

PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Archean Chemical Industries Limited

(Formerly known as Archean Chemical Industries Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Archean Chemical Industries Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2022, and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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



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S.no	Key Audit Matter	Our Response
1.	Revenue for Products is recognized on transfer of control to the Customer. Company's sales catering to clients in the Asia / Europe regions. Delivery to customers might take extended time periods from the date of dispatch from the premises of company. There is an inherent risk of misstatement of the Financial Statements related to transactions recorded close to the year end in the context of the terms of supply and the point of transfer of control and thus, the point of revenue recognition as per Ind AS (cut-off risk). Considering magnitude and high volume of sales transactions carried out, cut-off risks in revenue recognition is considered as a key audit matter	Our audit procedures included: ➤ Assessment of Revenue Recognition policy 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.	Inventory at the year-end: The Company's inventory, generally, is located at its plant at Kutch and the finished goods at the Jakhau and Mundra ports. The Company has a policy of performing verification of its inventory at these locations. The Company has conducted the physical verification of inventories across at Washery plant, Jakhau and Mundra port in the first week of April 2022 by engaging specialists (management experts).	With respect to inventories at the year-end, we performed the following procedures: ➤ Understood and evaluated the Management's internal controls process to establish the existence of inventory such as: (a) the process of physical verification carried out by the Management, the scope and coverage of the verification programme, the results of such verification including analysis of discrepancies, if any, (b) maintenance of stock records at all locations. ➤ Understood and evaluated the competence, independence and objectivity of the experts engaged by the Management. ➤ Participated in the stock count performed by the management at Washery plant, Jakhua and Mundra port.



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		➤ Checked roll back procedures from the date of the physical verification to the year end. ➤ Obtained confirmation for stocks held at third party location. ➤ On a sample basis, tested the quantity reconciliation from 1st April, 2021 to 31st March, 2022 of raw materials, and finished goods, that was prepared by the Management.
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Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors' report, but does not include the standalone 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 standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. 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 Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing,



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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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



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(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31st March 2022 on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 33 to the standalone financial statements

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2022

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 39 E to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

iv. (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 39 E to the Standalone Financial Statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

iv.(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The Company has not declared any dividend during the current year and hence the question of the Company complying with section 123 of Companies Act, 2013 while paying dividend is not applicable.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The



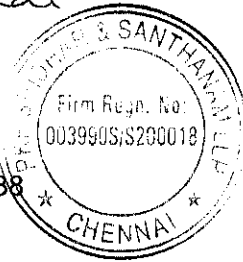
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Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

S. Prasana Kumar

S. Prasana Kumar
Partner
Membership No. 212354
UDIN: 22212354AJXWOO6288



Place of Signature: Chennai
Date: 30th May 2022

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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 Limited ("the Company") on the standalone financial statements as of and for the year ended 31st March 2022.

- (a) In respect of the Company's fixed assets (Property, plant and equipment) and intangible assets:

(A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

- (b) The Company has a regular programme of physical verification of its fixed assets by which all Property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, plant and equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) In respect of immovable properties owned, the title deeds have been pledged as security for non-convertible debentures and are held in the name of the Company based on the confirmations directly received by us from the debenture trustees. In respect of immovable properties that have been taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company except for Factory original land lease with Government of Gujarat had expired and the Company is in the process of obtaining the lease renewal. (Refer Note 3(b) of Standalone Financial Statements).

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year and hence this clause is not applicable to the Company.

- (e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.

(ii)

- (a) The inventories have been physically verified by the management at reasonable intervals during the year (including verification conducted by the management expert). In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and book records were not material and have been appropriately dealt with in the books of accounts.



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- (b) Based on our audit procedures & according to the information and explanation given to us, the company has been sanctioned working capital loan in excess of five crore rupees from a bank, in aggregate, from banks or financial institutions on the basis of security of current assets. Quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii)

- (a) Based on our audit procedures & according to the information and explanation given to us, the Company has not, during the year, made investments in , provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, except in respect of investments of Rs 500 lakhs and loans of Rs 1,255.06 Lakhs into wholly owned subsidiary during the year for setting up of manufacturing unit for the production of bromine derivatives.

(A) The Company has given a loan of Rs 1,255.06 lakhs during the year to its wholly owned subsidiary and the entire amount including interest thereon aggregating to Rs. 1,280.33 lakhs is outstanding as at 31st March 2022.

- (b) Based on our audit procedures & according to the information and explanation given to us, the investments made and loans given to wholly owned subsidiary as stated in (a) above are not prejudicial to the Company's interest.
- (c) For the loan referred to in (a) the loans are not yet due for repayment of principal and interest based on the terms and conditions of the loan.
- (d) In respect of the aforesaid loan, the repayment falls due in a later year and hence there are no overdues as at 31st March 2022.
- (e) There have been no extension, renewal or fresh loan given to close existing loan during the current year by the Company.
- (f) Based on our audit procedures and according to the information and explanation given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment and hence the question of aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause 76 of section 2 of the Companies Act, 2013 does not arise. Accordingly, paragraph 3(iii)(f) of the Order is not applicable.

(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.

Based on our audit procedures & according to the information and explanation



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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 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 31st March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, statutory dues relating to Goods and Services Tax (GST), Employees' State Insurance, Income Tax, Duty of Customs or cess or other statutory dues which have not been deposited with the appropriate authorities on account of any dispute are as below:

Name of the Statute	Nature of the dues	Period to which amounts relates	Amount Demanded (Rs. In Lakhs)*	Amount paid under protest (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	540.02	100.25	Income Tax Appellate Tribunal



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		FY 2013-14	500.75	115.15	Income Tax Appellate Tribunal
Customs Act, 1962	Customs Duty	Various Periods	99.54	-	Zonal Joint Director General of Foreign Trade

(viii) Based on our audit procedures and as per information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3 (viii) of the order is not applicable.

(ix)

- (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to debenture holders / banks.
- (b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there were no term loans taken by the Company and hence the question of the amount of loan so diverted and the purpose for which it is used does not arise. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that the company has not used any short term funds raised for long term purposes during the year.
- (e) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any loans during the year on pledge of securities held in its subsidiary companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.

(x)

- (a) 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 initial public offer or further public offer during the



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year.

- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised does not arise. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi)

- (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year nor have we been informed of such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no whistle blower complaints were received during the year by the Company.

- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, 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 standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv)

- (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under audit.

- (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)

- (a) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).



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- (b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the audit procedures and according to the information and explanations given to us, the Group does not have more than one CIC as part of the Group (basis definition of "Companies in the Group" as per Core Investment Companies (Reserve Bank) Directions, 2016) as at the end of the reporting period.
- (xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report of the Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx)
- (a) Based on our audit procedures and according to the information and explanations given to us, in respect of other than ongoing projects, the Company having spent the required amount, there is no amount pending to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to transfer unspent



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amount under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing project to special account in compliance with provision of sub-section (6) of section 135. Accordingly, paragraph 3(xx)(b) of the Order is not applicable to the Company.

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

S. Prasana Kumar

S. Prasana Kumar
Partner
Membership No.: 212354
UDIN: 22212354AJXWOO6288



Place of Signature: Chennai
Date: 30th May, 2022

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Annexure B

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

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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 standalone 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

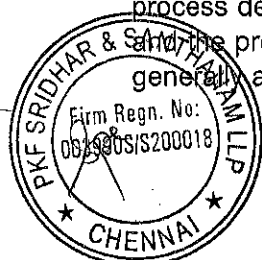
Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to



PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Archean Chemical Industries Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31st March 2022, 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

S. Prasana Kumar
Partner

Membership No. 212354

UDIN: 22212354AJXWOO6288



Place of Signature: Chennai

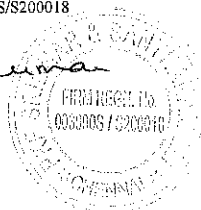
Date: 30th May, 2022

Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)
Standalone Balance Sheet as at March 31, 2022
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A. ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	2	1,04,549.48	1,00,718.55
(b) Capital work in progress	2	1,717.20	1,893.17
(c) Right-of-use assets	3	4,055.44	3,498.10
(d) Intangible assets	4	14.48	13.33
(e) Intangible assets under development	4.1	3.50	-
(f) Financial assets:			
(i) Investments	5A	509.01	8.72
(ii) Loans	7	1,255.06	-
(iii) Other financial assets	6	202.45	162.44
(g) Deferred tax assets (Net)	18	-	5,329.23
(h) Other non current assets	8	1,477.61	1,720.24
Total non-current assets		1,13,784.23	1,13,343.78
Current assets			
(a) Inventories	9	12,078.75	11,062.56
(b) Financial assets:			
(i) Investments	5B	1,111.95	4,116.89
(ii) Trade receivables	10	15,297.34	6,807.30
(iii) Cash and Cash equivalents	11.1	724.68	3,150.41
(iv) Bank balances other than (iii) above	11.2	4,649.90	30.93
(v) Loans	7	46.80	46.15
(vi) Other financial assets	6	1,454.64	1,419.64
(c) Other current assets	8	4,020.77	3,425.30
Total current assets		39,384.83	30,059.18
TOTAL ASSETS		1,53,169.06	1,43,402.96
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	1,926.67	1,926.67
(b) Other equity	13	24,342.36	5,471.10
Total equity		26,269.03	7,397.77
Liabilities			
Non-Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	14	84,283.29	84,641.15
(ii) Lease liabilities	15	4,548.95	4,017.82
(iii) Other financial liabilities	16	7,698.94	12,038.81
(b) Other non-current liabilities	17	11,822.95	17,037.78
(c) Provisions	19.1	33.83	41.19
(d) Deferred tax liabilities (Net)	18	956.00	-
Total non-current liabilities		1,09,343.96	1,17,776.75
Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	14	205.10	1,202.14
(ii) Lease liabilities	15	686.05	490.64
(iii) Trade payables			
(A) total outstanding dues of micro and small enterprises (refer note 42)	20	242.25	228.44
(B) total outstanding dues of creditors other than above	20	10,986.97	10,949.90
(iv) Other financial liabilities	16	489.53	1,409.18
(v) Derivative liabilities	16.1	3.91	-
(b) Other current liabilities	17	4,859.80	3,861.79
(c) Provisions	19.2	82.46	86.35
Total current liabilities		17,556.07	18,228.44
Total Liabilities		1,26,900.03	1,36,005.19
TOTAL EQUITY AND LIABILITIES		1,53,169.06	1,43,402.96
Notes forming part of Financial statements	1-44		

