items of other comprehensive income	Total
	Securities Premium	Retained earnings	Equity component of compound financial instrument		
Balance as at April 1, 2019	15,085.52	(13,117.88)	455.29	(7.76)	2,415.17
2019-20	-	(3,565.28)	-	-	(3,565.28)
Profit for the year	-	-	-	(20.03)	(20.03)
Remeasurements of the defined benefit plans	-	-	-	5.04	5.04
Income tax relating defined benefit plans	-	-	-	(22.75)	(22.75)
Balance as at March 31, 2020	15,085.52	(16,683.16)	455.29	-	(1,142.35)
2020-21	-	6,658.66	-	-	6,658.66
Profit for the year	-	-	-	(30.01)	(30.01)
Remeasurements of the defined benefit plans	-	-	-	7.55	7.55
Income tax relating defined benefit plans	-	-	-	(45.21)	(45.21)
Balance as at March 31, 2021	15,085.52	(10,024.50)	455.29	-	5,471.10

Notes forming part of Financial Statements

As per our report of even date attached
 For PKF Sridhar & Santharam LLP
 Chartered Accountants
 Firm Registration No.003990S/S200018

S. Prasanna Kumar

S. Prasanna Kumar
 Partner
 Membership No.212354
 UDIN:

Place : Chennai
 Date : December 6, 2021

For and on behalf of the Board of Directors

S. Meenakshisundaram
 S. Meenakshisundaram
 Director
 DIN: 01176085

E. Sairam
 E. Sairam
 Chief Financial Officer

Place : Chennai
 Date : December 6, 2021



Archean Chemical Industries Private Limited
Notes forming part of financial statements
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 1

Corporate Information

Archean Chemical Industries Private Limited was incorporated on July 14, 2009. The Company is into manufacturing of Marine Chemicals. The manufacturing location is at Gujarat.

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.

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.

As 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 33)

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 Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The Company is well placed to meet the cash burn requirements in the coming periods for it to develop and build the business to a profitable level as per the projections prepared by the Company. The company is also confident of getting its land lease renewed as mentioned in Note 3 (b). Hence the company financials have been prepared on going concern basis.

1.3 Changes in Accounting Standards

There were certain amendments to the Accounting Standards on miscellaneous issues. Such changes include clarification/guidance on:

- Ind AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non-adjusting event.
- Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- Ind AS 103-Business combination-Detailed guidance on term 'Business' and 'business combinations' along with providing an optional test to identify concentration of fair value.
- Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.



Archean Chemical Industries Private Limited
Notes forming part of financial statements
 (All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

• Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

• Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID-19 pandemic can be accounted as lease modification or not.

None of these amendments have any significant effect on the company's standalone financial statements.

1.4 Changes in Accounting Standards that may affect the Company after 31st March 2021

Changes in Schedule III (Division II) of Companies Act, 2013 effective after 31st March 2021:

On 24th March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 to be effective from 1st April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

In Balance Sheet:

- i) Lease liabilities should be separately disclosed under the head duly distinguished as current or non-current.
- ii) Certain additional disclosures in the statement of changes in equity.
- iii) Specified format for disclosure of shareholding of promoters.
- iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- vi) Specific disclosure under regulatory such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and Advances to Promoters, Directors, Key Managerial Personnel (KMP) and related parties, details of benami property held etc.

In Statement of Profit and Loss:

- i) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head "additional information" in the notes forming part of standalone financial statements.
- The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

1.5 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowings costs capitalized in accordance with companies accounting policy. Such properties are classified to appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Advance paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non current assets.

Cost of assets not ready to use before put to use are disclosed under "capital work in progress".

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets 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, manufacturer's warranties and maintenance support, etc. Useful life of the Property, plant and equipment is reassessed based on the technical evaluation in the current financial year.

Assets	Useful life
Building	30 - 40 years
Salt works	30 years
Plant and Machinery - Chemicals	4 - 40 years
Plant and Machinery - Cogeneration plant	10 - 40 years
Vehicles	8 years
Furniture & fixtures	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 Company 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.



Archaan Chemical Industries Private Limited
Notes forming part of financial statements
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

1.6 Intangible assets other than goodwill

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the 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.

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.

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 Company 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.

1.7 Impairment of tangible & Intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

1.8 Leases

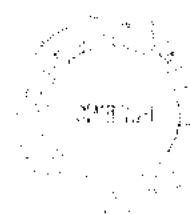
Policy applicable for contracts entered on or after 1 April 2019

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.



Policy applicable for contracts entered before 1 April 2019

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

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.

1.9 Inventories

Inventories are valued at the lower of cost on moving weighted average basis and 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 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 standalone 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 Company 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 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.

1.14 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 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).

1.15 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 retirement 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.

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.



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

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.

1.16 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 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 standalone 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 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 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

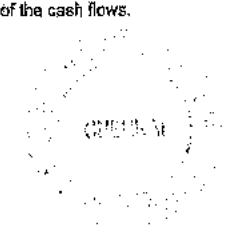
All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets, except for investments forming part of interest in subsidiaries, which are measured at cost.

Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- 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.



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(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-impaired 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 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 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 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 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.

Archean Chemical Industries Private Limited

Notes forming part of financial statements

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

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.

1.20 Segment reporting

The Company 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 financial statements, income and expenses during the period. 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 tangible 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 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 crystallizers, the operating cycle considered being 24 months and consistently applied.

Archean Chemical Industries Private Limited
Notes forming part of financial statements
(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, 2021	As at March 31, 2020
Carrying amounts of:		
Salt works	19,812.14	20,659.86
Buildings	25,852.00	22,624.44
Plant and equipment	53,500.09	43,426.26
Furniture and fixtures	71.09	103.24
Office equipments	51.28	44.73
Computers	177.09	131.89
Vehicles	1,254.86	1,234.94
Total	100,718.55	88,225.36

Capital Work-in-progress	1,893.17	15,318.54
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Gross block	Salt Works	Buildings	Plant and equipment	Furniture & Fixtures	Office Equipment	Computers	Vehicles	Total
Balance as at April 01, 2019	25,758.79	24,308.04	52,389.27	155.23	50.11	70.13	465.61	103,197.19
Transferred to Right-of-Use Asset			(1,301.48)					(1,301.49)
Additions		678.60	643.30	13.96	11.88	126.05	1,093.35	2,567.14
Disposals			(59.76)		(3.83)		(96.82)	(96.82)
Assets written off							(0.79)	(0.79)
Balance as at March 31, 2020	25,758.79	24,986.64	51,671.32	169.19	58.16	196.18	1,461.36	104,301.64
Additions		4,251.99	12,894.41	4.11	18.15	88.59	289.36	17,546.61
Disposals							(140.74)	(140.74)
Assets written off		(0.41)	(72.80)	(1.13)	(4.48)	(2.09)	(13.24)	(94.19)
Balance as at March 31, 2021	25,758.79	29,238.22	64,492.93	172.17	71.83	282.68	1,596.74	121,613.36

