Archean Chemical Industries Limited

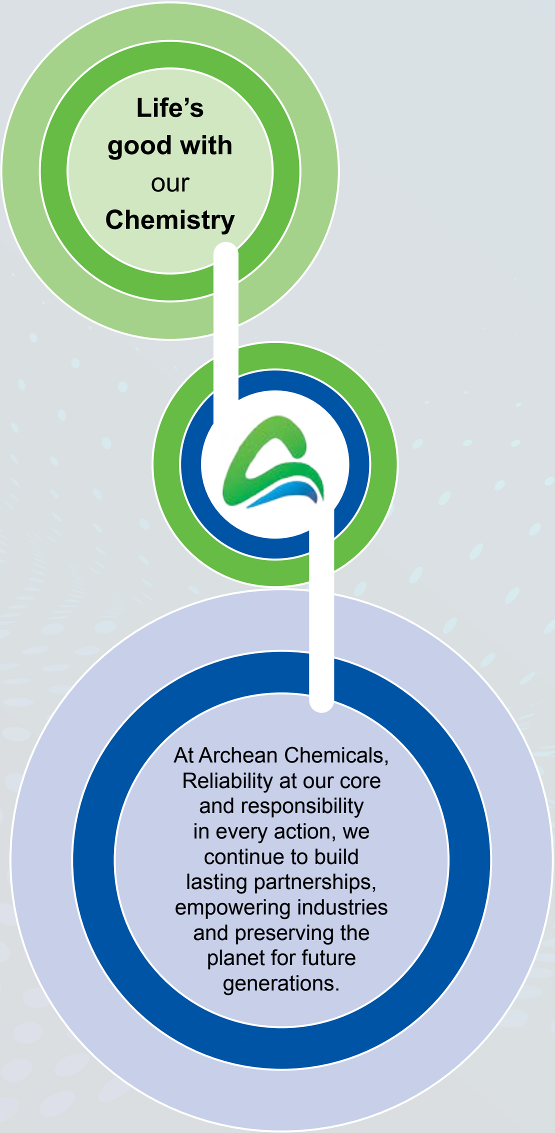
*Life's good with our Chemistry*

# ANNUAL REPORT

# 2024-25

# CONTENTS





Life's good with our Chemistry
At Archean Chemicals, Reliability at our core and responsibility in every action, we continue to build lasting partnerships, empowering industries and preserving the planet for future generations.

# Corporate Information

## Board of Directors & KMP

| | |
|---|---|
| Mr. P Ranjit | Managing Director |
| Mr. P Ravi | Non-Independent Director |
| Mr. S Meenakshisundaram | Non-Independent Director |
| Mrs. Padma Chandrasekaran | Independent Director |
| Mr. C G Sethuram | Independent Director |
| Mr. K M Mohandass | Independent Director |
| Mr. N R Kannan | Executive Director (KMP) |
| Mr. Natarajan Ramamurthy | Chief Financial Officer (KMP) |
| Mr. Vijayaraghavan N E | Company Secretary & Compliance Officer (KMP) |

## Audit Committee

| | |
|---|---|
| Mr. K M Mohandass | Chairperson |
| Mrs. Padma Chandrasekaran | Member |
| Mr. S Meenakshisundaram | Member |

## Corporate Social Responsibility Committee

| | |
|---|---|
| Mr. S Meenakshisundaram | Chairperson |
| Mrs. Padma Chandrasekaran | Member |
| Mr. P Ravi | Member |

## Risk Management Committee

| | |
|---|---|
| Mr. S. Meenakshisundaram | Chairperson |
| Mr. C G Sethuram | Member |
| Mr. P Ranjit | Member |
| Mr. Natarajan Ramamurthy | Member |

## Nomination and Remuneration Committee

| | |
|---|---|
| Mrs. Padma Chandrasekaran | Chairperson |
| Mr. K M Mohandass | Member |
| Mr. S Meenakshisundaram | Member |

## Stakeholder Relationship Committee

| | |
|---|---|
| Mr. S Meenakshisundaram | Chairperson |
| Mr. C G Sethuram | Member |
| Mr. P Ranjit | Member |

## Registered Office & Contact details

CIN: L24298TN2009PLC072270
No.2, North Crescent Road,
T. Nagar, Chennai - 600 017
Ph: +91 44 6109 9999
E Mail: Secretarial@archeanchemicals.com

## Website

**www.archeanchemicals.com**

## Plant

Hajipir Plant, Bhuj Taluk, Kutch District, Gujarat.

## Auditors

**Statutory Auditor -** PKF Sridhar & Santhanam LLP

**Internal Auditor -** Finstein Advisory Services LLP

**Secretarial Auditor -** HVS & Associates

**Cost Auditor -** Mr. G Sundaresan

## Registrar and Transfer Agent

**MUFG Intime India Pvt. Ltd,**
**(Formerly Link Intime India Pvt. Ltd.)**
C 101, Embassy 247, L.B.S.Marg,
Vikhroli (West), Mumbai 400083.

## Bankers

ICICI Bank Limited, R A Puram, Chennai
HDFC Bank Limited, R K Salai, Chennai

## Stock Exchange Listed

National Stock Exchange of India Limited
BSE Limited

## An electronic version of this report is available online at:

https://www.archeanchemicals.com/investor-relations/admin/assets/products/5.%20Annual%20Report%202024-25.pdf

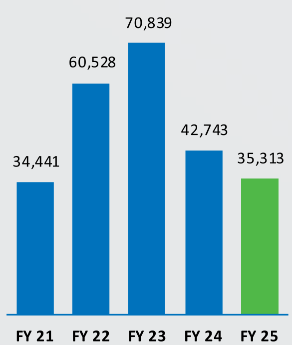
## Scan this QR code to navigate investor-related information

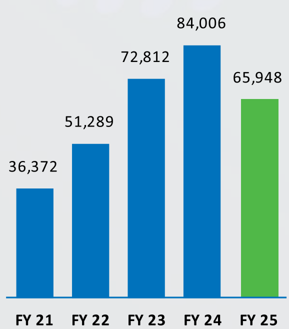
# “We contribute to a sustainable world and a better future by delivering responsible products”

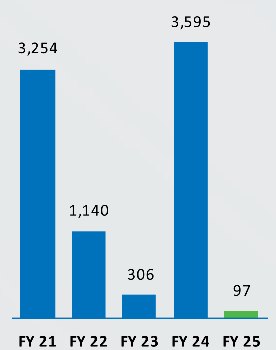
## Strong Product Portfolio

| Product | Bromine | Industrial Salt | SOP |
|---|---|---|---|
| **Overview** | • Bromine is the only non-metallic element that is a liquid at room temperature<br>• Other than use in Agrochemicals, Pharmaceuticals, Biocides, Water Treatment, Oil & Gas, some Bromine compounds are excellent in slowing down Combustion promote it’s use in Flame retardants as well. | • There are 14,000 commercial uses of Salt, a source of Sodium and Chlorine which are basic components of an array of materials – such as plastics, glass, synthetic rubber, cleansers, pesticides, paints, adhesives, fertilizers etc. | • Sulphate of Potash ($K_2SO_4$) is a high-value, chloride-free potash fertilizer that plays a vital role in enhancing crop quality and yield, particularly for high-value and chloride-sensitive crops such as fruits, vegetables, tea, tobacco, and spices. |
| **Archean’s Position** | • Leadership position in Indian Bromine merchant sales<br>• Presence in all kind of Industrial applications of Bromine<br>• Accounted for more than 98% of Export from India | • Produced using the solar evaporation method.<br>• Globally renowned for our premium quality and reliability of supplies<br>• 100% Export business | • Only Manufacturer of chemical free, natural sea Brine based SOP in India<br>• KTMS (kainite type mixed salt) had higher NaCl content (Sodium Chloride), which led to lower SOP production in the last few years<br>• Created capability to manufacture & sell Schoenite. |
| **End User Industries** | • Pharmaceuticals<br>• Agrochemicals<br>• Biocides<br>• Flame Retardants<br>• Water Treatment<br>• Oil & Gas & energy Storage | • Chloralkali Chemicals<br>• Food & Beverage<br>• Textile and Dyes<br>• Water Treatment<br>• Oil & Gas | • Agrochemicals<br>• Various industries including glass, cosmetics etc.<br>• Medical uses |

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



# Integrated Production Facility at Hajipir, Gujarat

At the core of Archean Chemical Industries Limited's operations is our state-of-the-art integrated production facility, reflecting our commitment to maximizing resource efficiency and achieving operational excellence. The facility enables the simultaneous production of three key value-added products — Bromine, Sulphate of Potash (SOP), and Industrial Salt — creating strong synergies and enhancing our competitive advantage. Our primary raw material, brine, is sourced from the Rann of Kutch, while other materials are procured from other vendors within India.

Our manufacturing facility is located near the Jakhau Jetty and Mundra Port, providing significant logistical advantages. The Jakhau Jetty, a fair-weather facility, operates for approximately seven to eight months each year, from October to May. It has a designed handling capacity of 5 million MT per annum and is equipped with a twin conveyor system capable of loading up to 28,000 MT. The integrated manufacturing site, with direct access to the Rann of Kutch brine reserves and close proximity to major ports, enables the production of superior quality products and ensures timely delivery to our customers.