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

S. Prasanna Kumar
S. Prasanna Kumar
Partner
Membership No:212354



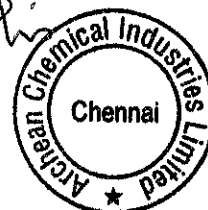
For and on behalf of the Board of Directors

S. Meenakshisundaram
S. Meenakshisundaram
Director
DIN: 01176085

E. Sairam
E. Sairam
Chief Financial Officer

P. Kanjit
P. Kanjit
Managing Director
DIN: 01952929

G. Arunmozhi
G. Arunmozhi
Company secretary



Place : Chennai
Date : May 30, 2022

Place : Chennai
Date : May 30, 2022

Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)
Standalone Statement of Profit And Loss for the year ended March 31, 2022
 (All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

S.No	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I	Revenue from operations	21	1,13,043.71	74,076.43
II	Other income	22	1,264.29	1,402.56
III	Total income (I+II)		1,14,308.00	75,478.99
IV	Expenses:			
	Cost of materials consumed	23	4,488.29	1,674.55
	Changes in inventories of finished goods, work-in-progress and stock in trade	24	(556.20)	(785.16)
	Employee benefits expense	25	3,784.19	3,532.08
	Finance costs	26	16,166.86	13,039.25
	Depreciation and amortisation expenses	27	6,686.19	5,538.35
	Other expenses	28	58,596.92	43,432.33
	Total expenses (IV)		89,166.25	66,431.40
V	Profit before exceptional items and tax (III-IV)		25,141.75	9,047.59
VI	Exceptional items			
VII	Profit before tax (V+VI)		25,141.75	9,047.59
VIII	Income tax expense:			
	- Current tax		-	-
	-(Excess) provision for tax relating to prior years		(1.55)	(1.20)
	- Deferred Tax	29	6,281.91	2,390.13
	Total Income tax expenses (VIII)		6,280.36	2,388.93
IX	Profit after tax (VII-VIII)		18,861.39	6,658.66
X	Other Comprehensive Income			
	Items that will not be reclassified to Profit or Loss			
	Remeasurements of the defined benefit plans		13.19	(30.01)
	Income tax expenses relating to the above		(3.32)	7.55
	Total other comprehensive income for the year, net of tax (X)		9.87	(22.46)
XI	Total comprehensive income for the year (IX+X)		18,871.26	6,636.20
XII	Earnings Per Equity Share (Face value of Rs. 2 each)			
	Basic and Diluted earnings per share (In Rs.)	31	18.26	6.45

Notes forming part of Financial statements

1-44

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

S. Prasana Kumar

S. Prasana Kumar
 Partner
 Membership No:212354

Place : Chennai
 Date : May 30, 2022

For and on behalf of the Board of Directors

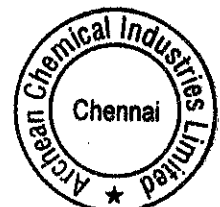
S. Mecnakshisundaram
S. Mecnakshisundaram
 Director
 DIN: 01176085

E. Sairam
E. Sairam
 Chief Financial Officer

Place : Chennai
 Date : May 30, 2022

P. Ranjit
P. Ranjit
 Managing Director
 DIN: 01952829

G. Anunmozhi
G. Anunmozhi
 Company secretary



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)
Standalone Statement of Cash Flow for the year ended March 31, 2022
 (All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
A. Cash flow from operating activities				
Profit / (loss) before income tax		25,141.75		9,047.59
Adjustments for :				
Depreciation and amortisation expenses	6,686.19		5,538.35	
Finance costs recognised in profit or loss	16,166.86		13,039.25	
Profit on sale of Mutual funds	(125.86)		(139.78)	
Assets written off	-		46.53	
Interest income from fixed deposit	(136.24)		(85.68)	
Profit on sale of asset	(2.12)		20.94	
Provision no longer required	(369.99)		-	
Provision for doubtful receivables / advances	-		485.14	
Write back of payables	(269.02)		(32.25)	
Unrealised net foreign exchange (gain) / loss	876.46		818.01	
Operating profit before working capital changes		22,826.28		19,690.51
Movements in working capital :				
(Increase) / decrease in trade receivables	(7,974.55)		(2,654.03)	
(Increase) / decrease in inventories	(1,016.19)		(1,180.47)	
(Increase) / decrease in other assets	(411.49)		(634.07)	
Increase / (decrease) in trade payables	306.96		(5,511.77)	
Increase / (decrease) in provisions	(11.25)		26.70	
Increase / (decrease) in other liabilities	(6,152.15)		(6,874.89)	
		(15,258.67)		(16,828.53)
Cash generated from operations		32,709.36		11,909.57
Income Tax paid		-		-
Net cash generated from operating activities		32,709.36		11,909.57
B. Cash flow from investing activities				
Interest received	136.24		85.68	
Proceeds from sale of Mutual funds	3,130.51		729.91	
Loan to subsidiary	(1,255.06)			
Investment made to wholly owned subsidiary	(500.00)			
Investment in / maturity of bank deposits, net	(4,618.97)		(3.96)	
Acquisition of property, plant and equipment	(9,659.04)		(1,054.75)	
Proceeds from sale of property, plant and equipment	2.85		67.90	
Net cash used in investing activities		(12,763.47)		(175.24)
C. Cash flow from financing activities				
Proceeds from borrowings	198.14		1,013.00	
Repayment of borrowings	(1,553.04)		(906.20)	
Repayment towards lease liabilities	(1,242.36)		(1,104.41)	
Interest paid - Others	(19,774.36)		(10,034.25)	
Net cash used in financing activities		(22,371.62)		(11,031.86)
Net increase/ (decrease) in cash and cash equivalents		(2,425.73)		702.46
Cash and cash equivalents as at the beginning of the year		3,150.41		2,447.95
Cash and Cash equivalents as at the end of the year		724.68		3,150.41

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

Notes forming part of Financial statements

1-44

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

S. Prasana Kumar

S. Prasana Kumar
 Partner
 Membership No:212354

For and on behalf of the Board of Directors

S. Meenakshisundaram
S. Meenakshisundaram
 Director
 DIN: 01176085

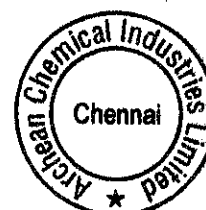
E. Sairam
E. Sairam
 Chief Financial Officer

P. Ranjit
P. Ranjit
 Managing Director
 DIN: 01952929

G. Arunmozhi
G. Arunmozhi
 Company Secretary

Place : Chennai
 Date : May 30, 2022

Place : Chennai
 Date : May 30, 2022



Archean Chemical Industries Limited (Formerly known as 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	Rs in lakhs
Balance as at March 31, 2020	1,92,66,681	1,926.67
Changes in equity share capital due to prior period Errors	-	-
Restated balance as at March 31, 2020	1,92,66,681	1,926.67
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	1,92,66,681	1,926.67
Changes in equity share capital due to prior period Errors	-	-
Restated balance as at March 31, 2021	1,92,66,681	1,926.67
Changes in equity share capital during the year	-	-
- Adjustment for Sub-Division of Equity Shares*	7,70,66,724	-
Balance as at March 31, 2022	9,63,33,405	1,926.67

(b)

Particulars	Reserves & Surplus			Items of other comprehensive income	Total
	Securities Premium	Retained earnings	Equity component of compound financial instrument	Debt Redemption Reserve	
a. Balance as at April 01, 2020	15,085.52	(16,683.16)	455.29	-	(1,165.10)
b. Changes in accounting policy/ prior period errors	-	-	-	(22.75)	-
c. Restated balance at the beginning of the current reporting year (a+b)	15,085.52	(16,683.16)	455.29	(22.75)	(1,165.10)
d. Total comprehensive income for the current year	-	6,638.66	-	(22.46)	(22.46)
e. Transfer to retained earnings	-	(10,024.50)	-	-	6,638.66
f. Balance as at March 31, 2021	15,085.52	(10,024.50)	455.29	(45.21)	5,471.10
g. Changes in accounting policy/ prior period errors	-	-	-	-	-
h. Restated balance at the beginning of the current reporting year (f+g)	15,085.52	(10,024.50)	455.29	(45.21)	5,471.10
i. Total comprehensive income for the current year	-	18,861.39	-	9.87	9.87
j. Transfer to retained earnings	-	(8,400.00)	-	-	18,861.39
k. Transfer to debt redemption reserve	-	-	-	8,400.00	-
Balance as at March 31, 2022	15,085.52	436.89	455.29	(35.34)	24,342.36

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

Notes forming part of Financial statements

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As per our report of even date attached

For PKT Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No:003990S/S200018

S. Prasanna Kumar

S. Prasanna Kumar

Partner

Membership No:212354

Place : Chennai
Date : May 30, 2022

For and on behalf of the Board of Directors

S. Mahalingam
Director
DIN: 01176085

E. Sathyan
Chief Financial Officer

Place : Chennai
Date : May 30, 2022



P. Kanjit
Managing Director
DIN: 01952929

G. Arumugam
Company secretary

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

Note 1

Corporate information

Archean Chemical Industries Limited (formerly known as 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. On December 15, 2021, the Company has changed from private limited to public limited company.

Summary of Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in the financial statements, unless otherwise indicated.

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.

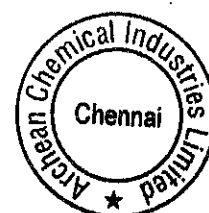
Quantitative disclosures of fair value measurement hierarchy (Refer Note 33)

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 1.25 operating Cycle. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities, except for salt at crystalizers for which the operating cycle considered being 24 months.