Accumulated depreciation and impairment	Salt Works	Buildings	Plant and equipment	Furniture & Fixtures	Office Equipment	Computers	Vehicles	Total
Balance as at April 01, 2019	4,251.21	1,497.52	5,842.35	31.76	1.40	42.51	189.15	11,855.91
Transferred to Right-of-Use Asset			(418.45)					(418.45)
Depreciation for the year	847.72	864.68	2,834.80	34.19	13.23	21.78	108.68	4,725.08
Disposals							(71.19)	(71.19)
Assets written off			(13.64)		(1.20)		(0.23)	(15.07)
Balance as at March 31, 2020	5,098.93	2,362.20	8,245.06	65.95	13.43	64.29	226.41	16,076.28
Depreciation expense	847.72	1,024.04	2,780.23	35.72	9.10	42.86	178.38	4,916.05
Disposals							(51.90)	(51.90)
Assets written off		(0.03)	(32.45)	(0.59)	(1.98)	(1.56)	(11.01)	(47.62)
Balance as at March 31, 2021	5,946.65	3,386.21	10,992.84	101.06	20.55	105.59	341.88	20,894.81

Carrying amount as at March 31, 2020	20,659.86	22,624.44	43,426.26	103.24	44.73	131.89	1,234.95	88,225.36
Carrying amount as at March 31, 2021	19,812.14	25,852.00	53,500.09	71.09	51.28	177.09	1,254.86	100,718.55

Note: (a) Contractual obligations : Refer Note 36 for disclosure of contractual commitments for the acquisition of Property, plant and equipment.

(b) Also refer note 14(a) for assets given as security for borrowings.

(c) Effective 1st April 2020, the Company has reassessed the estimated useful life of certain Plant & Machinery, Building etc., based on a technical evaluation carried out. Due to the reassessment of estimated useful life, depreciation cost has been decreased by Rs. 179.61 Lakhs during the Financial year 2020-2021.

(d) During the year PPE-additions includes bromine expansion capitalised on 16th February, 2021 amounting 15,457 Lakhs.



Note 3: Right-of-use assets

	Gross carrying value	Land and Building	ISO tanks	Total
Balance as at April 01, 2019		1,548.24	952.89	2,501.13
Transferred from Plant & Equipment		-	1,301.49	1,301.49
Additions during year			551.91	551.91
Balance as at March 31, 2020		1,548.24	2,806.29	4,354.53
Additions			697.09	697.09
Assets written off		(87.57)	-	(87.57)
Balance as at March 31, 2021		1,460.67	3,503.38	4,964.05

	Accumulated depreciation and impairment	Land and Building	ISO tanks	Total
Transferred from Plant & Equipment		-	418.45	418.45
Depreciation for the year		90.38	371.36	461.74
Balance as at 31-Mar-2020		90.38	789.81	880.19
Depreciation for the year		78.29	536.91	615.20
Assets written off		(29.44)	-	(29.44)
Balance as at 31-Mar-2021		139.23	1,326.72	1,465.95

Net Carrying amount as on March 31, 2020	1,457.86	2,016.48	3,474.34
Net Carrying amount as on March 31, 2021	1,321.44	2,176.66	3,498.10

Note:

(a) Refer note 35 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/R 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 and the company's revenue comes from operations in this facility only.

Assets	Net Block as at March 31, 2021
Buildings	25,852.01
Plant and Machinery	53,490.14
Furniture & Fixtures	48.50
Vehicles	949.59
Computers	145.86
Office Equipment	42.61
Sail Works	19,812.14
ROU - Land and Building	1,174.25
Total	101,515.20



Note 4 Intangible assets

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amounts of: Software	13.33	11.83
Total	13.33	11.83

Particulars	Software
Balance as at April 01, 2019	33.33
Additions	8.33
Disposals	-
Balance as at March 31, 2020	41.66
Additions	6.60
Disposals	-
Balance as at March 31, 2021	48.26
Accumulated depreciation and impairment	
Balance as at April 01, 2019	24.98
Amortisation expense	4.85
Disposals	-
Balance as at March 31, 2020	29.83
Amortisation expense	5.10
Disposals	-
Balance as at March 31, 2021	34.93
Carrying amount as at 31 March 2020	11.83
Carrying amount as at 31 March 2021	13.33

Note 5A Non current investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares / units	Rs in lakhs	No of shares / units	Rs in lakhs
A. Investment in equity instruments in subsidiary (Fully paid up):				
Unquoted				
Marina Chemicals Trading Pte Ltd - measured at cost	100	0.69	100	0.69
write off of investments - (Refer note 39)		(0.69)		
Impairment of Investments - (Refer note 39)				(0.69)
Total				
B. Other Investments:				
Mutual Funds* (FVTPL) -				
Book value		8.72		8.42
Market value		8.72		8.42
Total Non Current Investments		8.72		8.42
Aggregate amount of unquoted Investments		9.41		9.11
Aggregate amount of impairment in value of Investments		(0.69)		(0.69)
Aggregate amount of quoted Investments				
Aggregate market value of quoted Investments				

* These investments are earmarked against loans from Hinduja Leyland Finance Limited, a lender towards purchase of trucks by the Company. The breakup of the mutual funds is as below:

Name of fund	As at March 31, 2021		As at March 31, 2020	
	No of units	Value	No of units	Value
ICICI Liquid Fund - Growth	2,878	8.72	2,878	8.42
Total		8.72		8.42

Note 5B Current Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs in lakhs		Rs in lakhs	
Mutual Funds (FVTPL) -				
Book value		4,116.89		4,707.32
Market value		4,116.89		4,707.32
Total Investments*		4,116.89		4,707.32

*Pertains to Escrow accounts for DSRA - Debt service reserve account to the extent of Rs. 1,840.09 (PY -Rs. 3,690.19) based on arrangement with Debenture trustees

The break-up of the mutual funds is as below:

Name of fund	As at March 31, 2021		As at March 31, 2020	
	No of units	Value	No of units	Value
SBI Liquid Fund Regular Growth	10,021	320.97	84,048	1,981.38
HDFC Liquid Fund - Regular Plan - Growth	81,848	3,690.18	47,381	1,840.88
ICICI Liquid Fund - Growth	18,841	57.10	123,079	380.01
SBI Overnight Fund - Growth	1,465	48.84		
ICICI Overnight Fund - Growth	-	-	488,694	525.84
Total	122,176	4,116.89	723,202	4,707.32

Archean Chemical Industries Private Limited

Notes forming part of financial statements

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

Note 6. Other financial assets

Particulars	Non current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a) Security deposits measured at amortised cost	104.51	109.57	1,193.20	-
b) Interest accrued on deposits	57.93	65.12	0.32	-
c) Export benefits receivable	-	-	226.12	72.76
	162.44	174.69	1,419.64	72.76