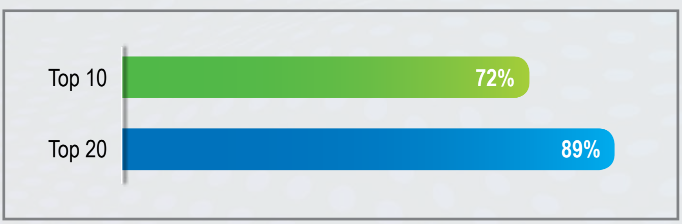
# Deep Engagement with Clients

Enduring customer relationships helped to expand product offerings and geographic reach

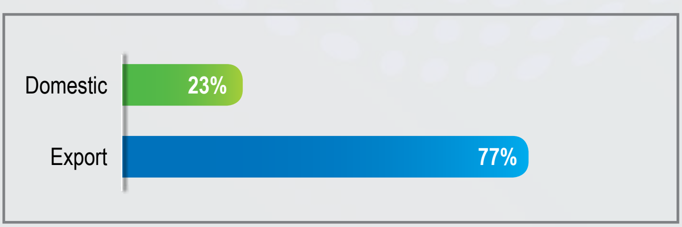
### Global footprint

With customers spanning across more than 15 countries, the Company serves a trusted network of over 33 domestic and 41 international customers—reflecting its consistent quality, reliability, and global competitiveness :

## Revenue Contribution



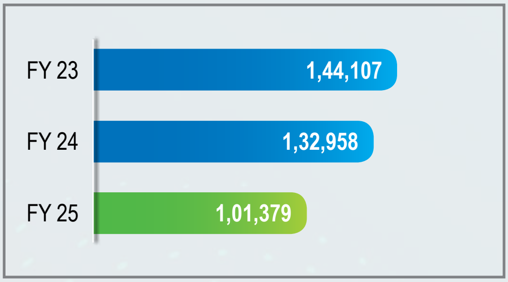

## High Focus on Exports



# Financial Performance - Overview

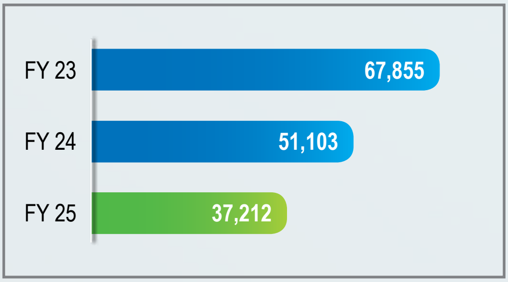
## Revenue

₹ in Lakhs



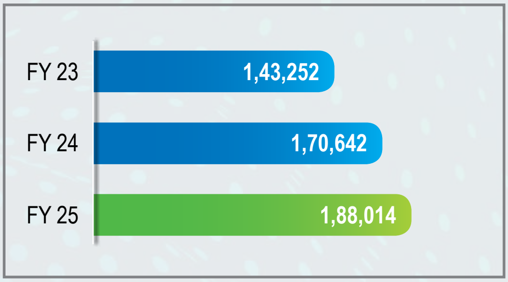

## EBITDA

₹ in Lakhs



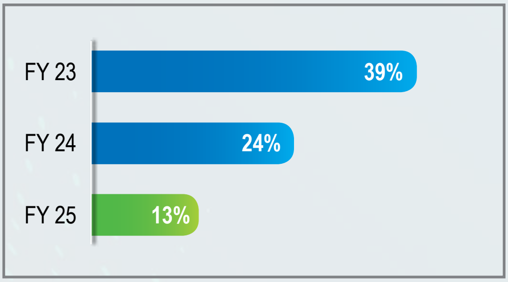

## Networth

₹ in Lakhs



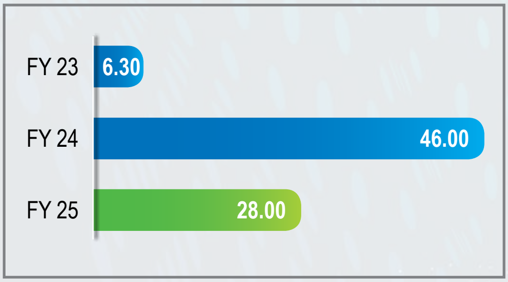

## ROCE

%



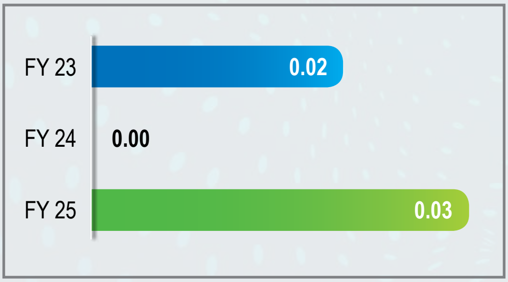

## Interest Coverage

Times




## Debt - Equity

Times



# BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Sixteenth Annual Report of the Company ("ACIL or Archean Chemical") together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2025.

## FINANCIAL PERFORMANCE

In the Financial Year ("FY") 2024-25, the standalone revenue from operations was Rs.1,01,379.02 lakhs, as against Rs. 1,32,958.31 lakhs for FY 2023-24, with a decrease of 23.75%. Net Profit after tax for the FY 2024-25 was Rs. 18,492.34 lakhs as against Rs. 32,234.56 lakhs in the previous year.

For FY 2024-25, the consolidated revenue from operations was Rs.1,04,101.79 lakhs as against Rs. 1,33,008.95 lakhs during FY 2023-24, with a decrease of 21.73%. Net Profit after tax for the FY 2024-25 was Rs.16,214.49 lakhs as against Rs. 31,897.07 lakhs in the previous year.

For more details please refer to Management Discussion and Analysis Report and the Financial Statements.

## FINANCIAL HIGHLIGHTS

The financial highlights of the Company for the Financial Year ended March 31, 2025 and March 31, 2024 are as follows:

**(Rs. in Lakhs)**

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| Revenue from operation | 101,379.02 | 132,958.31 | 104,101.79 | 133,008.95 |
| **Total Income** | **106,344.54** | **137,628.25** | **107,830.09** | **137,341.32** |
| Profit before depreciation and finance cost | 37,212.14 | 51,102.73 | 35,143.74 | 50,598.27 |
| Depreciation | 7,305.74 | 6,999.66 | 7,938.45 | 7,033.71 |
| Finance Cost | 911.45 | 966.75 | 810.33 | 846.15 |
| **Profit before exceptional Item** | **28,994.95** | **43,136.32** | **26,394.96** | **42,718.41** |
| Exceptional Items | (4,018.27) | - | (4,018.27) | - |
| **Profit before Tax** | **24,976.68** | **43,136.32** | **22,376.69** | **42,718.41** |
| Tax expenses | 6,484.34 | 10,901.76 | 6,162.20 | 10,821.34 |
| **Profit after Tax** | **18,492.34** | **32,234.56** | **16,214.49** | **31,897.07** |
| Total comprehensive income | 18,476.48 | 32,203.57 | 16,198.63 | 31,866.08 |
| Earnings per share (Basic) | 14.98 | 26.17 | 13.13 | 25.90 |
| Earnings per Share (Diluted) | 14.97 | 26.14 | 13.12 | 25.87 |

## STATE OF THE COMPANY'S AFFAIRS

During the FY 2024–25, your Company achieved a revenue of Rs. 1,01,379.02 lakhs. The Company continued to strengthen its focus on core product offerings through a balanced approach of long-term and spot contracts. Bromine sales share showed a marginal increase over the previous year, supported by stable downstream demand. The Company successfully retained a majority of its existing customer base while expanding into new application areas through the acquisition of new customers. Share of Bromine increased marginally due to this.

Bromine was sold for applications across flame retardants, agrochemical and pharmaceutical intermediates, biocides, and oilfield products, catering to both domestic and international markets.

The second key business segment — Industrial Salt — continued to be a major contributor, accounting for approximately 2/3rd of the Company's total revenue. Your Company remained one of the largest global manufacturers of premium-grade Industrial Salt, recognized for its consistent quality and reliability of supply.

The global salt industry sustained its previous growth trajectory, although regional growth rates varied. In our core markets, particularly in East Asia, demand fluctuations influenced customer requirements. Despite these market dynamics, your Company maintained strong customer relationships and adapted quickly to changing demand patterns.

However, these fluctuations placed additional stress on logistics operations. To address this, the Company plans to implement enhanced measures to increase agility and responsiveness to customer needs.

During the year, your Company sold 34.8 Lakhs MT of Industrial Salt for diverse applications, including chlor-alkali production — essential for manufacturing key chemicals such as caustic soda, chlorine, and soda ash. Focused efforts were made to drive operational efficiencies, reduce operating costs, and maintain healthy margins, supporting sustainable long-term growth.

## DIVIDEND

During the FY 2024-25, the Board of Directors ("Board"/"Directors") has recommended a final dividend of Re. 1/- per equity share for the financial year ended March 31, 2024 and the same has been approved by the Members at the 15th Annual General Meeting of the Company held on June 28, 2024 and this entailed an outflow of Rs.1,233.97 lakhs with a pay-out ratio of 50% of Company's consolidated post tax profit. In addition to the above, for FY 2023-24, Company had declared two interim dividends of Re.1/- each in the month of October 2023 and November 2023.

Your Directors have pleasure in recommending a dividend of Rs. 3/- per equity share for the financial year ended March 31, 2025 subject to the approval of Members at the ensuing Annual General Meeting of the Company. This would entail an outflow of Rs.3,702.83 lakhs with a pay-out ratio of 150% of Company's consolidated post tax profit. Upon approval of Members, it will be paid to all the Members whose name appears in the register of members as on May 26, 2025 (being the record date fixed for this purpose).