The Company is well paced 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 no material amendments to the Accounting Standards which were applicable from this financial year.



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)
Notes forming part of Standalone financial statements

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

1.4 Changes in Accounting Standards that may affect the Company after March 31, 2022

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS 16 – Proceeds before intended use

The amendment clarifies that an entity shall deduct from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company does not expect these amendments to have any significant impact in its financial statements.

1.5 Property, plant and equipment

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

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

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

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

Cost of assets not ready to use are disclosed under 'capital work in progress'.

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on Property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Useful life of the Property, plant and equipment is reassessed based on the technical evaluation.

Assets	Useful life
Building	10 - 40 years
Salt works	30 years
Plant and Machinery - Chemicals	2 - 40 years
Plant and Machinery - Cogeneration plant	3 - 40 years
Vehicles	2 - 10 years
Office & equipment	2 - 6 years
Furniture & fixtures	2 - 10 years

Fixed Assets individually costing Rs. 5,000 or less are fully depreciated in the year of capitalization.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognized in profit or loss.

For transition to the Ind AS, the 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.

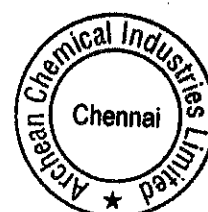
1.6 Intangible assets other than goodwill

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.

FINANCIAL
CHIEF FINANCIAL OFFICER
Date: _____
Signature: _____



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

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 property, plant and equipment & intangible assets

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

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

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

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

1.8 Investments in subsidiaries, associates and Joint ventures

Investments in subsidiaries, associates and Joint ventures are carried out at cost /deemed cost applied on transition of IndAS, less impairment losses, if any. Where an indication of impairment exists, the carrying amount of investments is assessed and impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

1.9 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset -this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - a) the Company has the right to operate the asset; or
 - b) the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

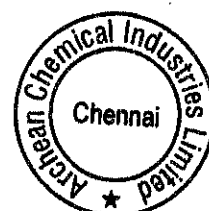
At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets (assets of less than INR 10 lakhs in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

1.10 Inventories

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



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Notes forming part of Standalone financial statements

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

1.11 Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.12 Foreign currency transactions and translations

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

1.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.14 Revenue recognition

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.

1.15 Other Income

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

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

1.16 Employee benefits

Defined contribution plans

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

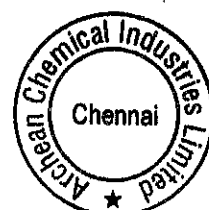
For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows.

- Service Cost (including current service cost, past service cost, as well as gain and losses on curtailments and settlements)
- Net interest expense or income, and
- Remeasurement.

The company presents the first two components of defined benefit costs in profit or loss in the line item "Employee Benefits Expense". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.



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Notes forming part of Standalone financial statements

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

Short - term and other long - term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by the employees up to the reporting date.

1.17 Provisions and contingencies

Provisions are recognised, when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation and are reviewed at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (ii) Present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts only in case of inflow of economic benefits is probable.

1.18 Taxes on income

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Current tax is the expected tax payable on the taxable profit for the year using tax rates and tax laws enacted or substantively enacted by the end of the reporting period and any adjustments to the tax payable in respect of previous years.

The tax currently payable is based on taxable profit for the year, if any. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

1.19 Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

Subsequent Measurement

Financial assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets, except for 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:

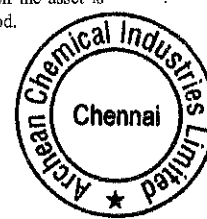
- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on these assets that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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(b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other income/ (expense).

(c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the statement of profit and loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivable, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at Fair value through profit or loss.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impairment financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayments, extension, call and similar options) through the expected life of that financial instruments.

The Company measures the loss allowance for the financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on those financial instruments has increased significantly since initial recognition.

If the credit risk on financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instruments at an amount equal to 12 months expected credit losses. The twelve months expected credit losses are portion of the lifetime expected credit losses and represents lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months.

If the Company 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.

Derivative financial instruments

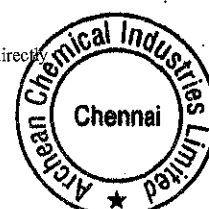
Initial recognition

The Company uses derivative financial instruments such as futures contracts, to hedge a portion of its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Subsequent measurement

Derivative financial instruments are subsequently re-measured at fair value with any gains or losses arising from changes in the fair value taken directly to the statement of profit or loss.

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Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)

Notes forming part of Standalone financial statements

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

1.20 Earnings Per Share

Basic earnings per share is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic plus dilutive shares during the year / period.

1.21 Segment reporting

The Company is engaged in the activities related to 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.

1.22 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets & contingent liabilities at the date of financial statements, income and expenses during the period. The estimates and associated assumptions are based on the historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas involving critical estimates or judgments are :

- a. Estimation of useful life of Property, plant and equipment and intangible asset
- b. Estimation of fair value of unlisted securities
- c. Impairment of trade receivables: Expected credit loss
- d. Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources
- e. Measurement of defined benefit obligation: key actuarial assumptions
- f. Lease: Whether an contract contains a lease
- g. Write down in value of Inventories
- h. Estimation for litigations
- i. Impairment of Non Financial Asset

1.23 Export incentives

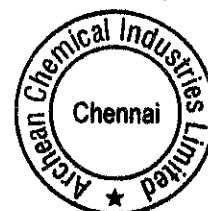
Export incentives are not recognized until there is reasonable assurance that the company will comply with the conditions attaching to them and that incentives will be received.

1.24 Insurance claims

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

1.25 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current. For salt at crystalizers, the operating cycle considered being 24 months and consistently applied.



Note 2: Property, plant and equipment and Capital Work-in-progress

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Salt works	25,451.13	19,812.14
Buildings	24,659.27	25,852.00
Plant and equipment	52,742.26	53,500.09
Furniture and fixtures	64.39	71.09
Office equipments	48.49	51.28
Computers	136.15	177.09
Vehicles	1,447.79	1,254.86
Total	1,04,549.48	1,00,718.55

Capital Work-in-progress	1,717.20	1,893.17
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Capital Work-in-progress balance as at March 31, 2022

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

Capital Work-in-progress balance as at March 31, 2021

Particulars	Amount in CWP for the year March 31, 2021			Total
	Less than 1 year	1-2 year	More than 3 years	
Projects in progress	1,751.81	114.98	26.38	1,893.17
Projects temporarily suspended	-	-	-	-

Gross block	Salt Works	Buildings	Plant and equipment	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
Balance as at April 1, 2020	25,758.79	24,986.64	51,671.32	169.19	58.16	196.18	1,461.36	1,04,301.64
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)	(94.15)
Balance as at March 31, 2021	25,758.79	29,238.22	64,492.93	172.17	71.83	282.68	1,596.74	1,21,613.36
Additions	6,535.05	176.77	2,648.23	25.56	10.67	26.40	404.03	9,876.72
Disposals	-	-	-	-	-	-	(14.58)	(14.58)
Balance as at March 31, 2022	32,293.84	29,414.99	67,141.16	197.73	82.50	309.08	1,986.19	1,31,425.50

Accumulated depreciation and impairment	Salt Works	Buildings	Plant and equipment	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
Balance as at April 1, 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	4,918.05
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	101.08	20.55	105.59	341.88	20,894.81
Depreciation expense	896.06	1,369.51	3,406.06	32.26	13.46	67.34	210.37	5,995.06
Disposals	-	-	-	-	-	-	(13.85)	(13.85)
Balance as at March 31, 2022	6,842.71	4,755.72	14,398.90	133.34	34.01	172.93	538.40	26,876.02

Carrying amount as at March 31, 2021	19,812.14	25,852.01	53,500.09	71.09	51.28	177.09	1,254.86	1,00,718.55
Carrying amount as at March 31, 2022	25,451.13	24,659.27	52,742.26	64.39	48.49	136.15	1,447.79	1,04,549.48

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.



Note 3: Right-of-use assets

	Gross carrying value	Land and Building	ISO tanks	Total
Balance as at April 1, 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
Additions		70.74	1,174.09	1,244.83
Balance as at March 31, 2022		1,531.41	4,677.47	6,208.88
	Accumulated depreciation and impairment	Land and Building	ISO tanks	Total
Balance as at April 1, 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 March 31, 2021		139.23	1,326.72	1,465.95
Depreciation for the year		78.22	609.27	687.49
Balance as at March 31, 2022		217.45	1,935.99	2,153.44
Net Carrying amount as at March 31, 2021		1,321.44	2,176.66	3,498.10
Net Carrying amount as at March 31, 2022		1,313.96	2,741.48	4,055.44

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/X 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, 2022	Net Block as at March 31, 2021
Buildings	24,659.27	25,852.01
Plant and Machinery	52,729.68	53,490.14
Furniture & Fixtures	55.50	48.50
Vehicles	1,163.15	949.69
Computers	110.20	145.86
Office Equipment	40.26	42.61
Salt Works	25,451.13	19,812.14
RoU - Land and Building	1,132.31	1,174.25
Total	1,05,341.50	1,01,515.20



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

Note 4 Intangible assets

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Software	14.48	13.33
Total	14.48	13.33

Particulars	Software
Balance as at April 1, 2020	41.66
Additions	6.60
Disposals	-
Balance as at March 31, 2021	48.26
Additions	4.80
Balance as at March 31, 2022	53.06

Particulars	
Accumulated depreciation and impairment	
Balance as at April 1, 2020	29.83
Amortisation expense	5.10
Disposals	-
Balance as at March 31, 2021	34.93
Amortisation expense	3.65
Balance as at March 31, 2022	38.58

Carrying amount as at March 31, 2021	13.33
Carrying amount as at March 31, 2022	14.48

Note 4.1 Intangible assets under development

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets under development	3.50	-

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets under development Ageing schedule		
Projects in progress		
Less than 1 year	3.50	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	3.50	-
Projects temporarily suspended		