Note 7. Loans

Particulars	Non current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)				
Loans to employees	-	-	46.15	39.55
Total	-	-	46.15	39.55

Note 8. Other assets

Particulars	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)				
a) Capital advances	1,504.84	1,175.44	-	-
Other advances:				
b) Advance to suppliers other than for capital asset	-	-	1,918.62	900.70
c) Balances with Statutory Authorities	215.40	206.65	817.23	1,358.82
d) Export freight prepaid	-	-	-	1,665.44
e) Prepaid expenses	-	-	689.45	669.09
	1,720.24	1,382.09	3,425.30	4,594.05

ORIGINAL

Archean Chemical Industries Private Limited**Notes forming part of financial statements****(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)****Note 9 Inventories**

Particulars	As at March 31, 2021	As at March 31, 2020
a Raw materials and components (Refer note 9.a)	535.90	350.65
b Work-in-progress (Refer note 9.b)	4,161.27	4,041.23
c Stores & spares (Refer note 9.c)	1,013.00	802.94
d Finished goods (Refer note 9.d)	5,352.39	4,687.27
Total	11,062.56	9,882.09

Note 9.a Details of Raw materials

Particulars	As at March 31, 2021	As at March 31, 2020
Chemicals	483.94	289.71
Others	51.96	60.94
Total	535.90	350.65

Note 9.b Details of Work in progress

Particulars	As at March 31, 2021	As at March 31, 2020
Salt	3,755.65	3,687.00
Sulphate of Potash	372.95	340.13
Others	32.67	14.10
Total	4,161.27	4,041.23

Note 9.c Details of Stores and spares

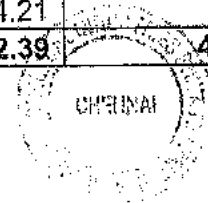
Particulars	As at March 31, 2021	As at March 31, 2020
Stores and Spares	1,013.00	802.94
Total	1,013.00	802.94

Note 9.d Details of Finished goods

Particulars	As at March 31, 2021	As at March 31, 2020
Salt	5,202.25	2,454.58
Sulphate of Potash	6.93	2,060.80
Bromine	144.21	171.89
Total	5,352.39	4,687.27

Note :

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



Archean Chemical Industries Private Limited

Notes forming part of financial statements

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

Note 10. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good - Secured		
Trade Receivables considered good - Unsecured	6,807.30	4,445.46
Trade Receivables which have significant Increase in Credit Risk	1,152.01	792.40
Trade Receivables - credit impaired	1,405.87	1,405.87
Total	9,365.18	6,643.73
Allowance for doubtful debts (expected credit loss allowance)		
- towards receivables that are credit impaired	(1,405.87)	(1,405.87)
- towards receivables which have significant increase in Credit Risk	(1,152.01)	(792.40)
Total	6,807.30	4,445.46

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% - 23%. 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, 2021	As at March 31, 2020
Balance at beginning of the year	(2,198.27)	(2,816.33)
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(359.61)	618.06
Balance at end of the year	(2,557.88)	(2,198.27)

Note 11 Cash and bank balances

Particulars	As at March 31, 2021	As at March 31, 2020
11.1 Cash & cash equivalents		
(a) Balances with banks in current accounts and deposit accounts		
(i) In Current account*	1,741.88	2,441.34
(ii) In term deposits with banks (original maturities less than 3 months)	1,407.00	-
(b) Cash on hand	1.53	6.61
Total Cash and cash equivalents	3,150.41	2,447.95
*Includes balance of Rs. 17,084 (PY -Rs. 9,170) in Trust and Retention account maintained with Indusind bank based on arrangement with Debenture trustees (Amount mentioned in this point is in absolute terms)		

Particulars	As at March 31, 2021	As at March 31, 2020
11.2 Other bank balances		
Balances with banks in current accounts and deposit accounts under lien due to be realised immediately upon surrender of expired bank guarantees**	30.93	26.97
Total other bank balances	30.93	26.97
Total Cash and bank balances	3,181.34	2,474.92

** Balances in deposits accounts subject to lien in favour of banks for obtaining bank guarantees/letter of credits

Note 12 Equity Share Capital

Particulars	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	No. of Shares		Rs in lakhs	
AUTHORISED :				
Equity Shares:				
Equity Shares of Rs.10 each	23,000,000	23,000,000	2,300.00	2,300.00
ISSUED :				
Equity Shares of Rs.10 each fully paid-up	19,266,681	19,266,681	1,926.67	1,926.67
SUBSCRIBED AND FULLY PAID UP :				
Equity Shares of Rs.10 each fully paid-up	19,266,681	19,266,681	1,926.67	1,926.67

12.1 Reconciliation of number of shares

Particulars	2020-21		2019-20	
	No. of Shares	Amount (Rs. in lakhs)	No. of Shares	Amount (Rs. in lakhs)
Equity Shares of Rs.10 each fully paid up				
Balance at the beginning of the period	19,266,681	1,926.67	19,266,681	1,926.67
Fresh issue of shares	-	-	-	-
Balance at the end of the period	19,266,681	1,926.67	19,266,681	1,926.67

12.2 Terms / Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

12.3 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

Name of the Share holder	As at March 31, 2021		As at March 31, 2020	
	Nos.	%	Nos.	%
	Mr. P. Ravi	2,826,596	14.67%	2,826,596
Mr. P. Ranjit	2,826,597	14.67%	2,826,597	14.67%
Goodearth Fertilisers Company LLP	7,891,758	40.96%	7,891,758	40.96%
India Resurgence Fund Scheme - I	1,436,612	7.46%	1,436,612	7.46%
India Resurgence Fund Scheme - II	2,348,508	12.19%	2,348,506	12.19%
Piramal Natural Resources Private Ltd.	1,436,612	7.46%	1,436,612	7.46%

12.4 The Company does not have any outstanding shares issued under options.

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, 2021).

12.6 The loans from the following promoters were converted into equity of 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 (Rs.)	Issue price per share (Rs.)	No. of shares	Amount credited to securities premium (Rs.)
Goodearth Fertilisers Company LLP	188,400,000	48.41	3,891,758	149,482,425
P. Ranjit	260,200,000	48.41	5,374,923	206,450,792
Total	448,600,000		9,266,681	355,933,217

12.7 Refer Note 14(a) for the terms of Compulsorily Convertible Debentures ("CCDs") into equity shares.

Archean Chemical Industries Private Limited

Notes forming part of financial statements

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

Note 13 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
a Securities premium	15,085.52	15,085.52
b Retained earnings (Net of Other comprehensive income)	(10,069.71)	(16,705.91)
c Equity component of Compulsorily convertible debentures	455.29	455.29
Total	5,471.10	(1,165.10)

Details to other equity

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Securities premium		
Balance at the beginning of the year	15,085.52	15,085.52
Add : Premium on shares issued during the year	-	-
Balance at the end of the year	15,085.52	15,085.52
(b) Retained earnings		
Balance at the beginning of the year	(16,705.91)	(13,125.64)
Profit attributable to the owners of the company	6,658.66	(3,565.28)
Other comprehensive income	(22.46)	(14.99)
Balance at the end of the year	(10,069.71)	(16,705.91)
(c) Equity component of Compulsorily convertible debentures		
Balance at the beginning of the year	455.29	455.29
Changes during the year	-	-
Balance at the end of the year	455.29	455.29
Total other equity	5,471.10	(1,165.10)

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) Equity component of Compulsorily convertible debentures

Equity component of Compulsorily convertible debentures is the difference between the face value and fair value of the liability towards the 0.01% Compulsorily Convertible Debentures issued on November 22, 2018.