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as "SEBI LODR"), the Board of Directors of the Company has adopted a Dividend Distribution Policy which endeavours for fairness, consistency and sustainability while distributing profits to the shareholders & the above recommendation of the dividend by the Board is in accordance with the "Dividend Distribution Policy" of the Company's available on the website under the link: https://www.archeanchemicals.com/investor-relations/admin/assets/products/Dividend%20Distribution%20Policy.pdf

## TRANSFER TO RESERVE

The Board of Directors has decided to retain the entire amount of profits for FY 2024-25 in the retained earnings.

## TAXATION

The Company has made a current tax provision of Rs.6,531.62 lakhs [PY: 10,063.31 lakhs].

Current tax adjustments of earlier years is Nil as against Rs.4.64 lakhs during the previous year.

The deferred tax for the Financial Year ended March 31, 2025 is Rs.(47.28) lakhs (PY: Rs.843.09 lakhs).

## SHARE CAPITAL

During the FY 2024-25, the paid-up capital of the Company has increased upon exercise of stock options by option grantees and allotment of shares pursuant to the same.

As on March 31, 2025, the authorised share Capital of the Company stood at Rs. 32,00,00,000 divided into 16,00,00,000 equity shares of Rs. 2/- each and consequent to the ESOP allotment made during the year, the paid-up share capital of the Company increased from Rs. 24,67,93,938 divided into 12,33,96,969 equity shares of Rs. 2/- each to Rs. 24,68,55,364 divided into 12,34,27,682 equity shares of Rs. 2/- each.

Other than the above, there is no change in the capital structure of the Company during the year.

## EMPLOYEE STOCK OPTION PLAN

During the FY 2024-25, the Board had allotted 30,713 equity shares of face value of Rs.2/- each upon exercise of stock options granted under "Archean Employee Stock Option Plan 2022 (ESOP 2022)".

The Employee Stock Option Plan ("ESOP") enables the Company to hire and retain the best talent for its senior management and key positions. The NRC, *inter alia,* administers and monitors the Employee Stock Option Plan in accordance with the applicable Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 (ESOP Regulations).

The details of the stock options granted under "ESOP 2022" and the disclosures in compliance with ESOP Regulations and Section 62(1)(b) of the Companies Act 2013, ("Act") read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is available on the website of the Company at www.archeanchemicals.com. The relevant disclosures in terms of the Act and in accordance with the said Regulations are enclosed as **Annexure I** to the Board's Report. The plan is in compliance with the ESOP Regulations.

During the year, no ESOP were granted to Non-Executive Non-Independent Directors.

No Option grantee was granted options/shares during the year, equal to or exceeding 1% of the issued capital.

The Company does not have any Scheme for issue of sweat equity to the employees or Directors of the Company.

A certificate from Secretarial Auditors, with respect to implementation of the above Employee Stock Option Plan in accordance with SEBI Regulations and the resolution passed by the Members of the Company, will be available electronically for inspection by the Members during the ensuing AGM and a copy of the same shall be available for inspection at the Registered Office of the Company during normal business hours on any working day.

## DEPOSITORY SYSTEM

Your Company's shares are in compulsorily tradable securities in electronic form. As on March 31, 2025, Equity Shares 12,34,27,682 representing 100% of the paid-up share are in dematerialised form.

## BOARD OF DIRECTORS

As on March 31, 2025, your Board comprises of six (6) Directors with an optimum combination of

Executive and Non-Executive Directors. Out of six (6), three (3) are Independent Directors including an Independent Woman Director, two (2) Non-Executive Non-Independent Directors and an Executive Director of the Company. Mr. P Ranjit, Managing Director, Mr. P Ravi, Non-Executive Director and M/s. Chemikas Speciality LLP are the Promoter of the Company.

During the year, following appointment / re-appointment of Directors took place:

a. Retirement by rotation and re-appointment of Mr. P Ravi, (DIN: 02334379) as Non-Executive Director.

b. Re-Appointment of Mrs. Padma Chandrasekaran (DIN: 06609477) as Non-Executive Independent Director.

The Company had formulated a Code of Conduct for the Directors and Senior Management Personnel and the same has been complied with.

**Retirement by Rotation and Re-Appointment**

In accordance with Section 152(6) of the Act and Articles of Association of the Company, Mr. S. Meenakshisundaram, (DIN: 01176085) a Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM of the Company.

A brief resume of the Director being re-appointed, the nature of expertise in specific functional areas, names of companies in which he holds Directorships, Committee Memberships / Chairpersonships, his shareholding in the Company etc., have been furnished in the explanatory statement to the notice of the ensuing AGM.

**Independent Directors**

The Independent Directors hold office for a fixed term of 5 years from the date of their appointment and not liable to retire by rotation.

The Company has received the necessary declaration as laid down in Section 149(7) of the Act from all the Independent Directors confirming that they meet the criteria of independence as provided in Section 149(6) of the Act and SEBI LODR.

Independent Directors have also complied with the Code for Independent Directors prescribed in Schedule IV to the Act. In accordance with Companies (Appointment and Qualification of Directors) Rules, 2014, the Company has received declarations from Independent Directors confirming that they have registered with the Independent Directors Data Bank through Indian Institute of Corporate Affairs ("IICA"). They have been exempted/qualified from passing the online proficiency self-assessment test conducted by IICA.

Mrs. Padma Chandrasekaran (DIN:06609477) was appointed as an Independent Director for a period of five (5) years from November 13, 2019, to November 12, 2024. She was eligible for re-appointment. During the year, based on the recommendation of Nomination and Remuneration Committee ("NRC"), the Board in its Meeting held on May 14, 2024, has evaluated the performance of the said Independent Director based on the contribution of the Director and have recommended her re-appointment for another term of five (5) years from November 13, 2024, to November 12, 2029. In accordance with Section 149(10) of the Act, approval of the Members through special resolution was obtained in the 15th AGM held on June 28, 2024.

The Company had issued letter of appointment in accordance with Regulation 46 of the SEBI LODR and the terms and conditions of appointment of Independent Directors are available at the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/Terms-and-conditions-of-appt-of-ID.pdf

Information on familiarisation program to Independent Directors are provided in the Corporate Governance Report Section of this Annual Report.

**Details of Remuneration to Directors**

Details as required under the Act, in respect of remuneration paid to Directors, are given in Corporate Governance Section of this Annual Report and in the Annual Return uploaded in the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/4.%20Form%20MGT-7_Draft.pdf

**Number of meetings of the Board**

The Board met 7 (Seven) times during the FY 2024-25 on May 14, 2024, June 01, 2024, August 02, 2024, October 25, 2024, November 08, 2024, December 30, 2024, and February 07, 2025. The details of Board meetings and attendance of the Directors are provided in the Corporate Governance Report.

**Diversity**

Your Company recognises the importance of a diverse Board for its success and believes that a diverse Board will leverage *inter alia* differences in thought, skills and industry experience, which in the long run will enhance shareholder value.

**Policy on Directors' Appointment and Policy on Remuneration:**

Your Company's current policy is to have an appropriate mix of Independent and Non-Independent Directors to maintain the independence of the Board and separate its functions of governance and management.

In accordance with Section 134 and 178 of the Act, the Policy on appointment of Board Members including criteria for determining qualifications, positive attributes, independence of a Director and the Policy on remuneration of Directors, KMP and other employees are outlined as part of Nomination and Remuneration Policy of the Company and salient features of the same are disclosed in this report. NRC of your Board had fixed the criteria for nominating a person on the Board which *inter alia* include desired size and composition of the Board, age limit, qualification/experience, areas of expertise and independence of the individual.

## BOARD EVALUATION

In accordance with the provisions of the Act and SEBI LODR, Board has carried out a separate exercise to evaluate the performance of the Board as a whole, its Committees and individual Directors by taking into account the criteria laid down in this regard by the NRC like attendance, expertise, contribution etc., brought in by the Directors at the Board and Committee Meetings and found it satisfactory, which shall be taken into account at the time of reappointment of Independent Director. The criteria for evaluation of the Board and Non-Independent Directors at a separate meeting of Independent Directors were carried out in accordance with the Nomination & Remuneration Policy adopted by the Board.

The evaluation was carried out, taking into consideration the composition of the Board and availability of commitment to good corporate governance practices, adherence to regulatory compliance, grievance redressal mechanism, track record of financial performance, existence of integrated risk management system etc.

The performance evaluation was executed through an electronic application. This transition resulted in a faster turnaround for document availability to the Board and Committee Members, and an improvement in the accuracy. A structured questionnaire was prepared covering various aspects including the following but not limited to adequacy of the composition of the Board and its Committees, flow of information, Board culture/ Diversity, execution and performance of specific duties, obligations and governance.

In accordance with Regulation 25(4) of the SEBI LODR, Independent Directors have evaluated the performance of Chairman, Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of the flow of information between the Management and the Board and other required matters.

In accordance with Regulation 17(10) of SEBI LODR, the Board of Directors has evaluated the performance of Independent Directors and observed the same to be satisfactory and their deliberations are beneficial in Board / Committee Meetings.

In accordance with Regulation 4(2) of SEBI LODR, the Board of Directors have reviewed and observed that the evaluation framework of the Board of Directors was adequate and effective.

The Board's observations on the evaluations for the year under review carried on May 02, 2025, were similar to their observations of the previous years. No specific actions have been warranted based on current year observations. The Company would continue to familiarise its Directors on the industry, technological and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

The Board is of the opinion that all Directors, including the Independent Directors of the Company, possess requisite qualifications, integrity, expertise and experience in the fields of science and technology, digitalisation, strategy, finance, governance, human resources, safety, sustainability, etc.

## BOARD COMMITTEES

The Board had following Committees during the FY 2024-25:

a. Audit Committee
b. Stakeholders Relationship Committee
c. Nomination and Remuneration Committee
d. Corporate Social Responsibility Committee
e. Risk Management Committee
f. IPO Committee

The composition of the Board of Directors and its Committees are in accordance with the Act and the SEBI LODR.