Note 5A Non current investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares / units	Rs in lakhs	No of shares / units	Rs in lakhs
A. Investment in equity instruments in wholly owned subsidiaries (Fully paid up):				
Unquoted				
Marine Chemicals Trading Pte Ltd - measured at cost (PY - equity shares of USD 10 each fully paid up) write off of investments - (Refer note 39)	-	-	100	0.69
Acume chemicals private limited - measured at cost (equity shares of Rs. 10 each fully paid up)	5,00,00,000	500.00	-	-
Total		500.00		-
B. Other investments:				
Mutual Funds* (FVTPL) -				
Book value		9.01		8.72
Market value		9.01		8.72
Total Non current investments		509.01		8.72
Aggregate amount of unquoted investments		509.01		9.41
Aggregate amount of impairment in value of investments		-		(0.69)
Aggregate amount of quoted investments		-		-
Aggregate NAV of unquoted investments		9.01		8.72

* 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, 2022		As at March 31, 2021	
	No of units	Value	No of units	Value
ICICI Liquid fund - growth	2,878	9.01	2,878	8.72
Total		9.01		8.72

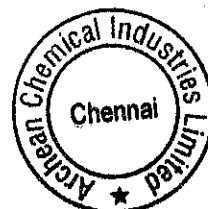
Note 5B Current investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs in lakhs		Rs in lakhs	
Mutual Funds (FVTPL) -				
Book value		1,111.95		4,116.89
Market value		1,111.95		4,116.89
Total Investments*		1,111.95		4,116.89

*Pertains to Escrow accounts for DSRA - Debt service reserve account to the extent of Rs. 1,111.95 (PY -Rs. 3,690.18) based on arrangement with Debenture trustees

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

Name of fund	As at March 31, 2022		As at March 31, 2021	
	No of units	Value	No of units	Value
SBI Liquid Fund Regular Growth	-	-	10,021	320.97
HDPC Liquid Fund - Regular Plan - Growth	26,782	1,111.95	91,849	3,690.18
ICICI Liquid Fund - Growth	-	-	18,841	57.10
SBI Overnight Fund - Growth	-	-	1,465	48.64
Total		1,111.95		4,116.89



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

Note 6. Other financial assets

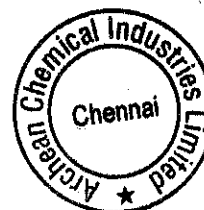
Particulars	Non current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)				
a) Security deposits measured at amortised cost	120.10	104.51	1,194.83	1,193.20
b) Interest accrued on deposits	82.35	57.93	16.31	0.32
c) Export benefits receivable	-	-	226.12	226.12
d) Others	-	-	17.38	-
	202.45	162.44	1,454.64	1,419.64

Note 7. Loans

Particulars	Non current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)				
Loans to Acume Chemicals private limited (Wholly owned subsidiary)	1,255.06	-	-	-
Loans to employees	-	-	46.80	46.15
Total	1,255.06	-	46.80	46.15

Note 8. Other assets

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)				
a) Capital advances	1,235.57	1,504.84	-	-
Other advances:				
b) Advance to suppliers other than for capital asset	-	-	2,192.40	1,918.62
c) Balances with statutory authorities	242.04	215.40	556.10	817.23
d) Prepaid expenses	-	-	1,272.27	689.45
	1,477.61	1,720.24	4,020.77	3,425.30



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)

Notes forming part of Standalone financial statements

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
a Raw materials and components (Refer note 9.a)	430.76	535.90
b Work-in-progress (Refer note 9.b)	5,403.04	4,161.27
c Stores & spares (Refer note 9.c)	1,578.13	1,013.00
d Finished goods (Refer note 9.d)	4,348.27	5,209.48
e. Finished goods in transit (Refer note 9.d)	318.55	142.91
Total	12,078.75	11,062.56

Note 9.a Details of raw materials

Particulars	As at March 31, 2022	As at March 31, 2021
Chemicals	362.91	483.94
Others	67.85	51.96
Total	430.76	535.90

Note 9.b Details of work in progress

Particulars	As at March 31, 2022	As at March 31, 2021
Salt	4,773.04	3,755.65
Sulphate of Potash	596.33	372.95
Others	33.67	32.67
Total	5,403.04	4,161.27

Note 9.c Details of stores and spares

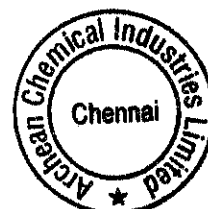
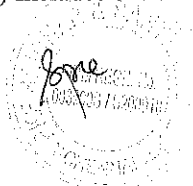
Particulars	As at March 31, 2022	As at March 31, 2021
Stores and spares	1,578.13	1,013.00
Total	1,578.13	1,013.00

Note 9.d Details of finished goods

Particulars	As at March 31, 2022	As at March 31, 2021
Salt	4,284.95	5,202.25
Sulphate of Potash	25.43	5.93
Bromine (Refer note (b) below)	356.44	144.21
Total	4,666.82	5,352.39

Note :

- (a) Refer Note 14 for assets pledged as security towards loans
(b) Includes of Stock in transit of amounting to Rs. 318.55 for FY 21-22 (PY : 142.91)



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)

Notes forming part of Standalone financial statements

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

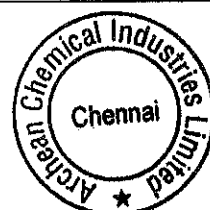
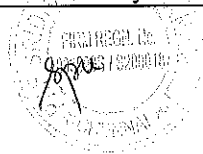
Note 10. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	15,247.34	6,807.30
Trade Receivables which have significant increase in Credit Risk	832.02	1,152.01
Trade Receivables - credit impaired	1,405.87	1,405.87
Total	17,485.23	9,365.18
Allowance for doubtful debts (expected credit loss allowance)		
- towards receivables that are credit impaired	(1,355.87)	(1,405.87)
- towards receivables which have significant increase in Credit Risk	(832.02)	(1,152.01)
Total	15,297.34	6,807.30

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 180 days past due comes to 0% - 21%. The Company as a policy provides for 100% for outstanding above 180 days past due.

Movement in expected credit loss allowance	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	(2,557.88)	(2,198.27)
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	369.99	(359.61)
Balance at end of the year	(2,187.89)	(2,557.88)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables (At Amortised Cost)		
(i) Undisputed Trade Receivables – considered good		
- Less than 6 months	15,247.34	6,807.30
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		
- Less than 6 months	650.44	140.33
- 6 months - 1 year	-	5.82
- 1-2 years	-	926.55
- 2-3 years	151.03	79.30
- More than 3 years	30.55	-
(iii) Undisputed Trade Receivables – credit impaired		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	242.99
- 2-3 years	242.99	50.00
- More than 3 years	1,162.88	1,112.88



(iv) Disputed Trade Receivables – considered good		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(vi) Disputed Trade Receivables – credit impaired		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Less: Provision	(2,187.89)	(2,557.88)
Net receivables	15,297.34	6,807.30

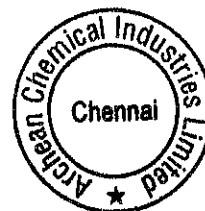
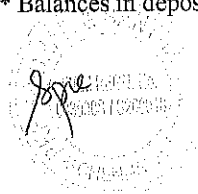
* Ageing has been computed based on transaction date.

Note 11 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
11.1 Cash & cash equivalents		
(a) Balances with banks in current accounts and deposit accounts		
(i) In Current account*	721.69	1,741.88
(ii) In term deposits with banks (original maturities less than 3 months)	-	1,407.00
(b) Cash on hand	2.99	1.53
Total Cash and cash equivalents	724.68	3,150.41
* Includes amount of Rs. 668.97 lakhs (PY: 1,714.43 lakhs) in Trust and Retention account maintained with IndusInd bank based on arrangement with Debenture trustees.		

Particulars	As at March 31, 2022	As at March 31, 2021
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	32.90	30.93
Deposits due to mature after three months but before twelve months from the reporting date *	4,617.00	-
Total other bank balances	4,649.90	30.93
Total Cash and bank balances	5,374.58	3,181.34

* 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 March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	No. of Shares		Rs in lakhs	
AUTHORISED :				
Equity shares:				
Equity shares of Rs.2 each (March 31, 2021 : Equity shares of Rs. 10 each)	16,00,00,000	2,30,00,000	3,200.00	2,300.00
ISSUED :				
Equity shares of Rs.2 each (March 31, 2021 : Equity shares of Rs. 10 each)	9,63,33,405	1,92,66,681	1,926.67	1,926.67
SUBSCRIBED AND FULLY PAID UP :				
Equity shares of Rs.2 each (March 31, 2021 : Equity shares of Rs. 10 each)	9,63,33,405	1,92,66,681	1,926.67	1,926.67

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

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

12.1 Reconciliation of number of shares

Particulars	Year ended 2021-22		Year ended 2020-21	
	No. of Shares	Amount (Rs. In lakhs)	No. of Shares	Amount (Rs. In lakhs)
Balance at the beginning of the year	1,92,66,681	1,926.67	1,92,66,681	1,926.67
Adjustment for Sub-Division of Equity Shares	7,70,66,724	-	-	-
Fresh issue of shares	-	-	-	-
Balance at the end of the year	9,63,33,405	1,926.67	1,92,66,681	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.2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

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

Name of the Share holder	As at March 31, 2022		As at March 31, 2021	
	No of shares held*	%	No of shares held	%
Mr. P. Ravi	16,08,768	1.67%	28,26,596	14.67%
Mr. P. Ranjit	2,66,57,197	27.67%	28,26,597	14.67%
Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP)	3,94,58,790	40.96%	78,91,758	40.96%
India Resurgence Fund Scheme - I	71,83,060	7.46%	14,36,612	7.46%
India Resurgence Fund Scheme - II	1,17,42,530	12.19%	23,48,506	12.19%
Piramal Natural Resources Private Ltd.	71,83,060	7.46%	14,36,612	7.46%

Disclosure of shareholding of promoters and percentage of change during the year. Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated March 24, 2021:

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No of shares held*	% of total shares	% of change during the year	No of shares held	% of total shares	% of change during the year
Mr. P. Ravi	16,08,768	1.67%	-13.00%	28,26,596	14.67%	Nil
Mr. P. Ranjit	2,66,57,197	27.67%	13.00%	28,26,597	14.67%	
Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP)	3,94,58,790	40.96%	-	78,91,758	40.96%	

* No of shares held increased in comparison with previous year on account of share split and 12,524,212 shares were acquired by Mr P. Ranjit by way of gift from Mr. P. Ravi

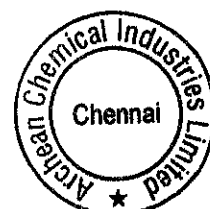
12.4 The Company does not have any outstanding shares issued under options.