Archean Chemical Industries Private Limited
Notes forming part of financial statements
(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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Secured				
Non convertible debentures issued (Refer Note - 14 (a) below)	84,000.00	84,000.00	-	-
Other loans				
- Daimler Financial Services India Pvt. Ltd.	66.72	74.15	11.77	71.79
- Toyota Financial Services India Ltd.	-	0.78	0.77	9.83
- Kotak Mahindra Prime Ltd.	-	3.45	4.09	6.40
- Indo Star Capital	160.98	231.23	70.27	62.42
- Shriram Transport Finance	164.04	217.51	53.48	47.48
- Hinduja Leyland Finance	111.07	189.23	78.16	70.34
- ICICI Bank	77.77	110.08	32.24	27.42
- Tata motors	60.59	-	20.15	-
Less: Amount shown under Other Financial Liabilities as Current Maturities of long term debt in Note 16			(270.93)	(295.66)
Unsecured - at amortised cost				
Bills Discounting	-	-	931.21	606.21
Total	84,641.15	84,828.41	931.21	606.21

(a) Debentures issued:

The Company entered into agreements with India Resurgence Fund Scheme - I, India Resurgence Fund Scheme - II and Piramal Glass Limited for issue of

- 8,400 Non-Convertible Debentures with a face value of Rs.10,00,000 each aggregating to Rs.840,00,000 (Series A debentures)
- 1,000 Non-Convertible Debentures with a face value of Rs.10,00,000 each aggregating to Rs.100,00,000 as a contingency facility when required (Series B Debentures). The Series B debentures have not been issued as at 31.03.2021
- 672,000 unsecured compulsorily convertible debentures of Rs.100 each aggregating to Rs.672,00,000 (Refer note 16 - other financial liability)

The terms of issue of the Series A Non-Convertible debentures ("NCDs") and Compulsorily Convertible debentures ("CCDs") are given below:

Particulars	NCDs	CCDs
Amount	7397 NCDs with unit value of Rs. 10,00,000 each has been allotted to Private investors during the year 2018-19 amounting to Rs. 73,970 lakhs. 1003 NCDs with unit value of Rs. 10,00,000 each has been allotted to Private investors during the previous year amounting to Rs. 10,030 lakhs.	6,72,000 CCDs with unit value of Rs. 100 each has been allotted to Private Investors during the year 2018-19 amounting to Rs.672 lakhs.
Coupon	10 % payable monthly before every month end upto 31.05.2020. 12% payable monthly before every month end from 01.06.2020 to 21.11.2024	0.01% payable annually before 31st March of every year
Yield to Maturity	Yield to maturity (YTM) at 17% p.a. compounded annually (Including coupon). The coupon of 10 % upto 31.05.2020 and 12% upto 21.11.2024 shall be payable monthly before every month end.	Not Applicable



Archean Chemical Industries Private Limited
Notes forming part of financial statements

<p>Repayment</p>	<p>1. Repayable on maturity date November 21, 2024. 2. Voluntarily repayable - Voluntarily repayable by issuer subject to compliance with laws A. First the Series B Debentures at any time after the Deemed date of Allotment Series B Debentures and B. then the series A Debentures at any time after 18 months from 22nd November 2018 (being deemed date of allotment of the tranche I of series A debentures upto 21 November, 2024 3. Mandatorily repayable - In the event that any excess cash is available with the issuer in any month in financial year commencing from financial year 2020-21, on the last date business day of such month, the issuer shall take all necessary actions and redeem in part, the debentures pro rata in accordance with the priority as set out in debenture trust deed</p>	<p>CCDs are convertible at the option of CCD holder into equity shares of the company at any time in the ratio provided in the agreement dated 20.09.2018. Any CCDs not converted into equity as on 21st November 2028, will be compulsorily converted into equity shares in the ratio provided in the agreement dated 20.09.2018</p>
<p>Security</p>	<p>First charge over the fixed assets (movable and Immoveable) and all other present and future assets of the Borrower. First charge on all current Assets, both present and future, of Borrower.</p>	<p>NA</p>

Security

The Secured Obligations shall be secured in favour of the Debenture Trustee or its agent in form, substance and manner acceptable to the Debenture Holders by:

(a) a first ranking mortgage/ charge on all the issuer's immoveable properties, and movable properties including plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicle and other non-current movable assets, both present and future, except for the Immoveable land taken on lease by the Issuer from the Government of Gujarat under the GOG Lease Deed;

(b) a first ranking mortgage/ charge on all the issuer's tangible and intangible assets, including but not limited to its goodwill, undertaking and uncalled capital, both present and future and all bank accounts of the issuer and all receivables and proceeds in relation to such assets;

(c) a first ranking mortgage / charge on all insurance policies, performance bonds, contractors' guarantees and any letter of credit provided by any person in favour of the Issuer under the Material Agreements, if any;

(d) a first ranking mortgage / assignment on all the rights, titles, permits, clearances, approvals and interests of the Issuer in, to and in respect of the Material Agreements and all contracts relating to the Business (other than any short term purchase orders) listed below:

(i) all contracts relating to the Expansion Project with an aggregate value of INR 5,00,00,000 (Rupees Five Crores) or above;

(ii) operational contracts under which the Issuer has paid an advance of INR 5,00,00,000 (Rupees Five Crores) or above;

(iii) sales contracts (including as on the date of this Deed and signed by the Issuer in the future) with an aggregate value of INR 5,00,00,000 (Rupees Five Crores) or above;

(iv) Soljitz Exclusive Salt Sales Agreement, Soljitz SoP Sales Agreement, Soljitz Advance Payment Agreement 2 and Soljitz Advance Payment Agreement 3;

(v) Ports Services Agreement; and

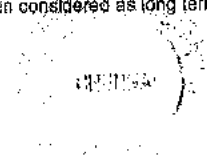
(vi) Sales and Cost Allocation Agreement;

(e) a first ranking mortgage/ charge on all the Issuer's current assets;

(f) a first ranking pledge of 100% (one hundred per cent) of the shares and other securities of the Issuer held by the Promoters (P.Ravi, P.Ranjit and Goodearth Fertilisers Company LLP), constituting 70.90%; and