In accordance with the requirement of Section 177(8) of the Act, it is hereby disclosed that the Audit Committee comprises of Mr. K M Mohandass, Chairperson of the Committee, Mrs. S Padma Chandrasekaran, Member and Mr. S Meenakshisundaram, Member.

A detailed note on the attendance, composition of the Board and Committees along with other disclosures are provided in the Corporate Governance Report Section of this Annual Report.

Meetings of Board and Committees held during the year are in compliance with the Act & SEBI LODR read with circulars and notifications issued by Ministry of Corporate Affairs and SEBI in this regard.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Company's Directors make the following statement in terms of sub-section (5) of Section 134 of the Act, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

a. in that the financial statements for the year ended March 31, 2025 have been prepared in conformity with Indian Accounting Standards (Ind AS) and requirements of the Act and that of guidelines issued by SEBI, to the extent applicable to the Company along with proper explanation relating to material departures;the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

b. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

c. the directors had prepared the annual accounts on a going concern basis;

d. the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 2(51) and 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2025, are as follows:

Mr. P Ranjit, Managing Director,

Mr. N R Kannan, Executive Director,

Mr. R Natarajan, Chief Financial Officer and

Mr. Vijayaraghavan N E, Company Secretary & Compliance Officer.

During FY 2024-25 Mr. R Natarajan has been appointed as the CFO of the company with effect from January 21, 2025, in place of Mr. R Raghunathan, CFO who resigned on January 20, 2025.

During FY 2024-25, Mr. N R Kannan has been appointed as the executive director (KMP) w.e.f. August 02,2024.

During FY 2024-25, Mr. Ravi Prakash Mundhara had been appointed as Company Secretary and compliance officer of the company on August 02, 2024, in place of Mr. S Balasundharam, Company Secretary and compliance officer who resigned on June 01,2024. Subsequently, Mr. Ravi Prakash Mundhra was resigned on August 07, 2024.

Further Mr. Vijayaraghavan N E has been appointed as Company Secretary and compliance officer of the Company with effect from February 07, 2025.

Except these, there are no change in the list of Key Managerial Personnel (KMP).

## REMUNERATION POLICY

In accordance with Section 178 of the Act, the NRC of your Board has formulated the Nomination and Remuneration Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel and other employees of your Company. The Nomination and Remuneration Policy ensures that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long-term goals of the Company.

The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to Executive and Non-Executive Directors of the Company. It recommends to the Board the compensation payable to Directors. Director's compensation is within the limits prescribed under the Act and approved by the Members of the Company where required.

Your Company follows a compensation mix of fixed pay, benefits and performance-based variable pay for its employees, which is based on the performance of the business and the individual performance of the individuals is measured through annual appraisal process.

The Managing Director was paid a fixed monthly remuneration in the form of salary and paid commission annually based on the profits computed in accordance with Section 198 of the Act. Non-Executive Directors are paid remuneration by way of sitting fees based on their participation in the Meetings and Commission paid annually.

Remuneration paid to Directors is within the scale approved by the Board and Members, subject to overall ceilings stipulated under Section 197 of the Act. Sitting fees paid to Directors for attending the Board Meeting & Committee Meetings.

In accordance with Section 178(4) of the Act, the salient features of the Nomination and Remuneration Policy should be disclosed in the

Board's Report. The objective of the Policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Directors, Key Managerial Personnel and Senior Management shall be appropriate to the working of the Company and its goals; and
- Any other functions as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable, are carried out.

The said Policy and composition of the NRC are in compliance with the Act and SEBI LODR. The responsibilities of Compensation Committee as defined in SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, have been assigned to NRC. The said policy is available at the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/Nomination%20and%20Remuneration%20Policy.pdf

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement of disclosures with respect to the remuneration of Directors, KMP and Employees in accordance with Section 197 of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules") is given below:

a) Ratio of the remuneration of each director to the median remuneration of the employees of the Company:

| Sl. No. | Name of the Director/KMP | Designation | Ratio to Median Remuneration | % increase in the remuneration for the FY 2024-25 |
|---|---|---|---|---|
| 1 | Mr. P Ranjit | Managing Director | 122.16:1 | 15% |
| 2 | Mr. S Meenakshisundaram | Non- Executive Director | 4.72:1 | NA |
| 3 | Mr. C G Sethuram | Independent Director | 3.84:1 | NA |
| 4 | Mrs. Padma Chandrasekharan | | 4.48:1 | NA |
| 5 | Mr. K M Mohandass | | 4.40:1 | NA |
| 6 | Mr. P Ravi | Non- Executive Director | 0.72:1 | NA |

Note:

i. The Commission to Managing Director & Non-executive Directors including Independent Directors for the financial year ended March 31, 2025 will be paid subject to the approval of the financial statements for the year ended March 31, 2025 by the Member at the ensuing Annual General Meeting of the Company.

ii. The details of Sitting fee / commission to non-executive directors are provided in the Corporate Governance report.

b) Percentage increase in remuneration of the following KMPs:

| Sl. No. | Name of the KMP | Designation | % increase in the remuneration in the FY 2024-25 |
|---|---|---|---|
| 1 | Mr. N R Kannan* | Executive Director-KMP | NA |
| 2 | Mr. R Natarajan* | Chief Financial Officer | NA |
| 3 | Mr. Vijayaraghavan N E* | Company Secretary & Compliance Officer | NA |
| 4 | Mr. R Raghunathan # | Chief Financial Officer | 10% |
| 5 | Mr. S Balasundharam # | Company Secretary & Compliance Officer | NA |

*ED appointed w.e.f. August 02, 2024, CFO appointed w.e.f. January 21, 2025 and CS appointed w.e.f. February 07, 2025.
#CFO resigned on January 20, 2025, CS resigned on June 01, 2024.

Mr. Ravi Prakash Mundhra joined as Company Secretary on August 02, 2024 resigned on August 07, 2024.

c) Percentage increase in the median remuneration of employees in the financial year – 5.73%

d) Number of permanent employees on the rolls of Company: 262

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2024-25: 11.6% and its comparison with the percentile increase in the managerial remuneration in FY 2024-25: 12.5%. Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NIL

f) There was no variable component of remuneration availed by Directors, except Commission of Rs. 12,66,56,000/- paid to Managing Director and Rs. 15,00,000/- each paid to Non-Executive Directors including Independent Directors except Mr. P. Ravi, Non-Executive Director, who Voluntarily waived his entitlement to commission for the period ended March 31, 2024.

g) It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company to Directors, Key Managerial Personnel and other Employees.

h) No employee who was in receipt of remuneration in excess of that drawn by Managing Director, holds 2% or more of the equity shares of the Company by himself or along with his spouse and dependent children.

The information as per Rule 5(2) and Rule 5(3) of the Rules, forms part of this Report. However, as per first proviso to Section 136(1) of the Act and Second Proviso to Rule 5 of the Rules, the Annual Report is being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) and Rule 5(3) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary. The said statement is also available for inspection by the members at Registered Office of the Company during office hours till the date of AGM.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has 3 subsidiaries and 2 step down subsidiaries as on March 31, 2025.

The Audit Committee reviews the Financial Statements of subsidiaries, including the investments made in the subsidiaries, on a quarterly basis and minutes of the Meetings of the subsidiary are placed in the Board Meetings.

In accordance with Section 129(3) of the Act, read with Rule 5 of Companies (Accounts) Rules, 2014, statement containing the salient features of the financial statements of the Subsidiary Company(ies) as per Form AOC-1 is enclosed as **Annexure II** to the Board's Report.

In accordance with Regulation 46(2)(s) of SEBI LODR, separate audited/ reviewed financial statements of the above subsidiary companies for the FY 2024-25 are available at the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/annual-report.php?id=MTc4

### Material Subsidiary

As per Regulation 16(c) of the SEBI LODR the company has no material subsidiary companies. The Company has formulated a Policy for determining Material Subsidiaries. The policy is available at the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/Policy%20on%20Material%20Subsidiaries.pdf

### Consolidated Financial Statements

In accordance with Section 129(3) of the Act and Regulations 33 and 34 of SEBI LODR, the Consolidated Financial Statements, drawn up with the applicable Indian Accounting Standards (Ind AS). The consolidated financial statements incorporating the accounts of subsidiary companies along with the Auditors' Report thereon are set out in this Annual Report and are available at the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/annual-report.php?id=MTU5

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited Financial Statements in respect of the Subsidiaries are available on the website of the Company htt ps://www.archeanchemicals.com/investor-relations/annual-report.php?id=MTc4

These financial statements of the Company and the subsidiary companies will also be kept open for inspection by Members. The Company shall provide a copy of the same to any Member of the Company who asks for it.

### Subsidiary Company details

The details of the subsidiary companies are as given below:

*Idealis Chemicals Private Limited (Idealis)*

Idealis was incorporated on October 05, 2023 as a wholly owned subsidiary company, which has been declared as the successful bidder for acquiring Oren Hydrocarbons Private Limited (Oren) as a going concern in the auction conducted by the liquidator of Oren in terms of the Insolvency and Bankruptcy Code, 2016 and paid the consideration of Rs. 7, 690.74 Lakhs. NCLT has issued the order on July 09, 2024, order in favour of Idealis and vested the company on a going concern basis on a clean state principle. In line with the NCLT order, Oren allotted 50,00,000 shares of Rs. 10/- each for Rs. 500 Lakhs and balance of consideration has been treated as loan.