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, 2022).

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.)
Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP)	18,84,00,000	48.41	38,91,758	14,94,82,425
P. Ranjit	26,02,00,000	48.41	53,74,923	20,64,50,792
Total	44,86,00,000		92,66,681	35,59,33,217

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



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)
Notes forming part of Standalone 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, 2022	As at March 31, 2021
a Securities premium	15,085.52	15,085.52
b Retained earnings (Net of other comprehensive income)	401.55	(10,069.71)
c Equity component of compulsorily convertible debentures	455.29	455.29
d Debenture Redemption Reserve	8,400.00	-
Total	24,342.36	5,471.10

Details to other equity

Particulars	As at March 31, 2022	As at March 31, 2021
(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	(10,069.71)	(16,705.91)
Profit attributable to the owners of the company	18,861.39	6,658.66
Other comprehensive income	9.87	(22.46)
Transferred to Debenture Redemption Reserve	(8,400.00)	-
Balance at the end of the year	401.55	(10,069.71)
(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
(d) Debenture Redemption Reserve		
Balance at the beginning of the year	-	-
Transferred during the year	8,400.00	-
Balance at the end of the year	8,400.00	-
Total Other equity	24,342.36	5,471.10

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.

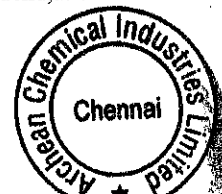
(c) Equity component of Compulsorily convertible debentures

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.

(d) Debenture Redemption Reserve

Pursuant to Rule 18(7)(b)(iv) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules dated August 16, 2019, the Company, being an unlisted company, is required to create a Debenture Redemption Reserve out of profits of the company available for payment of dividend, at the rate of ten percent of outstanding value of debentures.

[Signature]
 Director



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)
Notes forming part of Standalone 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Secured				
Non convertible debentures issued (Refer Note - 14 (a) below)	84,000.00	84,000.00	-	-
Other loans				
- Daimler Financial Services India Pvt. Ltd.	53.46	66.72	13.26	11.77
- Toyota Financial Services India Ltd.	-	-	-	0.77
- Kotak Mahindra Prime Ltd.	-	-	-	4.09
- Indo Star Capital	-	160.96	-	70.27
- Shriram Transport Finance	-	164.04	-	53.48
- Hinduja Leyland Finance	24.21	111.07	86.81	78.16
- ICICI Bank	40.62	77.77	36.50	32.24
- Tata motors	38.22	60.59	22.36	20.15
- CAT Finance	71.43	-	25.79	-
- HDFC Bank Ltd	55.35	-	20.38	-
Unsecured - at amortised cost				
Bills Discounting	-	-	-	931.21
Total	84,283.29	84,641.15	205.10	1,202.14

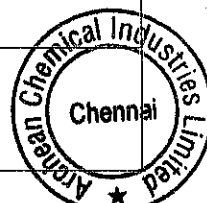
Debentures issued:

The Company entered into agreements with India Resurgence Fund Scheme - I, India Resurgence Fund Scheme - II and PHL Fininvest Private Limited for issue of

- 8,400 Non-Convertible Debentures with a face value of Rs.10,00,000 each aggregating to Rs.840,00,00,000 (Series A debentures)
- 1,000 Non-Convertible Debentures with a face value of Rs.10,00,000 each aggregating to Rs.100,00,00,000 as a contingency facility when required (Series B Debentures). The Series B debentures have not been issued as at 30.09.2021
- 672,000 unsecured compulsorily convertible debentures of Rs.100 each aggregating to Rs.6,72,00,000 (Refer note 16 - other financial liabilities)

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 year 2018-19 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
Repayment	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	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
Security	First charge over the fixed assets (movable and immovable) and all other present and future assets of the Borrower. First charge on all current Assets, both present and future, of Borrower.	NA



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)
Notes forming part of Standalone financial statements

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 immovable 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 immovable 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 hundred lakhs) or above;

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

(iv) Sojitz Exclusive Salt Sales Agreement, Sojitz SoP Sales Agreement, Sojitz Advance Payment Agreement 2 and Sojitz 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 charge over the partnership interest of Chemikas speciality LLP (formerly known as 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.

Note 15 Lease liabilities

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Liability on right to use assets under IND As 116 - Refer note 35	4,548.95	4,017.82	686.05	490.64
Total	4,548.95	4,017.82	686.05	490.64

Note 16 Other financial liabilities

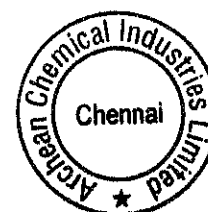
Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a. Compulsorily convertible debentures carried at amortised cost	323.94	289.28	-	-
b. Interest accrued and not due on borrowings	7,375.00	11,749.53	-	-
c. Interest accrued and due on customer advances	-	-	-	262.11
d. Payable towards procurement of capital assets	-	-	443.17	1,105.31
e. Employee benefits payable	-	-	35.88	31.28
f. Retention money	-	-	10.48	10.48
Total	7,698.94	12,038.81	489.53	1,409.18

Note 16.1 Derivative liabilities

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Fair value of futures contract	-	-	3.91	-
Total	-	-	3.91	-

Note 17 Other Liabilities

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a. Customer advances	11,822.95	17,037.78	4,692.41	3,706.27
b. Statutory remittances	-	-	167.39	155.52
Total	11,822.95	17,037.78	4,859.80	3,861.79



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

(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%	13.26
- Hinduja Leyland Finance	10 no.s commercial vehicles	4 years	11.03% IRR	86.81
- ICICI Bank	5 No.s Commercial vehicles	4 years	12.50%	36.50
- Tata Motors	1 No.s Commercial vehicles	4 years	12.50%	22.36
- CAT Finance	1 No.s Commercial vehicles	4 years	8.50%	25.79
- HDFC Bank Ltd	2 No.s Commercial vehicles	4 years	10.00%	20.38

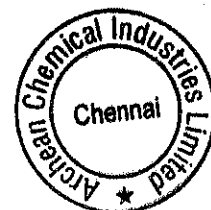
(C) Net debt reconciliation

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents	724.68	3,150.41
Current Borrowing (Working Capital Loan)	-	931.21
Non - Current Borrowing plus Current maturities of long term debt And liability portion of CCD (Including the Interest accrued and not due on borrowings -non current)	92,187.33	96,950.89
Total	92,912.01	1,01,032.51

Particulars	Other Assets	Borrowings		Total Net borrowings
	Cash and Cash Equivalents	Current Borrowing	Non - Current Borrowing plus current maturity of long term debt*	
Net (debt)/ Cash and Bank Balances as at April 01, 2021	3,150.41	931.21	96,950.89	1,01,032.51
Cash Flows				
Increase/(Decrease) in cash and Bank Balances	(2,425.73)			(2,425.73)
Borrowings			198.14	198.14
Net Repayment/Receipt		(931.21)	(528.76)	(1,459.97)
Interest expense		118.06	15,223.36	15,341.42
Interest paid		(118.06)	(19,656.30)	(19,774.36)
(Net debt)/ Cash and Bank Balances as at March 31, 2022	724.68	-	92,187.33	92,912.01

Particulars	Other Assets	Borrowings		Total Net borrowings
	Cash and Cash Equivalents	Current Borrowing (Working Capital Loan)	Non - Current Borrowing plus current maturity of long term debt*	
Net (debt)/ Cash and Bank Balances as at April 01, 2020	2,447.95	606.21	92,319.68	95,373.84
Cash Flows				
Increase/(Decrease) in cash and Bank Balances	702.46			702.46
Borrowings		931.21	81.79	1,013.00
Repayment/Receipt		(606.21)	(291.78)	(897.99)
Interest expense		40.86	12,109.63	12,150.49
Interest paid*		(40.86)	(7,268.43)	(7,309.29)
(Net debt)/ Cash and Bank Balances as at March 31, 2021	3,150.41	931.21	96,950.89	1,01,032.51

*Interest capitalised is not considered here net debt reconciliation to the extent of Rs 2,577 Lakh



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)

Notes forming part of Standalone financial statements

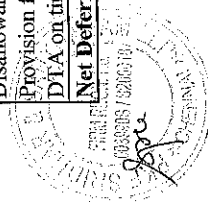
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

Note 18 Deferred tax balances

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	10,542.46	15,903.13
Deferred tax liabilities	(11,498.46)	(10,573.90)
Net Deferred Tax Asset / (Liability)	(956.00)	5,329.23

2021-22	Opening balance	Recognised in profit or loss	Recognised in other comprehensive	Closing balance
Deferred tax asset / (liabilities) in relation to :				
Deferred tax liabilities:				
Property plant and equipment	(10,573.90)	(924.56)	-	(11,498.46)
Deferred tax assets:				
Carried forward loss	15,162.05	5,402.79	-	9,759.26
Provision for Employee benefits	-	(3.32)	3.32	-
Disallowance u/s 40(a)	2.37	2.37	-	(0.00)
Provision for Doubtful Debts / Advances	675.41	124.87	-	550.54
DTA on timing differences on ROU assets and liabilities	63.30	(169.36)	-	232.66
Net Deferred Tax Asset / (Liability)	5,329.23	(6,281.91)	3.32	(956.00)

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)	(691.68)	-	(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



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)
Notes forming part of Standalone 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, 2022	As at March 31, 2021
Provision for Gratuity	33.83	41.19
Total	33.83	41.19

Note 19.2 Provisions - Current

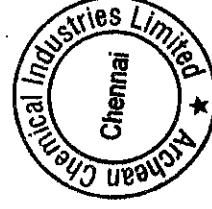
Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Leave encashment	41.46	45.35
Provision for Gratuity	41.00	41.00
Total	82.46	86.35

Note 20 Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Amount dues to micro enterprises and small enterprises - Refer Note 37	242.25	228.44
Dues of creditors other than micro enterprises and small enterprises	10,986.97	10,949.90
Total	11,229.22	11,178.34

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.