(g) a first ranking charge over the partnership interest of Goodearth Fertilisers Company LLP, constituting 100% of partnership interest of Goodearth Fertilisers Company LLP;

Pursuant to arrangement between the Company and the debenture holders, the Non-Convertible Debentures have been considered as long term borrowings in these financial statements.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

(b) Terms of Secured Loan from others -

Particulars	Hypothecation details	Term of loan	Rate	Payable in next 12 months
- Daimler Financial Services India Pvt. Ltd.	1 No. Car	4 years	12.00%	11.77
- Toyota Financial Services India Ltd.	1 No. Car	3 years	9.00%	0.77
- Kotak Mahindra Prime Ltd.	1 No. Car	3 years	9.81%	4.09
- Indo Star Capital	10 no.s commercial vehicles	5 years	12%	70.27
- Shriram Transport Finance	10 no.s commercial vehicles	5 years	12%	63.48
- Hinduja Leyland Finance	10 no.s commercial vehicles	4 years	11.03% IRR	78.16
- ICICI Bank	5 No.s Commercial vehicles	4 years	12.50%	32.24
- Tata Motors	1 No.s Commercial vehicles	4 years	12.50%	20.16

Note 15 Lease liabilities

Particulars	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Liability on right to use assets under IND As 116 - Refer note 35	4,017.82	3,816.22	490.64	374.64
Total	4,017.82	3,816.22	490.64	374.64

Note 16 Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a. Compulsorily convertible debentures carried at amortised cost	289.28	258.36	-	-
b. Current maturities of long term borrowings	-	-	270.93	295.66
c. Interest accrued and not due on borrowings	11,749.53	6,939.28	-	-
d. Interest accrued and due on customer advances	-	-	262.11	262.11
e. Payable towards procurement of capital assets	-	-	1,105.31	179.88
f. Employee benefits payable	-	-	31.28	28.83
g. Retention money	-	-	10.48	10.48
Total	12,038.81	7,197.61	1,680.11	776.96

Note 17 Other liabilities

Particulars	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a Customer advances	17,037.78	21,070.24	3,706.27	6,722.90
b Statutory remittances	-	-	155.52	89.88
	17,037.78	21,070.24	3,861.79	6,812.78

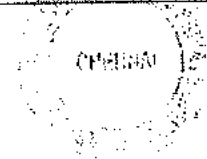
Archean Chemical Industries Private Limited
Notes forming part of financial statements
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 18 Deferred tax balances

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	15,903.13	17,594.03
Deferred tax liabilities	(10,573.90)	(9,882.22)
Net Deferred Tax Asset / (Liability)	5,329.23	7,711.81

2020-21	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	(9,882.22)	(891.88)		(10,573.90)
Deferred tax assets:				
Carried forward loss	16,928.46	1,766.41		15,162.05
Provision for Employee benefits	18.13	25.68	(7.55)	-
Disallowance u/s 40(a)	23.22	20.85		2.37
Provision for Doubtful Debts / Advances	553.30	(122.11)		675.41
DTA on timing differences on ROU assets and liabilities	70.92	7.62		63.30
Net Deferred Tax Asset / (Liability)	7,711.81	(2,390.13)	(7.55)	5,329.23

2019-20	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	(16,895.88)	(7,013.66)	-	(9,882.22)
Deferred tax assets:				
Carried forward loss	24,838.90	7,910.44		16,928.46
Provision for Employee benefits	17.38	4.29	(5.04)	18.13
Disallowance u/s 40(a)	52.66	29.34		23.22
Provision for Doubtful Debts / Advances	984.14	430.84		553.30
DTA on timing differences on ROU assets and liabilities	-	(70.92)		70.92
Net Deferred Tax Asset / (Liability)	8,997.10	1,290.33	(5.04)	7,711.81



Arcschem Chemical Industries Private Limited
Notes forming part of financial statements
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 19.1 Provisions - Non current

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	41.19	-
Total	41.19	-

Note 19.2 Provisions - Current

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Compensated absences	45.35	17.71
Provision for Gratuity	41.00	53.12
Total	86.35	70.83

Note 20 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Amount dues to micro enterprises and small enterprises - Refer Note 37	228.44	432.18
Dues of creditors other than micro enterprises and small enterprises	10,949.90	16,277.78
Total	11,178.34	16,709.96

20.1 Trade payables are non-interest bearing and are normally settled as per due dates.

20.2 The company has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms.

Note 21 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Sales of Products		
Domestic sales	18,729.59	12,897.22
Export sales	55,120.91	47,683.92
(b) Other operating revenues		
Export Incentives	215.70	153.63
Scrap sales	10.23	82.30
Total	74,076.43	60,817.07

Note:

The performance obligations under all sales contracts are satisfied at a point of time.

21.1 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.

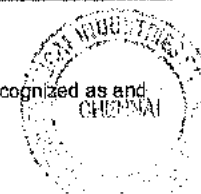
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue by Geography		
India	18,955.52	13,133.15
Rest of the world	55,120.91	47,683.92
Total revenue from contracts with customers	74,076.43	60,817.07
Revenue by offerings		
Manufactured goods		
(a) Marine chemicals		
Salt	36,371.56	35,200.93
Bromine	34,441.00	21,550.30
Sulphate of Potash	3,253.65	3,983.56
(b) Others	10.22	82.28
Total revenue from contracts with customers	74,076.43	60,817.07

21.2 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 receivables are presented net of impairment in the Balance Sheet.



Archean Chemical Industries Private Limited

Notes forming part of financial statements

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

Note 22 Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on bank deposits (at amortised cost)	85.68	1.89
Profit on sale from mutual funds	71.22	108.05
Income on mutual funds due to change in fair value	68.56	-
Miscellaneous income	194.63	2.00
Write back of payables	32.25	-
Provision no longer required	21.70	702.22
Profit on sale of fixed assets	-	14.62
Net gain on exchange fluctuation	928.52	-
Total	1,402.56	828.78

Note 23 Cost of materials consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock of Raw Materials	481.10	586.28
Add: Purchases	1,729.35	2,394.70
Less: Closing Stock of Raw Materials	535.90	481.10
Consumption of Raw Materials	1,674.55	2,499.88

Note 24 Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock:		
Work-in-progress	4,041.23	4,076.07
Finished goods	4,687.27	1,074.50
Closing Stock:		
Work-in-progress	4,161.27	4,041.23
Finished goods	5,352.39	4,687.27
(Increase)/Decrease in Stocks	(785.16)	(3,577.93)

Note 25 Employee benefit expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Bonus	3,351.43	3,315.93
Staff welfare	42.32	37.23
Contribution to Provident and Other Funds	138.33	93.75
Total	3,532.08	3,446.91

