

**Mr. Ranjit**

Good morning, everyone. As the necessary quorum is not present we will adjourn the meeting till 11:00 AM and rejoined at 11:00 AM.

**Mr. Ranjit**

Good morning, directors, shareholders, statutory and secretarial auditors, scrutinizers and other panel members. We welcome you all to the 14<sup>th</sup> Annual General Meeting of Archean Chemical Industries Limited. With this node, I hereby request the Directors to elect the Chairman for the meeting.. I Meenakshisundaram, Director of the company here by propose Mr. Ranjit Pendurthi, the Managing Director to be the Chairman for this meeting. I Mohandas independent Director of the Company, second the proposal of Ravi Pendurthi, director of the company and hereby consent and give my approval. I Padma Chandrasekaran, Independent Director of the Company and I consent to approve the proposal.

I C G Sethuram, Independent Director of the Company, hereby give my consent to the proposal.

Thank you, Directors.

I hear by welcome the Shareholders, Directors and the other panel members for this 14th Annual General Meeting and as there is requisite quorum, the meeting is in order.

There is no physical attendance of members, hence the requirement of appointment of proxy as per the circulars issued by MCA and SEBI is not applicable. Members may Please note as per the provisions of the Companies Act 2013 and SEBI Listing Regulations, the company has provided the E- voting facility to the Members pursuant to Section 107 of the Companies Act 2013. They will not be any voting through show of hands. Members who have not voted earlier can exercise their vote during this meeting as well. Statutory registers under the Companies Act and the certificate as required in SEBI, Share based Employee Benefits and share Equity Regulations are available for inspection. The notice of the meeting and the annual report have already been circulated to the members. There is no qualification in the statutory auditors and secretarial auditors reports and therefore the notice, the set reports and annexures to the reports are taken as received and read.

The Directors report and the audited financial statements for the financial year ended March 31, 2023 are already available with all of you. Financial year 2023 has been a milestone year for the Company as we went public via our listing on the NSE and BSE. Proceeds were successfully used for redemption of the NCD's, which has further strengthened the balance sheet.

I take this opportunity to thank our investors and various capital market participants for their faith in the company. I'm grateful to our employees and customers without whom we would not have achieved the success and growth over the last decade. Their trust and confidence in us push us to perform better and achieve greater heights for your company as we continue to evolve and grow.

We look forward for this continued support and thank all our stakeholders for the same. On the industry front, as you know, the last one year there have been many disruptions in the

global economy including geopolitical tensions, supply chain disruptions, energy crisis and high inflation coupled with record high interest rates globally. These factors have no doubt posed challenges to the overall economies worldwide and the chemical industry was not an exception in being affected by the same.

However, FY 23 was a strong year for India and our domestic economy has shown great resilience due to encouraging policies and witnessed strong growth domestically while increasing the exports. Let me quickly give you an overview of the companies performance.

We are glad to inform you that your company was able to report a healthy performance for the year gone by registering a revenue of ₹1485 crores for FY23, a growth of 30% on year on year basis.

We are majorly export oriented wherein 73% of the revenue is from the export market, key geographies to which we export our Japan, China, South Korea, Qatar, Belgium and Netherlands amongst many other countries in the Far East. Half of the total business is contributed by Bromine and the other half is from Industrial salt. Some highlights, EBITDA for the FY 23 stood 678 crores, a growth of 41% on year on year basis with a margin of 46%. Net profit for the years FY23 at ₹385 crore, growth of 103% on year on year basis. Briefly .

The Board of Directors have recommended a final dividend of ₹2.5 per equity share that is subject to the approval of the shareholders at Archean Chemicals. We are in the growth phase and cater to the domestic and global demand and we are hence investing significantly to expand our capacity and capability in bromine. Specifically, we have added an additional 14,500 metric tonnes per annum capacity, which will be used for producing bromine derivatives in the upcoming Greenfield project. On the Greenfield project itself, we are moving up the value chain and expanding the bromine derivative products to address growing demand in end user markets.

We are setting up a new facility at Jhagadia through Acume Chemicals Private Limited, 100% subsidiary of Archean Chemicals. This is in the GIDC ecosystem to manufacture bromine performance derivatives, primarily brominated flame retardants, clear brand fluids and bromine catalysts amongst other products as well.

Globally, properties worth billions of dollars are lost due to fire related accidents every year and safety norms therefore need to be made critical across the globe. We are investing about 250 crores in this project and expect to commence production in the next financial year on industrial salt.

There in the process to expand the facility by an additional washery which will take the capacity from 3 and half million tonnes to 5,000,000 tonnes per annum with a continue with emphasis on sustainability.

We anticipate a good demand for our value added products to drive sustainable growth. We are a manufacturer of specialised chemicals in India and their anticipated to have reasonable growth in the medium to long term. We believe that this growth momentum is expected to sustain and the chemical industry will continue to grow over the coming years. I once again reiterate our sincere thanks to employees, customers, shareholders, suppliers, vendors and bankers, all of whom are critical to our success. We see significant opportunities for growth over the next several years and we look forward to the next stage of our journey together. I

know request Link intime to invite shareholders who have registered themselves as speakers to express their views.

**Moderator** : Thank you so much Sir. Our first speaker shareholder for the meeting Mr. Rushabh Shah. . Sir you are in the panel. Kindly ask your question.