*Idealis Mudchemie Private Limited (Formerly known as Oren Hydrocarbons Private Limited)*

During the year, the company was acquired by Idealis Chemicals Private Limited through an e-auction conducted under the National Company Law Tribunal (NCLT) liquidation process, at a consideration of Rs. 7,690.74 Lakhs. The company has plants in Andhra Pradesh, Gujarat and Tamil Nadu and it manufacturers customized drilling fluids/muds/chemicals with strategic manufacturing and distribution points.

The NCLT issued an order on July 9, 2024, approving the transaction. Accordingly, the Company has become a subsidiary of Idealis Chemicals Private Limited and a Step-Down Subsidiary of Archean Chemical Industries Limited with effect from the order date. The operations of the Company have not commenced, as it is currently in the process of securing various statutory approvals and utility connections for a few of the plants and this is under the advance stage.

During the year, in accordance with the NCLT order, the company extinguished the share capital of Rs. 1,729.30 Lakhs held by the former management / shareholders and allotted Rs. 500 Lakhs as equity share capital to Idealis Chemicals Private Limited, with the remaining consideration being treated as a loan.

Effective October 9, 2024, the company's name was changed from "Oren Hydrocarbons Private Limited" to "Idealis Mudchemie Private Limited (IMPL). IMPL is the step down subsidiary of the Company."

### *Neun Infra Private Limited*

It was incorporated on October 3, 2023 as a wholly owned subsidiary of the Company with a paid-up capital of Rs. 3,00,00,000/- divided into 30,00,000 shares of Rs.10/- each towards the initial subscription.

### *SiCSem Private Limited (SiCSem)*

Neun has incorporated a subsidiary Company SiCSem with an Authorised share capital amounting to Rs. 5,00,000/- divided into 50,000 equity shares of Rs. 10/- each. Neun has invested Rs.3,50,000 out of Rs. 5,00,000 in the Capital of SiCSem constituting 70% of the Capital. The main objects of SiCSem are setting up of a facility for manufacturing semiconductor. Thus, SiCSem will be the step-down subsidiary of your company.

On January 28, 2025 Sicsem achieved a significant milestone in semiconductor manufacturing with the groundbreaking ceremony in Bhubaneswar, Odisha. SiCSem proposed Compound Semiconductor Facility is projected be upto Rs. 3000 Cr investment which will boost Odisha's industrial progress. The facility will integrate the entire process of manufacturing power devices including a Wafer Fabrication Plant. The processes will lead to manufacturing of electronic power devices that will cater to key sectors such as electric vehicles, energy storage, fast chargers, green energy, industrial tools, data centres, consumer appliances and many other appliances. The state government has allotted 14.32 acre land at Infovalley-II, Bhubaneshwar for this prestigious project and also approved the project under the Odisha Semiconductor & Fabless Policy - 2023.

### *Acume Chemicals Private Limited (Acume)*

Acume is the Wholly Owned Subsidiary of the Company. During the year, Acume improved the capacity utilization of the Bromine Derivatives Manufacturing Facility at Jhagadia. Inorganic Bromides that were commercialized in FY 2023-24 were further scaled up in volumes. Additionally, few more Organic Bromides were commercialized during the FY 2024-25. An amount of Rs. 11,909.68 lakhs was capitalized during the year.

During the period ended March 31, 2025, Acume generated revenue from operations of Rs. 2,717.86 lakhs and incurred a loss before tax of Rs. 1,444.56 Lakhs.

During the year gone by, company enlarged the marketing footprint by reaching out to several end customers within India and abroad. Customers in the field of Specialty & Fine Chemicals like Biocides, Oil & Gas, Pharmaceutical and Agro Segments were approached. Samples of the products were seeded to customers and their quality approvals are being taken. Some of them have a longer gestation time for qualifications and the same are being pursued. Meanwhile Inroganic Bromides have received wider acceptance, and their volumes were scaled up during Q4 FY 2024-25 and they hope to aggressively pursue this success.

For more details about the strategies and operations, please refer the Management Discussion and Analysis Report set out in this Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Act are set out in the notes to the financial statements.

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Particulars of the same as referred in Section 188(1) of the Act, in the prescribed Form AOC-2 is enclosed as **Annexure III** to the Board's Report.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it been pursued on a sustained basis.

In compliance with Section 135 of the Act, the Board of Directors had constituted a CSR Committee and adopted a CSR Policy, in accordance with Schedule VII of the Act.

As on March 31, 2025, Your Company's CSR Committee comprises of Mr. S Meenakshisundaram, Chairperson, Mrs. Padma Chandrasekaran, Member and Mr. P Ravi, Member. The Committee is responsible for formulating, monitoring and implementing the CSR policy of the Company.

Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure IV** to the Board's Report.

Further, the Board has taken on record the certificate from the Chief Financial Officer that CSR spends of the Company for FY 2024-25 have been utilized for the purpose and in the manner approved by the Board of Directors of the Company.

In accordance with Section 135(4) of the Act, the major contents of CSR policy are as follows:

**Preamble:** Corporate Social Responsibility (CSR) is the affirmation that the ACIL is committed to its stakeholders to conduct its business operations in an economically, socially and environmentally sustainable manner.

**Objectives: The objective of the CSR Policy is to:**

a) To create positive and sustainable impact on society and invest in improving lives of nearby community

b) To engage with nearby community in identifying local needs and requirements

c) To identify opportunity and initiatives to enhance - Social, Environmental and Economic Value to the Society along with desired impact

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

**Implementation Process:**

The CSR initiatives shall be undertaken by the Company as per its stated CSR Policy as Projects or Programs or Activities (either new or ongoing).

The CSR activities may be undertaken directly by the Company or through a registered trust or a registered society or a Company/firm/foundation established by the Company.

In addition to the above, CSR Policy also includes composition of CSR Committee, meetings & quorum, duties & responsibilities of CSR Committee/Board, CSR Activities/expenditure/ reporting etc., and the said policy is available at the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/Corporate%20Social%20Responsibility%20Policy.pdf

## RISK MANAGEMENT

Risk Management at ACIL forms an integral part of Management focus.

In accordance with Regulation 21 of SEBI LODR, Board has constituted the Risk Management Committee. A detailed note on the attendance, composition of the Committee along with other details are provided in the Corporate Governance Report Section of this Annual Report. The details of the Committee and the terms of reference are set out in the Corporate Governance Report forming part of the Report.

In accordance with Section 134(3)(n) of the Act and Regulation 17(9) of SEBI LODR, the Company has developed and implemented a Risk Management Policy aligned with the industry in which it operates. The Policy envisages identification of risk and procedures for assessment and minimisation of risk thereof. The said policy is available at the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/Risk%20Management%20Policy-15.01.2022.pdf

The Company believes that risks should be managed and monitored on a continuous basis. As a result, the Company has designed a dynamic risk management framework to manage risks effectively and efficiently, enabling both short term and long term strategic and business objectives to be met.

The Company's risk management system is always evolving & an ongoing process and it is recognized that the level and extent of the risk management system is commensurate with the development and growth of the Company's activities. The risk management system is a "living" system and the documentation that supports it will be regularly reviewed and updated in order to keep current with Company circumstances.

In the opinion of the Board, there is no element of risk which may threaten the existence of the Company/its operations.

## INTERNAL FINANCIAL CONTROL SYSTEM

Your Company has an Internal Controls system in accordance with Section 134(5)(e) of the Act, commensurate with the size, scale and complexity of its operations. The Audit Committee comprising of professionally qualified Directors, interacts with the Statutory Auditors, Internal Auditors and the management to review the adequacy of Internal Controls system on a regular basis.

The Management is responsible for establishing & maintaining internal controls for financial reporting. The Statutory Auditors have evaluated the system of internal controls of the Company and also reviewed their effectiveness and have reported that the same are adequate & commensurate with the size of the Company and the nature of its business.

They have also reviewed the internal controls pertaining to financial reporting of the Company to ensure that financial statements of the Company present a true and fair view of the state of affairs of the Company. In addition, Auditors in their report have also opined that the Company has in all material respects adequate internal financial control systems over financial reporting and the same were operating effectively as on March 31, 2025.

The summary of the Internal Audit findings and status of implementation of action plans for risk mitigation, are submitted to the Audit Committee every quarter for review, and concerns around residual risks if any, are presented to the Board.

Based on the framework of Internal Financial Controls and Compliance Systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s), including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2024-25.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules,2014 and Regulation 22 of the SEBI LODR, your Company has adopted a Whistle Blower Policy on Vigil Mechanism which provides a formal mechanism for all Directors, Employees and other Stakeholders of the Company to report to the management, their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics.

The Code as well provides a direct access to the Chairman of the Audit Committee to make protective disclosures about grievances or violation of the Company's Code. Brief details about the policy are provided in the Corporate Governance Report attached to this report.

The said policy is available at the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/Whistle%20Blower%20and%20Vigil%20Mechanism%20Policy.pdf

## RELATED PARTY TRANSACTIONS

The Company has formulated a policy on Related Party Transactions (RPT) and approved by the Board. The policy on RPT is available on the Company's website at https://www.archeanchemicals.com/investor-relations/admin/assets/products/Policy%20on%20RPT-07.02.2025.pdf

All RPTs that were entered into by the Company during the FY 2024-25, were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Act and the SEBI LODR. The Company did not enter into any material transaction/contracts with related parties during the year that may have potential conflict with the interests of the Company at large or that requires approval of the Members.

Prior approval / omnibus approval have been obtained from Audit Committee for all RPTs and these transactions are periodically placed before the Audit Committee for its review/approval. All RPTs were placed before the Audit Committee for their prior approval in accordance with the requirements of the Act and the SEBI LODR. The transactions entered into pursuant to such approval are placed periodically before the Audit Committee for its review.

Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company maintains a strict zero tolerance stance against sexual harassment in the workplace and has established a policy aimed at preventing, prohibiting, and addressing incidents of sexual harassment. This policy aligns with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act of 2013 and its associated regulations. To enhance awareness on this matter, the Company regularly conducts programs in this regard.

In accordance with Rule 8(5) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassments.

During the FY 2024-25, no complaint was received, and no complaint was pending for disposal as on March 31, 2025.

The policy which is available at the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/ACIL%20PoSH%20Policy%20-%20September%202024.pdf

## STATUTORY AUDITORS

As per section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in the 12$^{th}$ AGM, approved the appointment of PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration Number: 003990S/S200018), as Statutory Auditors of the Company for a term of Five (5) years i.e from the conclusion of 12$^{th}$ AGM till the conclusion of the 17$^{th}$ AGM of the Company, to be held in the FY 2026-27 at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

Pursuant to Sections 139 and 141 of the Act, along with the applicable Rules, the Company has obtained a certificate from the Statutory Auditors affirming their eligibility to remain in their role as

Auditors. Additionally, the Auditors have verified that they have participated in the peer review process conducted by the Institute of Chartered Accountants of India (ICAI) and possess a valid certificate issued by the Peer Review Board of the ICAI.

Details of fees paid to Statutory Auditor is disclosed in Corporate Governance Report set out in this report.

## COST AUDITOR

Pursuant to Section 148 of the Act read with the amended rules thereof, the Board of Directors on the recommendation of the Audit Committee appointed Mr. G Sundaresan, Cost Accountant as the Cost Auditor of the Company for the FY 2025-26. The Board has recommended remuneration to the shareholders for ratification at the ensuing Annual General Meeting.

Mr. G Sundaresan has confirmed that his appointment is within the limits of Section 139 of the Act, and has also certified that he is free from any disqualifications specified under Section 141 of the Act. The Company has also received a certificate from the Cost Auditor certifying his independence and arm's length relationship with the Company.

Pursuant to section 148 of the Act, the Company is required to maintain the cost records and the Company is accordingly maintaining such accounts and records and the same are being audited as per the requirement of the Act. The report of the Cost Auditor shall be filed with the Central Government in accordance with the rules framed thereunder.

## SECRETARIAL AUDITOR

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the SEBI LODR, the Board has appointed M/s. HVS & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for the FY 2024-25.

As per Section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and as per the Regulation 24A SEBI LODR read with SEBI LODR (Third Amendment) Regulations, the Board in its meeting held on May 02, 2025 had recommended the appointment of HVS & Associates, peer reviewed Practicing Company Secretaries (Firm Registration No. P2016TN048300), Chennai as Secretarial Auditor of the Company for a period of 5 years from FY 2025-26 to FY 2029-30, subject to approval of its shareholders in its ensuing Annual General Meeting.

The Company had received required declarations/ consents from the Secretarial Auditors confirming that they have been Peer Reviewed and are eligible to be appointed as Secretarial Auditors.

## COMMENTS ON AUDITORS' REPORT

The Statutory Auditors, Secretarial Auditors and Internal Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Act, including Rules made thereunder.

There were no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditor and Secretarial Auditor in their reports, respectively.

The Statutory Audit Report in the prescribed format issued by Statutory Auditors is provided in this Annual Report. The Secretarial Auditor's Report in the prescribed format issued by the Secretarial Auditors is enclosed as **Annexure V** to the Board's Report.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3) of the Act, read with the Companies (*Accounts*) Rules, 2014 enclosed as **Annexure VI** to the Boards Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with Regulation 34 of SEBI LODR, the Management Discussion and Analysis (MDNA) Report is set out in this Annual Report.

## CORPORATE GOVERNANCE

Your Director's always strive to follow good Corporate Governance practices in the Company to enhance long term shareholder value.

As required under Regulation 34 (3) read with Schedule V (C) of the SEBI LODR, a report on Corporate Governance is set out in this report and the certificate as required under Schedule V (E) of SEBI LODR is obtained from Statutory Auditor, regarding compliance of conditions of Corporate Governance is annexed to the Corporate Governance Report.

Your Company is committed to maintaining the highest standard of Corporate Governance. All the Directors and the Senior Management personnel have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY

As per Regulation 34(2)(f) of the SEBI LODR, the annual report for the top one thousand listed entities based on market capitalization shall contain a Business Responsibility and Sustainability Report on the environmental, social and governance disclosures.

For the FY ended March 31, 2025, your Company falls under Top 1000 Listed Companies by market capitalization in BSE Limited and National Stock Exchange Limited.

The BRSR includes details on performance against the nine principles of the National Guidelines on Responsible Business Conduct and a report under each principle, which is divided into essential and leadership indicators. The Company practices various business responsibility initiatives as per the Business Responsibility and Sustainability policy laying down the broad principles guiding the Company in delivering various responsibilities to its stakeholders.

The Business Responsibility and Sustainability Report in terms of above regulation for FY 2024-25 is set out in this report.

## ANNUAL RETURN

In terms of Section 92(3) and section 134(3)(a) of the Act, the Annual Return of the Company is available on the website of the Company https://www.archeanchemicals.com/investor-relations/admin/assets/products/4.%20Form%20MGT-7_Draft.pdf

The annual return uploaded on the website is a draft in nature and the final annual return shall be uploaded at the same link on the Company's website once the same is filed with Ministry of Corporate Affairs after the AGM.

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven consecutive years from the date of transfer of such amount to unpaid dividend account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority. There were no such instances requiring any transfer by the company to the IEPF as of March 31, 2025.

## CODE OF CONDUCT

The Company has received confirmations from the Board and the Senior Management Personnel regarding their adherence to the Code of Conduct. A certificate from the Managing Director in this regard is set out in this Annual report.

## MANAGING DIRECTOR/CHIEF FINANCIAL OFFICER CERTIFICATE

A compliance certificate by Managing Director and Chief Financial Officer as stipulated under regulation 17 (8) read with Part B of Schedule II of SEBI LODR is set out in this report.

## OTHER DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions / events on these items during the year under review:

1. Proceedings under Insolvency and Bankruptcy Code: No application has been made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against the Company during the year under review.

2. Deposits: The Company has not accepted any deposit from the public within the meaning of Section 76 of the Act, for the year ended March 31, 2025.

3. Significant and Material Orders: There were no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

4. Change in the nature of business, if any: There was no change in the nature of business activities during the year under review.

5. Material changes and commitments: There were no material changes and commitments affecting the financial position of the Company occurred between April 01, 2025, and the date of signing this report.

6. Shares with differential rights: The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise during the FY 2024-25.

7. Sweat Equity Shares: The Company has not issued any Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Plan during FY 2024-25.

8. One time settlement with Banks: The Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions during FY 2024-25.

9. Revision in the financial statements and Boards Report: There was no revision of financial statements and the Board's Report.

## ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the valuable support received by the Company from Banks & Financial Institutions. The Board thanks the employees at all levels for their dedication, commitment and the hard work put in by them for Company's achievements. The Directors are grateful to the Shareholders/ Stakeholders for their confidence and faith reposed in Board.

**For and behalf of the Board of Directors**

| | | |
|---|---|---|
| | **P Ranjit** | **S Meenakshisundaram** |
| Date: May 02,2025 | Managing Director | Director |
| Place: Chennai | DIN: 01952929 | DIN: 01176085 |

## Annexure to Directors' Report:

1. Annexure I – ESOP
2. Annexure II – Form AOC - 1 Statement of Subsidiaries
3. Annexure III – Form AOC – 2 Particulars of Contracts or Arrangements with Related Parties
4. Annexure IV – Annual Report on CSR Activities for the Financial Year 2024-25
5. Annexure V – Secretarial Audit Report in Form MR-3
6. Annexure VI – Energy Conservation, Technology Absorption and Foreign Exchange Earnings And Outgo

**Annexure I**

# EMPLOYEE STOCK OPTION PLAN

## DISCLOSURE MADE UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

**I. Details of Employee Stock Option plan:**

The Company had instituted Employee Stock Option Plans (ESOP) for the benefit of eligible persons, with the following objectives:

- Encourage employees to continue contributing to the success and growth of the organization;
- Attract, retain and motivate employees;
- Create a sense of ownership within the organization;
- Encourage and align the interest and performance of the employees with those of the organization;
- Reward employees with ownership in proportion to their contribution;

In line with the above, ESOP had been formulated by the Company, which is given below:

**Employee Stock Option Plan, 2022 (ESOP 2022):**

At the Extra-Ordinary General Meeting held on February 01, 2022, the Members had approved issue of 12,90,926 stock options convertible into equity shares of Rs. 2/- each. Subsequently the same was ratified by the members at the Annual General Meeting held on June 28, 2024. The Company in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed a detailed plan in this regard. The options granted have a vesting period of 1 year and exercise period of 5 years from the date of the vesting of the final lot.

Details of option granted:

| Date of Meeting | No. of options granted | Price per option (Rs.) |
|---|---|---|
| 07-10-2022 | 4,91,400 | Rs. 2 |

Details of option allotted:

| Date of Meeting | No. of options allotted | Price per option (Rs.) |
|---|---|---|
| 03-11-2023 | 98,280 | Rs. 2 |
| 02-12-2023 | 2,45,700 | Rs. 2 |
| 16-10-2024 | 30,713 | Rs. 2 |

Notes: out of 4,91,400 options granted, 24,570 options elapsed, due to resignation of employees.