Note 26 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on debentures	12,078.64	11,277.97
Interest on working capital borrowings	163.46	257.99
Interest on finance lease	740.70	570.80
Effective interest on CCDs carried at amortised cost	31.04	27.99
Bank Charges	14.03	26.19
Interest on delayed payment of taxes	11.38	14.79
Total	13,039.25	12,175.73

Note 27 Depreciation and amortisation expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property, plant and equipment pertaining to continuing operations	5,533.00	5,186.84
Amortisation of intangible assets	5.35	4.85
Total	5,538.35	5,191.69

Note 28 Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	1,498.74	1,215.99
Power and fuel	5,352.05	4,443.80
Rent expense	47.98	15.93
Travelling and conveyance	343.10	506.97
Repairs and maintenance		
- Buildings	14.01	18.40
- Plant and machinery	783.53	895.91
- Others	438.60	616.43
Insurance	1,014.24	386.40
Rates and taxes (excluding taxes on income)	137.54	242.58
Packing, Despatching and Freight	27,774.52	25,632.82
Loading charges	3,282.63	3,605.84
Hire charges - equipment	824.87	1,006.00
Printing and stationery	14.37	11.71
Communication expenses	50.41	55.21
CSR Expenses (Refer Note 28.2)	55.10	66.74
Auditor's remuneration (Refer Note 28.1)	35.25	42.59
Legal and professional charges	543.24	1,508.60
Selling and distribution expenses	594.87	285.51
Provision for Doubtful Debts and Advances	485.14	92.27
Loss on sale of asset	20.94	-
Assets written off	4.58	49.00
Net loss on exchange fluctuation	-	1,619.19
Administration Expenses	116.62	215.94
Total	43,432.33	42,533.83

28.1 Auditor's remuneration

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Statutory Auditor's:		
(a) For services as auditors	29.25	31.50
(b) For other services	-	10.50
(c) For reimbursement of expenses	6.00	0.59
Total	35.25	42.59

28.2 Expenditure incurred for Corporate social responsibility

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expenditure incurred for Corporate social responsibility		
- Towards Archean Foundation	55.10	66.74
Total	55.10	66.74

Arcchem Chemical Industries Private Limited
Notes forming part of financial statements
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 29 Income tax expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
29.1 Income tax recognised in Profit or Loss		
Income tax Expense		
Current tax		
In respect of the current year	-	-
Deferred tax		
In respect of the current year	2,390.13	(436.94)
Tax adjustment for earlier years (Refer Note 29.3)	-	2,313.89
Total income tax expense	2,390.13	1,876.95

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
29.2 Income tax recognised in other comprehensive income		
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	7.55	5.04
Total income tax recognised in other comprehensive income	7.55	5.04
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	7.55	5.04
Items that may be reclassified to profit or loss	-	-
Total Income tax recognised in other comprehensive income	7.55	5.04

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (Loss) before tax	9,047.59	(1,736.97)
Income tax expense calculated at 25.17%	2,277.28	(436.94)
Tax adjustment:		
(a) Effect of changes in tax rate due to new tax regime being opted	-	2,516.53
(b) other impacts due to permanent allowances / disallowances as per IT Act	28.91	-
(c) Effect of other adjustments / disallowances	83.94	(202.64)
Income tax expense recognised in profit or loss	2,390.13	1,876.95

Note 30 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.

30.1 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**	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
India	18,956.52	13,133.15	113,343.78	116,807.08
Rest of the world	55,120.91	47,683.92	-	-
Total	74,076.43	60,817.07	113,343.78	116,807.08

** Non- current assets are used in the operations of the Company to generate revenues both in India and outside India.

Archean Chemical Industries Private Limited**Notes forming part of financial statements****(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)****Note 31 Basic and Diluted earnings per Share**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Basic and Diluted Earnings per share (Rs.)	32.24	(17.26)
Face value per equity share (in Rs.)	10.00	10.00

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, 2021	Year ended March 31, 2020
Profit / (Loss) for the year attributable to owners of the Company	6,658.71	(3,665.25)

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, 2021	Year ended March 31, 2020
Weighted average number of equity shares used in the calculation of basic earnings per share	19,266,681	19,266,681
Adjustment:		
Compulsorily Convertible Debentures ("CCDs")	1,388,143	1,388,143
Weighted average number of equity shares and potential equity shares used in the calculation of basic and diluted earnings per share	20,654,824	20,654,824



Archcon Chemical Industries Private Limited
Notes forming part of financial statements
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Note 32 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. 101.48 lakhs (Year ended March 31, 2020 - Rs. 96.75 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).

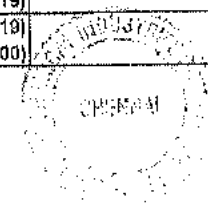
Investment risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

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.

Particulars	Gratuity (Funded)	
	2020-21	2019-20
Present Value of obligations at the beginning of the year	144.29	108.50
Current service cost	29.89	26.25
Interest Cost	7.87	7.34
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from adjustment	29.12	20.38
Benefits paid	(12.84)	(18.18)
Liabilities assumed / (transferred)	5.61	-
Present Value of obligations at the end of the year	203.84	144.29
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	91.17	101.31
Interest Income	4.97	6.84
Expected Return on plan assets	(0.89)	0.35
Contributions from the employer	31.76	-
Benefits Paid	(6.36)	(17.33)
Actuarial gain/ (loss) on plan assets	-	-
Fair Value of plan assets at the end of the year	121.65	91.17
Particulars	As at March 31, 2021	As at March 31, 2020
Amounts recognized in the Balance Sheet		
Present value of projected benefit obligation at the end of the year	(203.84)	(144.29)
Fair value of plan assets at end of the year	121.65	91.17
Funded status of the plans -- Liability recognised in the balance sheet	(82.19)	(53.12)
Provision for Gratuity - Non current liability	(41.19)	-
Provision for Gratuity - current liability	(41.00)	(53.12)



Archean Chemical Industries Private Limited
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Particulars	2020-21	2019-20
Components of defined benefit cost recognised in profit or loss		
Current service cost	29.89	26.26
Net Interest Expense	7.87	7.34
Interest Income	(4.97)	(6.84)
Net Cost in Profit or Loss	32.78	26.75
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	29.12	20.38
Return on plan assets	0.89	(0.35)
Net Cost in Other Comprehensive Income	30.01	20.03
Assumptions	As at March 31, 2021	As at March 31, 2020
Discount rate	6.06%	5.45%
Expected rate of salary increases	13.00%	9.00%
Expected rate of attrition	15.00%	22.00%
Average age of members	33.86	34.33
Average Expected Future service	5 years	3 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.

Mortality - Indian Assured Lives Mortality (2006-08) Ultimate.

The results of sensitivity analysis is given below:

Particulars	Impact on defined benefit obligation (Rs. in lacs)	
	March 31, 2021	March 31, 2020
Discount rate		
- 1% Increase (+100 BP)	(10.65)	(4.47)
- 1% decrease (-100 BP)	12.05	4.86
Salary growth rate		
- 1% increase (+100 BP)	10.09	4.17
- 1% decrease (-100 BP)	(9.32)	(3.93)
Attrition rate		
- 1% increase (+100 BP)	(3.61)	(0.58)
- 1% decrease (-100 BP)	4.09	0.83

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. 41.00 lakhs (2019-2020: Rs. 53.12 lakhs).