**Mr. Rushabh**

Hello. Yeah. Can you hear me? Yes, Sir. You are audible.

Please. Good morning everyone. Actually I had earlier sent a list of questions to Mr Arun, but however, you know, I had certain you know few important queries that you like to understand, you know from the management team so that I can get a better understanding of the business as soon as the industry.

So my first question is say bromine as a chemistry, especially in derivatives, is it gaining prominence or it is losing Sheen? Maybe due to environmental reasons or whether competition from other chemistries because whatever hearing is BF can also be made from magnesium of phosphorus. So I want to understand you know your thoughts are if you could share certain examples.

My certain second question is how does an investor say invention the trajectory of Archean chemicals for the next 25 years? By understand the derivatives will be significant focus for you for the company for the next 12, but everyone understand the medium term to long term perspective from your angle. And the 3rd question is what is the payback. That you normally expect for a major CAPEX or for the account going derivatives CAPEX are you doing? And my question is a China is a significant part of a revenues for both industrial salt as well as elemental grooming. And given there are currently there are, you know, visible signs of muted demand. So in the in this say, NA lag. Say 2 or 3 quarters, what will be the key focus area for the company in terms of say, cost optimization, strengthening customer relationship, whatever, so that the company emerges stronger, you know, after the lull. Is over? Want to understand your thoughts here. Hello. Yeah. Can you hear me? Hello.

Yeah, Mr Shah, is that it or do you have? One last question I have said yes, please go ahead.

Yeah, yeah. Kindly just want to understand the sense you know just newly listed company. I just want to understand say for the from the period start from FY 11-12 to 18. What is it companies initial game plan and what are the factors that the exact reason that led to the company is going into restructuring. If you could please highlight 23 factors and what to exact you know reason why went to restructure and how we came across. That's the last question. Thank you, Sir.

**Mr. Ranjit**

Thank you. Thank you for your questions. So I will attempt to answer all of them maybe if not necessarily point by point, but I'll just generally give you an overview. So I think Bromine, you know aware is one of the few halogens in the world and possibly available in a natural state, right. So I think in terms of chemistry it is unique in the fire retardant properties it carries as a derivative. There are other products just like in many other chemical industries

where when you have something that is in a short supply globally from a demand perspective, alternatives are always sought after and substitutes are always sought after. For example, today if people are making lithium based batteries, there are obviously people working on substitutions for lithium because lithium is a high priced raw material as well as not available in most parts of the world. So I think in that context substitution will happen maybe possibly over many, many years in the future. But today I think in terms of prominence, I don't think there is a replacement for bromine and its halogen properties from a flame retardant perspective, right. So I think we don't see any near term or visible substitution happening at any reasonable scale or level. The second one is I think in terms of the trajectory for our company over the next few years. I think as we said we are spending a CapEx on the Greenfield project for the bromine performance derivatives. So I think flame retardant is only one subject. But we also have on the clear brand fluids which going to oil, gas drilling, which going to battery chemistry.

We have the bromine catalyst which go into, you know, PTA and the likes and also into highly specialised chemical products as raw materials. So I think from that perspective we anticipate that this investment is in the right direction and it should, you know, yield the result that we are hoping to set ourselves up for over the next few years in terms of returns. The 3rd question is China, as you know is a very strong chemical player both from a import perspective and from an export perspective. I think India's strategy of China plus one is in the right direction in that.

Next, I think we are one of the companies looking at optimising that strategy and the fact that we are going to be making some of these derivatives in India, right, being a integrated bromine player and a further going downstream into making the bromine derivative products, I think gives us a tremendous strength in being through the entire value chain, right from raw material to end product. So I think that positioning will obviously, you know, help us again a much better market share in the new product portfolio as we go forward. So I think China is just one market. Once we start going into the bromine performance derivative products, I think the entire world market opens up because the end users are not limited to the Chinese market alone.

With regard to the some initiatives you have already underway and are close to completion on cost optimization, as you rightly asked. For example, we have been running a Cogen plant, now we are executing a electricity grid connection. So this will reduce the cost of having to run and also reduce the carbon footprint. So we will bring down our power cost you know starting from the next month or so we also close to completing a small one and half megawatt solar installation that will provide power you know captive only within the premises. So this will further bring down the cost of power and of course you know other regular ongoing optimization efforts keep moving on the yield front, on the raw material consumption front ECC. So I think as a basket we are obviously conscious of these input costs and constantly monitoring it and doing the needful to bring these down. The last I think question that you had was FY 11 to 18. I think that is a period gone by and I think the restructuring was an account of certain balance sheet and capital structure correction. And when we needed more capital for the bromine expansion of the first phase which we completed, I think we sought more capital. And that is when we decided to, you know, move on from the public institution banks and we went to AIF and took that borrowing and then paid off the institutions in full. Thank you. Thank you for the question.

Do you have any other speaker?

**Moderator :** No Sir. We don't have any speakers. You can move on.

**Mr. Ranjit**

So I would like to thank all the shareholders for their trust, understanding and constant support. I on behalf of the Board wish to thank our employees, bankers, customers, suppliers and the communities around our plant for their continued support and full cooperation. I hereby declare the meeting to be closed. Thank you for your attendance and your time today and wish everyone healthy and peaceful day.