**II. Method used to account for ESOP - Intrinsic**

**III.** Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed:

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis over the vesting period of options, with a corresponding increase in equity

**IV. Option movement during the financial year :2024-25**

| Sl. No. | Particulars | ESOP 2022 |
|---|---|---|
| 1 | Number of options outstanding at the beginning of the period | 1,47,420 |
| 2 | Number of options granted during the year | Nil |
| 3 | Number of options forfeited / lapsed during the year | 24,570 |
| 4 | Number of Options vested during the year | 30,713 |
| 5 | Number of options exercised during the year | 30,713 |
| 6 | Number of shares arising as a result of exercise of options | 30,713 |
| 7 | Money realized by exercise of options (Rs.) if plan is implemented directly by the Company | Rs. 61,426.00 |
| 8 | Loan repaid by the Trust during the year from exercise price received | NA |
| 9 | Number of options outstanding at the end of the year | 92,137 |
| 10 | No. of options exercisable at the end of the year | 92,137 |
| 11 | Method of calculation of employee compensation cost | Intrinsic |
| 12 | Fair value of the options (net off reversals due to resignation of Option Grantees) for the FY 2024-25 (using Black Scholes Merton model) | NA |
| 13 | Difference between employee compensation cost so computed using the intrinsic value for expensing of the options computed at Sl. No. 11 above and the employee cost that shall have been recognized if fair value of options computed at Sl. No. 12 above is used | NA |
| 14 | The impact of the difference mentioned in Sl. No. 13 above on profits and on EPS of the Company | NA |
| 15 | Weighted Average exercise prices and Weighted Average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock | Rs.2/- Weighted average exercise prices and Exercise price is less than market price of the Stock at the time of exercising. |

| Sl. No. | Particulars | ESOP 2022 |
|---|---|---|
| 16 | Weighted average share price at the date of exercise | The weighted average share price arising upon exercise of Options, based on the closing market price on National Stock Exchange of India Limited, on the date of exercise of options (the date of allotment of shares by the Allotment Committee) for the year ended March 31, 2025 was Rs.2/-. |
| 17 | Range of Exercise Prices & Weighted Average remaining contractual life | NA |
| 18 | Assumptions used during the year to estimate the fair values of options, including the following weighted-average information: | |
| I | risk-free interest rate | NA |
| II | expected life | 5 Years |
| III | expected volatility | - |
| IV | expected dividends | As per Company Policy |
| V | the price of the underlying share in market at the time of option grant *(Granted on 7th October 2022 when it was unlisted. Hence, the first day listing price have been considered ie. 21.11.2022)* | Rs.476/- |

**Table 2 – Details of options granted in the FY 2024-25 to:**

| | | |
|---|---|---|
| a. | Key Managerial Personnel | NIL |
| b. | Employees who received a grant in the year amounting to 5% or more of options granted during the year | NIL |
| c. | Identified employees who were granted option, during the year equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company at the time of grant | NIL |

**For and on Behalf of the Board of Directors**

**P Ranjit**
Managing Director
DIN: 01952929

Date : May 02, 2025
Place : Chennai

Annexure II

# Form AOC-1

**Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Part A – Subsidiaries:

(Information in respect of each subsidiary to be presented with amounts in Rupees Lakhs, unless otherwise stated)

| Name of the subsidiary | Acume Chemicals Private Limited | Neun Infra Private Limited | Idealis Chemicals Private Limited | Sicsem Private Limited (step down) | Idealis Mudchemie Private Limited (Step down) |
|---|---|---|---|---|---|
| The date since when subsidiary was incorporated/ acquired | 18/11/2021 | 03/10/2023 | 05/10/2023 | 30/12/2023 | 15/07/2024 |
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | April 2024-March 2025 | | | | |
| Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | INR | | | | |
| Share capital | 500.00 | 300.00 | 300.00 | 5.00 | 500.00 |
| Reserves and surplus | (1,597.28) | 20.21 | (244.70) | (3.56) | 873.36 |
| Total assets | 26,075.96 | 5,082.71 | 9,183.33 | 6,134.38 | 10,188.78 |
| Total Liabilities | 27,173.24 | 4,762.50 | 9,128.03 | 6,132.94 | 8,815.42 |
| Investments | 0.54 | 3.50 | 500.00 | - | - |
| Turnover | 2,717.86 | - | - | - | - |
| Profit/(Loss) before taxation | (1,444.56) | 23.51 | (239.16) | (1.28) | (428.99) |
| Profit/(Loss) after taxation | (1,192.34) | 17.58 | (163.31) | (1.28) | (428.99) |
| Proposed Dividend | - | - | - | - | - |
| Extent of shareholding (in percentage) | 100% | 100% | 100% | 70% held by Neun Infra Private Limited | 100% held by Idealis Chemicals Private Limited |

**Notes:**

1. Names of subsidiaries which are yet to commence operations – Neun Infra Private Limited, Idealis Chemicals Private Limited, Idealise Mudchemie Private Limited and Sicsem Private Limited are yet to commence its commercial operations.
2. No subsidiaries have been liquidated or sold during the year.

**Part B – Associate Companies & Joint ventures** – The Company does not have any associate or joint venture Companies as on March 31, 2025.

**For and behalf of the Board of Directors**

**P Ranjit**
Managing Director
DIN: 01952929

**S Meenakshisundaram**
Director
DIN: 01176085

Date : May 02, 2025
Place : Chennai

**Natarajan Ramamurthy**
Chief Financial Officer

**Vijayaraghavan N E**
Company Secretary and Compliance Officer
M. No: A-41671

**Annexure III**

## Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transact ions not at arm's length basis

| S.No | Particulars | Details |
|---|---|---|
| 1 | Name(s) of the related party and nature of relationship | NIL |
| 2 | Nature of contracts/arrangements/transactions | |
| 3 | Duration of the contracts / arrangements/transactions | |
| 4 | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| 5 | Justification for entering into such contracts or arrangements or transactions | |
| 6 | date(s) of approval by the Board | |
| 7 | Amount paid as advances, if any: | |
| 8 | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | |

2. Details of material contracts or arrangement or transactions at arm's length basis

| S.No | Particulars | Details |
|---|---|---|
| 1 | Name(s) of the related party and nature of relationship | NIL |
| 2 | Nature of contracts/arrangements/transactions | |
| 3 | Duration of the contracts / arrangements/transactions | |
| 4 | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| 5 | Date(s) of approval by the Board, if any | |
| 6 | Amount paid as advances, if any | |

**For and behalf of the Board of Directors**

**P Ranjit**
Managing Director
DIN: 01952929

**S Meenakshisundaram**
Director
DIN: 01176085

Date: May 02,2025
Place: Chennai

Annexure IV

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

| | | |
|---|---|---|
| 1 | Brief outline on CSR policy of the company | The Company in its endeavour to contribute for the sustained development and growth of the Society has formulated its CSR Policy. Major contents of the policy are disclosed in the Boards Report. |

| 2 | Composition of CSR Committee as on 31.03.2025 | | | |
|---|---|---|---|---|
| **Sl. No.** | **Name of Director** | **Designation / Nature of Directorship** | **Number of meetings of CSR Committee held during the year** | **Number of meetings of CSR Committee attended during the year** |
| 1 | Mr. S Meenakshisundaram | Chairman | 2 | 2 |
| 2 | Mr. P Ravi | Member | 2 | 1 |
| 3 | Mrs. Padma Chandrasekaran | Member | 2 | 2 |

| | | |
|---|---|---|
| 3 | Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company | https://www.archeanchemicals.com/investor-relations/admin/assets/products/Corporate%20Social%20Responsibility%20Policy.pdf |
| 4 | Provide the executive summary along with the web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable | Not Applicable |
| 5 | (a) Average net profit of the company as per sub-section (5) of Section 135 of the Act | Rs. 39,100.39 Lakhs |
| | (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135 | Rs. 782.01 Lakhs |
| | (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Rs. 10.80 lakhs |
| | (d) Amount required to be set-off for the financial year, if any | Rs. 10.80 Lakhs |
| | (e) Total CSR obligation for the financial year {(b)+(c)-(d)} | Rs. 771.21 Lakhs |

| | | | |
|---|---|---|---|
| 6 | (a) | Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) | Rs.587.25 Lakhs |
| | (b) | Amount spent in Administrative Overheads | Nil |
| | (c) | Amount spent on Impact Assessment, if applicable | Not Applicable |
| | (d) | Total amount spent for the Financial year [(a)+(b)+(c)] | Rs.587.25 Lakhs |
| | (e) | CSR amount spent or unspent for the financial year: | Spent: Rs.587.25 Lakhs<br>Commitment for Ongoing Project: 190.00 Lakhs |

(f) Excess amount for set-off, if any:

| Sl. No. | Particular | Amount (Rs. In Lakhs) |
|---|---|---|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 782.01 |
| (ii) | Total amount spent for the Financial Year | 587.25* |
| (iii) | Excess amount spent for the Financial Year | 6.04 |
| (iv) | Surplus arising out of the CSR Projects or programmes or activities of the previous Financial Years, if any | 10.80 |
| (v) | Amount available for set off in succeeding Financial Years | 6.04 |

* Excluding the amount Rs.190 Lakhs committed for ongoing project.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| Sl. No | Preceeding Financial year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in Rs.) | Balance amount in Unspent CSR Account under sub-section (6) of Section 135 (in Rs.) | Amount spent in the Financial Year (in Rs.) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Year (in Rs.) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in Rs.) | Date of transfer | | |
| 1 | FY - 1 | | | | | | | |
| 2 | FY - 2 | | | | Nil | | | |
| 3 | FY - 3 | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