G. Long Term compensated absence

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

The amount of provision of Rs. 45.35 lakhs (March 31, 2020: Rs. 17.71 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Assumptions	2020-21	2019-20
Discount rate	6.06%	5.45%
Expected rate of salary increases	13.00%	9.00%
Expected rate of attrition	15.00%	22.00%

Archean Chemical Industries Private Limited
Notes forming part of financial statements
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Note 33 Financial Instruments

33.1 Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The company is not subject to any externally imposed capital requirements. The company has set up a green field project during 2013-14. The Company has turned into profits in FY 2020-21 resulting into a better gearing ratio as on March 31, 2021.

The capital structure of the Company consists of net debt (borrowings as detailed in note 14 and note 16 (accrued interest and current maturities of long term borrowings) 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.

33.1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Debt**	97,592.82	92,667.54
Cash and bank balances	3,181.34	2,474.92
Net debt	94,411.48	90,192.62
Total Equity**	7,397.77	761.57
Net debt to equity ratio (in times)	12.76	118.43

**Debt is defined as long-term, short-term borrowings and customers bill discounting (excluding derivatives and financial guarantee contracts).

** Equity includes all capital and reserves of the company that are managed as capital.

33.2 Categories of financial instruments

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Financial assets measured at fair value - Mutual fund investments	4,183.54	4,790.88
Measured at amortised cost		
a Cash and bank balances	3,181.34	2,474.92
b Other financial assets at amortised cost	9,377.50	4,667.34
Financial liabilities		
a Measured at amortised cost	119,180.34	109,858.80
b Measured at FVTPL	4,797.74	4,449.21

33.3 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 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.

33.4 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.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

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

33.5 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 not taken forward contracts, options, futures or any other derivative instruments to manage the foreign currency risk. The strategy followed by the Company is tracking the foreign currency exchange rates and settlement of the payables at the time when the exchange rates are favourable.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

Currency	Liabilities as at			
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
EUR	FC	INR	FC	INR
GBP	1.58	135.83	4.40	365.42
SGD	-	-	-	-
USD	297.82	21,891.17	378.53	28,537.44
THB	-	-	-	-
Total		22,027.00		28,902.86

Currency	Assets as at			
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
EUR	FC	INR	FC	INR
GBP	3.35	268.71	3.88	320.60
SGD	0.12	8.15	-	-
USD	115.66	8,575.06	74.95	5,650.41
Total		8,869.92		5,971.01

33.5.1 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	Rs in Lakhs	
	2020-21	2019-20
Financial Assets (A)		
USD	426.75	282.52
EUR	14.44	16.03
Financial Liabilities (B)		
USD	1,084.55	1,426.87
EUR	5.79	18.27
Total (A) - (B)	(658.16)	(1,146.59)

Impact of change in exchange rates of GBP and SGD on profit or loss for the period is immaterial and hence not disclosed.

33.6 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.



Archean Chemical Industries Private Limited
Notes forming part of financial statements
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

33.7 Interest rate sensitivity analysis

The sensitivity analysis 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 year. 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, 2021 would not have any impact as there are no liabilities with floating rate as on March 31, 2021. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

33.8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties. The company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved on a regular basis. Also majority of sales are carried out through letter of credit and secured.

33.9 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 33.9.2 below sets out details of facilities that the Company has at its disposal.

33.9.1 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 including estimated interest payments other than interest on MCD as at March 31, 2021

Particulars	Weighted average effective interest rate (%)	Less than 1 year	More than 1 and upto 3 years	More than 3 and upto 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Accounts payable and acceptances		11,178.34	-	-	-	11,178.34	11,178.34
Interest accrued but not due on borrowings		-	-	11,749.53	-	11,749.53	11,749.53
Interest accrued and due on Customer advances		262.11	-	-	-	262.11	262.11
Others		1,147.07	-	-	-	1,147.07	1,147.07
Finance lease liability		1,113.54	2,539.48	1,372.81	5,827.06	13,872.89	4,508.46
Fixed interest rate instruments*	16.95%	1,283.20	860.25	84,064.55	289.28	86,307.29	86,307.29

* Includes the estimated interest payment of Vehicle loans of Rs. 174.72

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments other than interest on MCD as at March 31, 2020

Particulars	Weighted average effective interest rate (%)	Less than 1 year	More than 1 and upto 3 years	More than 3 and upto 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Accounts payable and acceptances		16,708.96	-	-	-	16,708.96	16,708.96
Interest accrued but not due on borrowings		-	-	8,939.26	-	8,939.26	8,939.26
Interest accrued and due on Customer advances		262.11	-	-	-	262.11	262.11
Others		219.19	-	-	-	219.19	219.19
Finance lease liability		955.46	1,949.45	2,287.78	8,801.27	13,773.96	4,190.86
Fixed interest rate instruments	16.95%	806.21	848.34	84,273.73	258.35	85,986.63	85,986.63



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The carrying amounts of the above are as follows:

Particulars	Rs in Lakhs	
	As at March 31, 2021	As at March 31, 2020
Non-interest bearing	12,587.52	17,191.28
Finance lease liability	4,506.46	4,190.86
Fixed interest rate instruments	88,056.82	92,925.89
	115,150.80	114,308.01

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 the net asset and liability basis.

Particulars	Rs in Lakhs					Total
	Less than 1 year	1-3 year	3-5 year	More than 5 years		
As at March 31, 2021						
Investments	4,116.89	8.72	-	-	4,125.61	
Security Deposits	1,193.20	-	104.51	-	1,297.71	
Export benefits receivable	228.12	-	-	-	228.12	
Trade Receivables	6,807.30	-	-	-	6,807.30	
Loans	46.15	-	-	-	46.15	
Cash and Bank balances	3,181.34	-	-	-	3,181.34	
As at March 31, 2020						
Investments	4,707.32	8.42	-	-	4,715.74	
Security Deposits	-	-	109.57	-	109.57	
Export benefits receivable	72.76	-	-	-	72.76	
Trade Receivables	4,445.46	-	-	-	4,445.46	
Loans	38.56	-	-	-	38.56	
Cash and Bank balances	2,474.92	-	-	-	2,474.92	

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.

33.3.2 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 previous year.

33.10 Fair value measurements

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

33.10.1 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, 2021		As at March 31, 2020	
	Level 1	Level 2	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		4,163.54	4,163.54	4,780.88	4,780.88
Financial liabilities						
(a) Measured at amortised cost	Level 3		110,180.34	110,180.34	109,858.80	109,858.80
(b) Measured at FVTPL	Level 3		4,797.74	4,797.74	4,449.21	4,449.21

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.