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)

Notes forming part of Standalone financial statements

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

Outstanding as at March 31, 2022

Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	242.25	-	-	-	242.25
others	10,931.48	39.37	11.15	4.97	10,986.97
Disputed MSME					-
Disputed dues others					-

Outstanding as at March 31, 2021

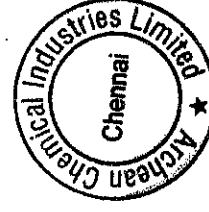
Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	228.44	0	0	0	228.44
others	10,656.98	251.99	29.40	11.53	10,949.90
Disputed MSME	-	-	-	-	-
Disputed dues others	-	-	-	-	-

Note 21 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Sales of Products		
Domestic sales	33,470.43	18,729.59
Export sales	79,488.00	55,120.91
(b) Other operating revenues		
Export Incentives	-	215.70
Scrap sales	85.28	10.23
Total	1,13,043.71	74,076.43

Note:

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



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

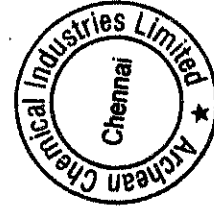
21.1 Disaggregation of Revenue information

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, 2022	Year ended March 31, 2021
Revenue by Geography		
India	33,555.71	18,955.52
Rest of the world	79,488.00	55,120.91
Total revenue from contracts with customers	1,13,043.71	74,076.43
Revenue by offerings		
Manufactured goods		
(a) Marine chemicals		
Salt	51,289.95	36,371.56
Bromine	60,528.49	34,441.00
Sulphate of Potash	1,139.99	3,253.65
(b) Others	85.28	10.22
Total revenue from contracts with customers	1,13,043.71	74,076.43

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 receivable are presented net of impairment in the Balance Sheet.



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)

Notes forming part of Standalone 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, 2022	Year ended March 31, 2021
Interest income on bank deposits (at amortised cost)	136.24	85.68
Profit on sale from mutual funds	89.65	71.22
Income on mutual funds due to change in fair value	36.21	68.56
Miscellaneous income	122.10	194.63
Write back of payables	269.02	32.25
Provision no longer required	369.99	21.70
Profit on sale of fixed assets	2.12	-
Net gain on exchange fluctuation	238.96	928.52
Total	1,264.29	1,402.56

Note 23 Cost of materials consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock of Raw Materials	535.90	481.10
Add: Purchases	4,383.15	1,729.35
Less: Closing Stock of Raw Materials	430.76	535.90
Consumption of raw materials	4,488.29	1,674.55

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

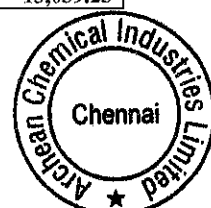
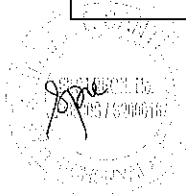
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock:		
Work-in-progress	4,161.27	4,041.23
Finished goods	5,352.39	4,687.27
Closing Stock:		
Work-in-progress	5,403.04	4,161.27
Finished goods	4,666.82	5,352.39
(Increase)/Decrease in Stocks	(556.20)	(785.16)

Note 25 Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	3,613.87	3,351.43
Staff welfare	28.17	42.32
Contribution to provident and other funds	142.15	138.33
Total	3,784.19	3,532.08

Note 26 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on debentures	15,198.81	12,078.64
Interest on working capital borrowings	107.90	163.46
Interest on finance lease	732.37	740.70
Effective interest on CCDs carried at amortised cost	34.71	31.04
Bank charges	78.20	14.03
Interest on delayed payment of taxes	14.87	11.38
Total	16,166.86	13,039.25



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)
Notes forming part of financial statements

Note 27 Depreciation and amortisation expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property, plant and equipment and Right on Usage of assets pertaining to continuing operations	6,682.54	5,533.00
Amortisation of intangible assets	3.65	5.35
Total	6,686.19	5,538.35

Note 28 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	2,322.22	1,498.74
Power and fuel	10,226.95	5,352.05
Rent expense	43.54	47.98
Travelling and conveyance	496.60	343.10
Repairs and maintenance		
- Buildings	164.24	14.01
- Plant and Machinery	830.26	783.53
- Others	443.97	438.60
Insurance	1,009.67	1,014.24
Rates and taxes, excluding taxes on income	220.02	137.54
Packing, Despatching and Freight	36,072.42	27,774.52
Loading charges	4,017.54	3,282.63
Hire charges - equipment	795.99	824.87
Printing and stationery	17.10	14.37
Communication expenses	47.06	50.41
CSR expenses (Refer Note 28.2)	102.79	55.10
Auditor's remuneration (Refer Note 28.1)	54.16	35.25
Legal and professional charges	1,197.33	543.24
Selling and distribution expenses	388.46	594.87
Provision for doubtful debts and advances	-	485.14
Loss on sale of asset	-	20.94
Assets written off	-	4.58
Administration expenses	146.60	116.62
Total	58,596.92	43,432.33

28.1 Payment to statutory auditors

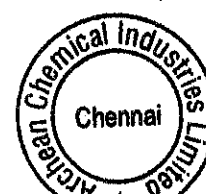
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statutory auditor's:		
(a) For services as auditors	41.00	29.25
b) Tax audit	5.85	-
(c) For other services	6.00	-
(d) For reimbursement of expenses	1.31	6.00
Total	54.16	35.25

28.2 Expenditure incurred for Corporate social responsibility

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expenditure incurred for Corporate social responsibility		
- Towards Archean Foundation	102.79	55.10
Total	102.79	55.10

CSR Expenditure	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent under section 135 of the Companies Act, 2013	68.21	-
Amount spent during the year on:		
i) Construction/acquisition of an asset		
ii) Purposes other than (i) above	102.79	55.10
Amount unspent	-	-

The above amount is paid to Archean foundation for CSR activities. Archean foundation is a related party
 Nature of CSR activities: Medical camp and Water distribution and other charity activities



Note 29 Income tax expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
29.1 Income tax recognised in Profit or Loss		
Income tax expense		
Current tax		
- Current tax	-	-
- (Excess) provision for tax relating to prior years	(1.55)	(1.20)
Deferred tax		
In respect of the current year	6,281.91	2,390.13
Total income tax expense	6,280.36	2,388.93

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
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	(3.32)	7.55
Total income tax recognised in other comprehensive income	(3.32)	7.55
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(3.32)	7.55
Items that may be reclassified to profit or loss	-	-
Total income tax recognised in other comprehensive income	(3.32)	7.55

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit / (Loss) before tax	25,141.75	9,047.59
Income tax expense calculated at 25.17%	6,328.18	2,277.28
Tax adjustment:		
(a) other impacts due to permanent allowances / disallowances as per IT Act	30.56	27.71
(b) Effect of other adjustments / disallowances	(78.38)	83.94
Income tax expense recognised in profit or loss	6,280.36	2,388.93

Note 30 Segment reporting

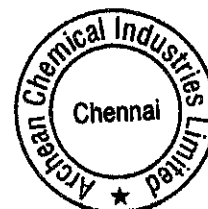
The Company is engaged in the activities related to manufacture of marine chemicals. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole. For purposes of making decisions about resources to be allocated and assess its performance, the entire operations are 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 as at **	
	Year ended March 31, 2022	Year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
India	33,555.71	18,955.52	1,13,784.23	1,13,343.78
Rest of the world	79,488.00	55,120.91	-	-
Total	1,13,043.71	74,076.43	1,13,784.23	1,13,343.78

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



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)
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Note 31 Basic and Diluted earnings per share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Basic and Diluted Earnings per share (Rs.) - Refer Note below	18.26	6.45
Face value per equity share (in Rs.) - Refer Note below	2.00	2.00

Basic and Diluted Earnings per share

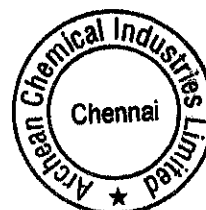
The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year after tax	18,861.39	6,658.66
Adjustment: Coupon interest on Compulsorily Convertible Debentures ("CCDs"), net of tax	0.03	0.05
Profit for the year attributable to owners of the Company	18,861.42	6,658.71

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, 2022	Year ended March 31, 2021
Weighted average number of equity shares used in the calculation of basic earnings per share	9,63,33,405	9,63,33,405
Adjustment:		
Compulsorily Convertible Debentures ("CCDs")	69,40,715	69,40,715
Weighted average number of equity shares	10,32,74,120	10,32,74,120

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



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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. 124.22 lakhs (Previous year ended March 31, 2021 - Rs. 101.48 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).