Archean Chemical Industries Private Limited

Notes forming part of financial statements

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

Note 34 Related party transaction

34.1 Names of Related parties & Nature of Related parties relationship

i. Entities or persons having significant influence	Goodearth Fertilisers Company LLP
ii. Subsidiary companies	Marine Chemicals Trading Pte Ltd
iii. Enterprise over which Key management personnel exercise significant influence.	Goodearth Maritime Ltd Jakhau Salt Company Private Ltd Bharath Salt Refineries Ltd Archean Industries Private Ltd Cloudgen Digital Private Ltd Sea Salt Holdings Pte Ltd Bahuvudhaah Holdings Private Ltd Archean Salt Holdings Private Ltd
iv. Key Management Personnel	Mr. P Ranjit - Whole-time Director (Managing Director with effect from 04 Sep 2020) Mr. E Sairam - Group CFO (CFO with effect from 04 Sep 2020) Mr. G Balaji - Company Secretary (resigned with effect from 30 Nov 2021)

34.2 Transactions with related parties

Particulars	Transaction Value		Amount Outstanding Receivable / (Payable)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Jakhau Salt Company Private Ltd				
- Reimbursement of Jetty Expenses	202.62	416.87		
- Purchase of Salt	-	683.10	(81.13)	(873.57)
- Reimbursement of Expenses	48.20	35.42		
Goodearth Fertilisers Company LLP				
- Share Capital Issued	-	-	-	-
- Loan waived	-	-	-	-
Bharath Salt Refineries Ltd				
- Reimbursement of Expenses	11.37	(101.30)	147.33	101.30
- Salt Purchase	-	428.61		
- Transportation charges receivable	34.66	-		
Archean Salt Holdings Private Ltd				
- Receivable	-	-	4.33	4.33
P. Ranjit				
- Office Rent (GDM)	44.02	44.25	(3.83)	(3.24)
Marine Chemicals Trading Pte Ltd				
- Advance receivable written off	-	5.78	-	-
Goodearth Maritime Limited				
- Payment towards jetty services	2,794.82	556.14	2,117.42	381.48
- Receivable Bromine	-	-	50.00	50.00
- Provision for doubtful receivables	-	50.00	(50.00)	-
- Advances given for jetty charges	1,003.52	-		
- Security deposit for jetty charges	1,180.00	-		
Archean Industries Private Ltd				
- Reimbursement of Expenses	22.94	30.27	-	(1.18)
Sea Salt Holdings Pte Ltd				
- Receivable	-	-	655.64	655.64
- Provision for doubtful receivables	-	-	(655.64)	(117.36)
- Sale of salt	-	1,217.95	-	-
Bahuvudhaah Holdings Private Ltd				
Advances	-	-	-	1.63
Provision against advances	-	-	-	(1.63)
Cloudgen Digital Private Ltd				
- Consultancy Services availed	5.96	6.00	(1.33)	(1.30)

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34.3 Compensation of Key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefits expense		
Mr. P Ranjit	324.72	392.80
Mr. E Salram	98.81	106.05
Mr. A R Balaji	-	49.45
Mr. G Balaji	24.87	25.72

Note 35 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	Property	ISO tanks	Total
Balance as at March 31, 2020	1,457.86	2,018.48	3,474.34
Additions during year	-	697.09	697.09
Disposals during year	(87.57)	-	(87.57)
Depreciation charge for the year	78.29	538.91	615.20
Disposals during year	(29.44)	-	(29.44)
Balance as at March 31, 2021	1,321.44	2,176.66	3,498.10

Lease liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Maturity analysis - contractual undiscounted cash flows		
- Less than one year	1,113.64	955.46
- One to five years	3,932.29	4,217.23
- More than five years	8,827.06	8,501.27
Total undiscounted lease liabilities	13,872.99	13,773.96

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of lease liability		
- Current	490.64	374.64
- Non Current	4,017.82	3,818.22

Particulars	As at 31 March 2021	As at 31 March 2020
Amounts recognised in profit or loss		
- Interest on lease liabilities	740.70	570.80
- Expenses relating to short-term leases	4.26	6.40
- Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	43.72	9.53

The company's incremental borrowing rate is 17%

Archaan Chemical Industries Private Limited
Notes forming part of financial statements
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Movement of lease liabilities

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	4,190.86	-
Lease liability on Ind AS 116 "Leases" adoption	-	4,169.12
Additions	697.09	-
Accretion of interest	740.70	570.80
Payments	(1,104.41)	(750.76)
Forex	46.58	211.70
Deletions	(62.34)	-
Balance at the end of the year	4,508.46	4,190.86

Note 36: Additional information to the financial statements

36.1 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2021	As at 31 March 2020
Contingent liabilities		
a. Disputed Sales tax, Value added tax and income tax under appeal	1,682.47	-
b. Capital Commitments	3,627.44	1,589.62
Total	5,689.91	1,589.62

Note 36.1 (a) Details of disputed statutory dues

Name of Statute	Period to which amounts relates	Forum where dispute is pending	As at 31 March 2021	As at 31 March 2020
Sales tax and Gujarat VAT matters in respect of which Company is in appeal.	FY 2016-18	Joint Commission, Rajkot	324.73	-
	FY 2016-17		273.92	-
	FY 2017-18		28.06	-
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		900.75	-
Total			1,862.47	-

Note: Amounts paid under protest Rs. 215.40

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

Note 37 : Dues to Micro, Small and Medium Enterprises:

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 28, 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, 2021 and March 31, 2020 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 31 March 2021	As at 31 March 2020
The principal amount remaining unpaid to any supplier at the end of each accounting year;	228.21	426.67
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	0.23	6.61
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	0.23	-
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	0.19	2.66

Archean Chemical Industries Private Limited

Notes forming part of financial statements

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

38. Events after the reporting date

NIL

39. others

Marine Chemicals Trading Pte Ltd (the wholly owned subsidiary of the Company) has applied to the Accounting and Corporate Regulatory Authority for Strike-off under section 344 of the Companies Act of Singapore and the name of the company has been struck off from register on 7-Dec-2020. Intimation to AD bank has been submitted on 17-June-2021. The company had written off the carrying value of its investments in the subsidiary during the Current year 2020-21.

In the previous financial year the company had made a provision for impairment in the carrying value of its investments in this subsidiary.

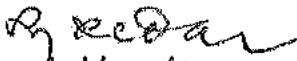
40. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on December 6 , 2021

41. 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.

42. The previous year figures have been regrouped / rearranged to conform to current year classification.

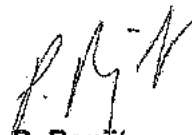
For and on behalf of the Board of Directors



S. Meenakshisundaram

Director

DIN: 01176085



P. Ranjit

Managing Director

DIN: 01952929



E Sairam

Chief Financial Officer



Place : Chennai

Date : December 6, 2021