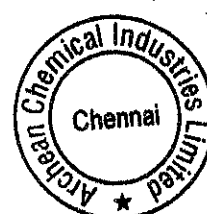
Investment Risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

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)	
	As at March 31, 2022	As at March 31, 2021
Present Value of obligations at the beginning of the year	203.84	144.29
Current service cost	40.38	29.89
Interest Cost	12.35	7.86
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	(11.41)	29.12
Benefits paid	(42.61)	(12.84)
Liabilities assumed / (transferred)	-	5.51
Present Value of obligations at the end of the year	202.55	203.84
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	121.65	91.17
Interest Income	7.37	4.97
Expected Return on plan assets	1.78	(0.89)
Contributions from the employer	39.53	31.76
Benefits Paid	(42.61)	(5.36)
Actuarial gain/ (loss) on plan assets		
Fair Value of plan assets at the end of the year	127.72	121.65
Particulars	As at March 31, 2022	As at March 31, 2021
Amounts recognized in the Balance Sheet		
Present value of projected benefit obligation at the end of the year	(202.55)	(203.84)
Fair value of plan assets at end of the year	127.72	121.65
Funded status of the plans – Liability recognised in the balance sheet	(74.83)	(82.19)
Provision for Gratuity - Non current liability	(33.83)	(41.19)
Provision for Gratuity - current liability	(41.00)	(41.00)



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Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Components of defined benefit cost recognised in profit or loss		
Current service cost	40.38	29.89
Net Interest Expense	12.35	7.86
Interest Income	(7.37)	(4.97)
Net Cost in Profit or Loss	45.36	32.78
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	(11.41)	29.12
Return on plan assets	(1.78)	0.89
Net Cost in Other Comprehensive Income	(13.19)	30.01
Assumptions	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	6.09%	6.06%
Expected rate of salary increases	13.00%	13.00%
Expected rate of attrition	20.00%	15.00%
Average age of members	34.26	33.86
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2006- 08 (Ultimate)
Average Expected Future service	4 years	5 years

The company has generally invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

(i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations

(ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

(iii) The entire Plan Assets are managed by Life Insurance Corporation of India (LIC). The data on Plan Assets has not been furnished by LIC.

(iv) Experience adjustments has been disclosed based on the information available in the actuarial valuation report

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Impact on defined benefit obligation (Rs. in lacs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate		
- 1% increase (+100 BP)	(8.34)	(10.65)
- 1% decrease (-100 BP)	9.19	12.05
Salary growth rate		
- 1% increase (+100 BP)	7.48	10.09
- 1% decrease (-100 BP)	(7.05)	(9.32)
Attrition rate		
- 1% increase (+100 BP)	(3.02)	(3.61)
- 1% decrease (-100 BP)	3.28	4.09

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.

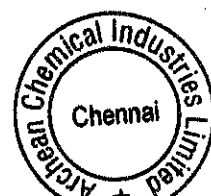
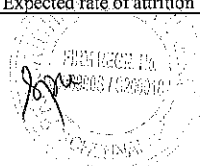
The company's best estimate of the contribution expected to be paid to the plan during the next year is Rs. 41.00 lakhs (2021-2022: Rs. 41.00 lakhs).

C. Long Term Compensated Absence

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

The amount of provision of Rs. 41.46 lakhs (March 31, 2021: Rs. 45.35 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	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	6.09%	6.06%
Expected rate of salary increases	13.00%	13.00%
Expected rate of attrition	20.00%	15.00%



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 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 March 31, 2022	As at March 31, 2021
Debt *	92,187.33	97,882.10
Cash and bank balances	5,374.58	3,181.34
Net debt	86,812.75	94,700.76
Equity	26,269.03	7,397.77
Total Equity**	26,269.03	7,397.77
Net debt to equity ratio (in times)	3.30	12.80

*Debt is defined as long-term, short-term borrowings, liability portion of CCD and customers bill discounting, Interest accrued and not due on borrowings grouped under debt.

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

33.2 Categories of financial instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Financial assets measured at fair value - Mutual fund investments	1,120.96	4,125.61
Measured at amortised cost		
a Cash and bank balances	5,374.58	3,181.34
b Loan to related party	1,255.06	-
c Investments in subsidiaries	500.00	-
d Other financial assets at amortised cost	17,001.23	8,435.53
Financial liabilities		
a Measured at amortised cost	1,03,578.23	1,10,180.34
b Measured at FVTPL	5,562.85	4,797.74

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 period /year, to minimise the effects of foreign exchange fluctuations.

The Corporate Treasury function reports quarterly to the Chief Financial Officer and overseen by the board.

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.

33.5 Foreign Currency risk management

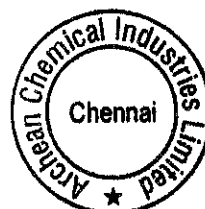
The Company is exposed to foreign exchange risk arising from foreign currency transactions on account of sale / purchase of goods. Foreign exchange risk arises from recognised assets denominated in a currency that is not the Company's functional currency (Rs). The risk is measured through a forecast of foreign currency cash flows that would arise due to the underlying assets and liabilities held.

The Company has entered into futures contracts to manage a portion of foreign currency risk arising out of realisation of foreign currency receivables. The strategy followed by the Company is tracking the foreign currency exchange rates and settlement of the payables at the time when the exchange rates are favourable.

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

Currency	Liabilities as at			
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
	FC	INR	FC	INR
EUR	0.88	74.39	1.58	135.83
GBP	0.00	0.01	-	-
SGD	-	-	-	-
AED	-	-	-	-
USD	224.00	16,981.13	297.82	21,891.17
THB	-	-	-	-
Total		17,055.53		22,027.00

Currency	Assets as at			
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
	FC	INR	FC	INR
EUR	11.84	1,002.18	3.35	288.71
GBP	-	-	-	-
SGD	-	-	0.12	6.15
AED	0.06	1.24	-	-
USD	237.15	17,977.94	116.66	8,575.06
THB	-	-	-	-
Total		18,981.36		8,869.92



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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	Impact on profit or loss for the year	
	Year ended March 31, 2022	Year ended March 31, 2021
Financial Assets (A)		
USD	898.90	428.75
EUR	50.11	14.44
Financial Liabilities (B)		
USD	849.06	1,094.56
EUR	3.72	6.79
Total (A) - (B)	96.23	(658.16)

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.

33.7 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole 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 period ended March 31, 2022 would not have any impact as there are no liabilities with floating rate as on March 31, 2022. 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

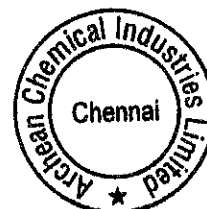
Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages 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 NCD as at March 31, 2022

Particulars	Weighted average effective Interest rate (%)	Less than 1 year	Upto 3 years	More than 3 and upto 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Accounts payable and acceptances		11,229.22			-	11,229.22	11,229.22
Interest accrued but not due on borrowings			7,375.00		-	7,375.00	7,375.00
Others		493.44				493.44	493.44
Finance lease liability		1,446.58	2,849.06	1,687.76	8,749.25	14,732.65	5,235.00
Fixed interest rate instruments	16.96%	245.73	84,282.60	22.40	323.94	84,874.67	84,812.33



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Notes forming part of Standalone financial statements
(All amounts are stated in Rupees in lakhs, except share data, unless otherwise stated)

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments other than interest on NCD as at March 31, 2021

Particulars	Weighted average effective Interest rate (%)	Less than 1 year	Upto 3 years	More than 3 and upto 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Accounts payable and acceptances	-	11,178.34	-	-	-	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	2,559.48	1,372.81	8,827.06	13,872.89	4,508.46
Fixed interest rate instruments	16.95%	1,293.20	660.25	84,064.56	289.28	86,307.29	86,132.57

The carrying amounts of the above are as follows:

Particulars	Rs in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Non-interest bearing	11,722.66	12,587.52
Finance lease liability	5,235.00	4,508.46
Fixed interest rate instruments	92,187.33	97,882.10
	1,09,144.99	1,14,978.08

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Rs in Lakhs				
	Less than 1 year	1-3 year	3 - 5 year	More than 5 years	Total
As at March 31, 2022					
Investments	1,111.95	509.01	-	-	1,620.96
Security Deposits	1,194.83	-	-	120.10	1,314.93
Export benefits receivable	226.12	-	-	-	226.12
Trade Receivables	15,297.34	-	-	-	15,297.34
Total Cash and bank balances	5,374.58	-	-	-	5,374.58
Loans	46.80	1,255.06	-	-	1,301.86
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	226.12	-	-	-	226.12
Trade Receivables	6,807.30	-	-	-	6,807.30
Loans	46.15	-	-	-	46.15
Cash and Cash Equivalents	3,181.34	-	-	-	3,181.34

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.

33.9.2 Financing facility

As per the debenture trust deed, NCD's of Rs. 73,970 lakhs issued under tranche I programme during the year 2018-19 and the company has issued NCDs worth of Rs.4,030 lakhs under tranche III programme and NCDs worth Rs. 6,000 lakhs towards bromine expansion under tranche II programme during the 2019-20.

33.10 Fair value measurements

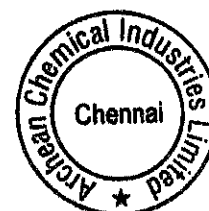
This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

33.10.1 Fair value of financial assets

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. This table does not include the fair values of investments in subsidiaries measured at cost.

Particulars	Fair Value hierarchy	As at March 31, 2022		As at March 31, 2021	
		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	1,120.96	1,120.96	4,125.61	4,125.61
Financial Liabilities					
Measured at amortised cost	Level 3	1,03,578.23	1,03,578.23	1,10,180.34	1,10,180.34
Measured at FVTPL	Level 3	5,562.85	5,562.85	4,797.74	4,797.74

The fair values of the financial assets and financial liabilities included in the level 1 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.



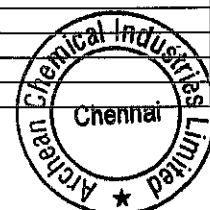
Note 34 Related party transaction

34.1 Names of Related Parties & Nature of Related parties relationship

i. Entities or persons having significant influence	Chemikas Speciality LLP (Formerly known as Goodearth Fertilisers Company LLP)
ii. Subsidiary companies	Marine Chemicals Trading Pte Ltd (Struck off on 7-December -2020) (Refer Note 39) Acume Chemicals Private limited (Refer Note 39)
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 Limited Cloudgen Digital Private Limited Sea Salt Holdings Pte Ltd Bahuvudhaah Holdings Private Ltd Archean foundation Archean Design and development private limited Archean fertilizers private limited KGF Granites private limited Archean Salt Holdings Private Ltd
iv. Key management personnel and other directors	Mr. P Ranjit - Whole-time Director (Managing Director with effect from 04 Sep 2020) Mr. P Ravi - Director Mr. Subrahmanyam Meenakshisundaram - Director Mr. G Balaji - Company Secretary (resigned with effect from 30 Nov 2021) Mr. E Sairam - Group CFO (CFO with effect from 04 September 2020) Mr. Abhishek Pandey - Company Secretary (appointed with effect from 01 Jan 2022 and resigned with effect from 11 May 2022) Mr. Arunmozhi - Company Secretary (appointed with effect from 12 May 2022)

34.2 Transactions with related parties

Particulars	Transaction Value		Amount Outstanding Receivable / (Payable)	
	Year ended March 31, 2022	Year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
Jakhau Salt Company Private Ltd				
- Reimbursement of Jetty Expenses	356.19	202.62	(29.54)	(81.13)
- Reimbursement of Expenses	17.51	48.20		
- others	3.74	-		
Bharath Salt Refineries Ltd				
- Reimbursement of Expenses	(27.86)	11.37	-	147.33
- Transportation charges receivable	15.81	34.66		
Archean Salt Holdings Private Ltd				
- Receivable	-	-	4.33	4.33
P. Ranjit				
- Office Rent (GDM)	49.51	44.02	(2.63)	(3.63)
Goodearth Maritime Limited				
- Receivable Bromine	-	-	50.00	50.00
- Provision for doubtful receivables	-	-	-	(50.00)
- Reversal of provision for doubtful receivables	(50.00)	-		
- Expenses towards jetty services	1,411.73	2,794.82		
- Advances given for jetty charges	-	1,003.52		
- Security deposit for jetty charges	-	1,180.00		
- Shipment Management fee expenses	667.35	-		
- Reimbursement of expenses	428.66	-	1,403.95	2,117.42
Archean Industries Private Limited				
- Reimbursement of Expenses	14.41	22.94	14.41	-
Sea Salt Holdings Pte Ltd				
- Receivable	-	-	755.16	655.64
- Provision for doubtful receivables	-	-	(137.73)	(655.64)
- Sale of salt	2,871.19	-		-
Cloudgen Digital Private Limited				
- Consultancy Services availed	-	5.96		
- Others	0.17	-	0.17	(1.33)
Archean foundation				
Towards CSR expenses	102.79	55.10		-
KGF Granites private limited				
- Reimbursement of Expenses	1.20	-	1.20	-
Acume Chemicals private limited				
Loans given	1,255.06	-	1,292.98	
- Reimbursement of Expenses	15.07	-		
- Interest income	25.27	-		



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

34.3 Compensation of Key management personnel

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employee benefits expense		
Mr. P Ranjit	476.08	324.72
Mr. P Ravi	-	-
Mr. E Sairam	106.87	98.81
Mr. Subrahmanyam Meenakshisundaram*	Nil	Nil
Mr. G Balaji	20.78	24.87
Mr. Abhishek Pandey	2.08	-

*Subrahmanyam Meenakshisundaram was engaged in the professional capacity of advisor pursuant to engagement letter dated July 24, 2020 and received Rs. 15.91 lakh (PY Rs. 17.5 lakh) in such capacity.

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

Lease liabilities

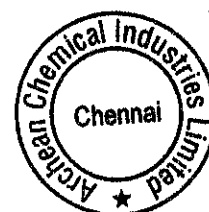
Particulars	As at March 31, 2022	As at 31 March 2021
Maturity analysis - contractual undiscounted cash flows		
- Less than one year	1,446.58	1,113.54
- One to five years	4,536.82	3,932.29
- More than five years	8,749.25	8,827.06
Total undiscounted lease liabilities	14,732.65	13,872.89
Lease liabilities included in the financial statement as at		
- Current	686.05	490.64
- Non Current	4,548.95	4,017.82

Particulars	As at March 31, 2022	As at 31 March 2021
Amounts recognised in profit or loss		
- Interest on lease liabilities	732.37	740.70
- Expenses relating to short-term leases	6.61	4.26
- Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	36.93	43.72

The company's incremental borrowing rate is 17%

Movement of lease liabilities

	As at March 31, 2022	As at 31 March 2021
Balance at the beginning of the year	4,508.46	4,190.86
Lease liability on Ind AS 116 "Leases" adoption	-	-
Additions	1,239.99	697.09
Accretion of interest	732.37	740.70
Payments	(1,242.36)	(1,104.41)
Forex	(3.46)	46.56
Deletions	-	(62.34)
Balance at the end of the year	5,235.00	4,508.46



Note 36: Additional information to the financial statements

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

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent liabilities		
a. Disputed Service tax, Sales tax, Income tax and Wealth tax dues under appeal (refer Note 36.1 (a))	1,705.47	1,662.47
b. Capital Commitments	233.46	3,627.44
Total	1,938.93	5,289.91

Note 36.1 (a) Details of disputed statutory dues

Name of Statute	Period to which amounts relates	Forum where dispute is pending	As at March 31, 2022	As at March 31, 2021
Sales tax and Gujarat VAT matters in respect of which Company is in appeal.	FY 2015-16	Joint Commission, Rajkot	324.73	324.73
	FY 2016-17		273.92	273.92
	FY 2017-18		23.05	23.05
Income tax matters decided in the Company favour by appellate authorities for which department is in further appeal	FY 2012-13	ITAT	540.02	540.02
	FY 2013-14		500.75	500.75
EPCG Licence	FY 2013-14	DGFT	43.00	
Total			1,705.47	1,662.47

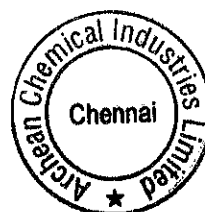
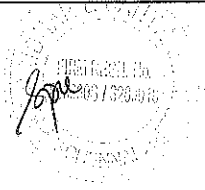
Note: Closing balance of amount paid under protest Rs. 215.40 (March 31, 2021: Rs. 215.40)

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 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 and March 31, 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount remaining unpaid to any supplier at the end of each accounting year;	242.19	228.21
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	0.06	0.23
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.06	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	0.06	0.19



Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)

Notes forming part of Standalone 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

A. Marine Chemicals Trading Pte Ltd (the wholly owned subsidiary of the Company) had 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 year 2020-21.

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

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

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

E. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

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

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

I. The Company does not traded or invested in Crypto currency or virtual currency during the financial period.

J. The Company does not have any transaction which is not recorded in the books of account that has been surrendered, disclosed as income during the year in the tax assessments under the income tax act, 1961 (such as, search or survey or any of the relevant provisions of the Income tax Act, 1961.)

K. Relationship with Struck-off Companies: The Holding company has searched for transactions with Struck-off companies by comparing company's counter parties with publicly available database of struck-off companies through a manual name search. Based on such a manual search, Rs. 1.34 Lakhs written off during the current year relates to struck off companies and the closing balance is zero.

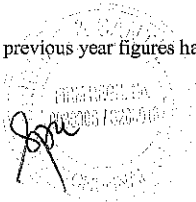
40 Employee Stock Option Plan 2022 : Pursuant to the resolutions passed by our Board and Shareholders on January 29, 2022 and February 1, 2022, our Company approved the ESOP 2022 for issue of options to eligible employees which may result in issue of not more than 1,290,926 Equity Shares. The objective of the ESOP 2022 is to reward our key employees for their association, dedication and contribution to the goals of our Company. ESOP 2022 is in compliance with the SEBI SBEB Regulations. As of the date of this Financials, no options have been granted and no Equity Shares have been issued under the ESOP 2022.

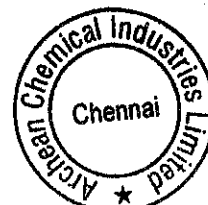
41. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 30, 2022

42. The implementation of the Code on Social Security, 2020 is getting postponed. The Company will assess the impact thereof and give effect in the Financial Statements when the date of implementation of the codes and the Rules / Schemes thereunder are notified.

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





Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)

Notes forming part of Standalone financial statements

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

44 Ratios

Ratio	% / times	Numerator	Denominator	As on March 31, 2022	As on 31st March, 2021	% of variance
a) Current ratio	Times	Current Assets	Current liabilities	2.24	1.65	-36.04%
		long-term borrowings (including current maturities) + short-term borrowings + interest accrued on borrowings + Liability portion of CCD (included in other financial liabilities)	total equity [equity share capital+other equity]			
b) Debt-Equity ratio	Times		Interest on term loans, working capital & Interest on finance lease + Finance cost capitalised + Loans repaid + Reduction in lease liability	3.51	13.23	73.48%
c) Debt service coverage ratio	Times	Profit/ loss before tax + Interest on term loans, working capital, Interest on finance lease & interest on CCD + Depreciation		2.64	1.64	-61.35%
d) Return on equity ratio	Times	Profit/ loss after tax	Average Shareholder's Equity	1.12	1.63	31.35%
e) Inventory turnover ratio	Times	Revenue from operations	Average inventory	9.77	7.07	-38.12%
f) Trade receivables turnover ratio	Times	Revenue from operations	Average accounts receivable	10.23	13.17	22.31%
g) Trade payables turnover ratio	Times	Cost of goods sold	Average trade payables	5.00	2.81	-78.24%
h) Net capital turnover ratio	Times	Revenue from operations	Working capital			
i) Net profit ratio	Percentage	Profit/ loss after tax	Current assets - Current liabilities	5.18	6.26	17.29%
			Revenue from operations	16.69%	8.99%	-85.62%
			Total Assets - Intangible assets - Total liabilities + Debt			
j) Return on capital employed	Percentage	PBIT	Debt : long-term borrowings (including current maturities) + short-term borrowings + interest accrued on borrowings + Liability portion of CCD (included in other financial liabilities)	34.60%	20.98%	-64.89%
k) Return on investment	Percentage	Profit/ loss after tax	Total Assets - Intangible assets - Total liabilities	71.84%	90.17%	20.33%
l) Return on investment (On mutual funds and bank deposits)	Percentage	Interest income on mutual funds and bank deposits	Average of mutual funds and bank deposits	7.33%	7.36%	0.50%

Note: Material changes in ratios are due to increase in revenue and operations in current financial year.

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 : May 30, 2022

P. Ranjith
P. Ranjith
Managing Director
DIN: 01952929

G. Arunmozhi
G. Arunmozhi
Company secretary