   If Yes, enter the number of Capital assets created / acquired - **Not Applicable**

   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial year:

<table>
<tr><th>Sl No.</th><th>Short particulars of the property or asset(s) [including complete address and location of the property]</th><th>Pin code of the property or asset(s)</th><th>Date of creation</th><th>Amount of CSR amount spent</th><th colspan="3">Details of entity / Authority / beneficiary of the registered owner</th></tr>
<tr><td>(1)</td><td>(2)</td><td>(3)</td><td>(4)</td><td>(5)</td><td colspan="3">(6)</td></tr>
<tr><td rowspan="2"></td><td rowspan="2"></td><td rowspan="2"></td><td rowspan="2"></td><td rowspan="2"></td><td>CSR Registration Number, if applicable</td><td>Name</td><td>Registered address</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td></td><td colspan="7">Not Applicable</td></tr>
</table>

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135: **Not Applicable**

**For and behalf of the Board of Directors**

| | | |
|---|---|---|
| | **P Ranjit** | **S Meenakshisundaram** |
| Date: May 02,2025 | Managing Director | Chairman of CSR Committee |
| Place: Chennai | DIN: 01952929 | DIN: 01176085 |

**Annexure V**

# FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31st March, 2025**

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

To,

**The Members,**

**ARCHEAN CHEMICAL INDUSTRIES LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ARCHEAN CHEMICAL INDUSTRIES LIMITED (CIN: L24298TN2009PLC072270)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year **1st April, 2024 to 31st March, 2025**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2025**, made available to us, according to the provisions of the following Laws and Regulations, as applicable to the Company, during the period of audit:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to extent applicable.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

c. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

d. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

e. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable)**

f. Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2018;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable)**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable)**

(vi) The Management has identified and confirmed the Sector Specific Laws as applicable to the Company, being in Chemical Sector as given in **Annexure – A.**

During the period under review, we have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India with effect from 1st July 2015, as amended from time to time.

b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ("the Listing Regulations").

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following events:

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year under review, the Nomination and Remuneration Committee meeting held on 08th May, 2024 recommended the reappointment of Mrs. Padma Chandrasekaran, Independent Director, for further period of 5 years from 13th November, 2024 to 12th November 2029, and her reappointment was approved by members at the Annual General Meeting (AGM) of the Company held on 28th June, 2024.

(ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

(iv) As represented by the Management and relied upon the same by us, there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(v) The Compliance by the Company of applicable financial laws like Direct and Indirect Tax Laws, and other financial laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

(vi) The Company entered into a Memorandum of Understanding (MoU) dated August 10, 2010, with the Government of Gujarat (GoG) for a land lease, which expired on July 31, 2018. The Company submitted an application for renewal on December 28, 2017. As per the MoU with GoG, the lease term may be extended for a duration and under conditions mutually agreed upon at the time of renewal. Additionally, GOG circular no 1597/1372/ख, dated October 9, 2017, states that such leases can be extended for a period of thirty years. The Company has been receiving annual demand notes for the revised lease rent in accordance with the said circular and has been making the corresponding payments. Based on the facts outlined above and considering similar experiences with lease renewals in other group companies, the management is confident of securing the renewal of the land lease. The useful life of Property, Plant and Equipment (PPE) and Right-of-Use (ROU) assets has been determined by the management on the assumption that the lease will be extended. The entire production facility is situated on this leased land.

(vii) During the reporting period, Idealis Chemicals Private Limited (CIN: U20299TN2023PTC164103), a wholly-owned subsidiary of the Company, was declared the successful bidder in the auction conducted by the liquidator of Oren Hydrocarbons Private Limited ('Oren') under the Insolvency and Bankruptcy Code, 2016, for acquisition of Oren as a going concern. The sale consideration of Rs. 7,690.74 lakhs was duly paid, and the Liquidator issued the Sale Certificate dated 22nd February 2024 in favour of Idealis Chemicals Private Limited. Pursuant to the Order of the Hon'ble NCLT uploaded on 10th July 2024, granting requisite reliefs and directions, Oren became a step-down subsidiary of the Company. Further, the name of the entity was changed from Oren Hydrocarbons Private Limited to Idealis Mudchemie Private Limited with effect from 9th October 2024.

(viii) At the Board of Directors meeting held on 25th October 2024, the Company approved the following investments to be made in one or more tranches:

(a) Clas-SiC Wafer Fab Limited, U.K. – Approval was granted for an equity investment of GBP 15 million, along with an additional investment of up to GBP 2 million in the form of a floating-rate unsecured loan to Clas-SiC Wafer Fab Limited.

(b) Offgrid Energy Labs Inc., Delaware, USA – Approval was granted for an equity investment of USD 12 million, representing a 21% shareholding in Offgrid Energy Labs Inc.

(ix) Pursuant to Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had delayed the appointment of a qualified Company Secretary as Compliance Officer by 92 days. Subsequently, the Company received a notice from NSE in this regard. In response, the Company filed an application seeking waiver/reduction of the fine. After considering the representation, NSE granted partial relief, and the Company paid a reduced fine of Rs. 35,000/- plus applicable GST to settle the matter.

**We further report that during the audit period:**

a) The Company had allotted equity shares against the exercise of the 30,713 Options, granted to certain employees of the Company at face value of Rs. 2/- each fully paid-up under the Archean Employee Stock Option Plan 2022' ("ESOP 2022" / "Plan").

b) During the year under review there were no instances of buy-back of securities.

c) During the year under review there were no instances of Merger / amalgamation / reconstruction, etc. other events involving the Company.

d) Foreign technical collaborations - No foreign technical collaborations were entered into by the Company, except for the investment made by the Company during the year under review.

For **HVS & Associates**
Company Secretaries
Firm Unique Code: P2016TN048300
Peer Review No: 5993/2024

**HARI BABU POTHAPU**
M. No: F10974, CoP: 15576
UDIN: F010974G000256835

Place: Chennai
Date: 02/05/2025

## ANNEXURE - A

# SECTOR SPECIFIC LAWS AS APPLICABLE TO THE COMPANY, BEING IN CHEMICAL INDUSTRY

- The Air & Water (Prevention and Control of Pollution) Acts, 1981
- The Environment Protection Act, 1986 read with Environment (Protection) Rules, 1986
- The Atomic energy Act, 1962
- The Factories Act, 1948
- The Minimum Wages Act, 1948
- The Explosives Act, 1884 and Gas Cylinders Rules, 2016
- The Indian boilers Act, 1923
- The Petroleum Act, 1934 with Petroleum Rules, 2002
- The Food Safety and Standards Act, 2006
- The Gujarat state specific laws.

For **HVS & Associates**
Company Secretaries
Firm Unique Code: P2016TN048300
Peer Review No: 5993/2024

**HARI BABU POTHAPU**
M. No: F10974, CoP: 15576
UDIN: F010974G000256835

Place: Chennai
Date: 02/05/2025

***This Report is to be read with our letter of even date which is annexed as Annexure and Forms an integral part of this report.***

# ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,

**The Members,**

**ARCHEAN CHEMICAL INDUSTRIES LIMITED**

Our Secretarial Audit Report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards are the responsibility of the management. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. Subject to paragraph 1 above of this Annexure, our examination was limited to the verification of procedure on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Wherever required, we have obtained Management Representation from the Company and relied upon the same with regard to the compliance of laws, rules and regulations and happenings of events, etc.

5) The Secretarial audit is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **HVS & Associates**
Company Secretaries
Firm Unique Code: P2016TN048300
Peer Review No: 5993/2024

**HARI BABU POTHAPU**
M. No: F10974, CoP: 15576
UDIN: F010974G000256835

Place: Chennai
Date: 02/05/2025

Annexure VI

## Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (*Accounts*) Rules, 2014 are under:

**a. Conservation of energy:**

| | | |
|---|---|---|
| (i) | the steps taken or impact on conservation of energy | In FY 2024-25, we were able to successfully harvest 51,82,527 KL of rainwater. We have thus reduced our dependency of water from third-party sources to that extent. This initiative complements our objective to optimize water usage, attaining water positive status and strengthening our ESG credentials<br><br>As part of our energy optimization strategy, we have:<br>• Installed a 132 kW VFD panel for the cooling tower pump, resulting in substantial energy savings.<br>• Installed a 55kW VFD for the Bromine plant compressor to further boost efficiency.<br>• Commissioned an Automatic Power Factor Correction (APFC) panel at PS-9, which has enhanced power factor performance, leading to optimized power usage and improved electrical efficiency. |
| (ii) | the steps taken by the Company for utilizing alternate sources of energy. | In FY 2024–25, our total power consumption across all sources was 48,869 MWh. Out of this, solar energy contributed 1,499 MWh, representing approximately 3.07% of the total consumption. We also commissioned a hybrid renewable energy solution via a 66kV power import system, which supplied 9963.52 MWh of clean electricity, reducing our reliance on fossil fuels. We are committed to increasing our green energy share and are currently working on expanding our solar power capacity as part of our sustainability initiatives. |
| (iii) | the capital investment on energy conservation equipment's | Rs. 10,45,900/- |

**b. Technology absorption:**

| | | |
|---|---|---|
| (i) | the effort made towards technology absorption | We are making efforts for conversion of high chloride content Kainite type mixed salt to Sop with minimum losses |

| | | |
|---|---|---|
| (ii) | the benefits derived like product improvement cost reduction product development or import substitution | Indigenization of centrifuge screens and housing of scroll centrifuge which is import substitute |
| (iii) | in case of imported technology (*imported during the last three years reckoned from the beginning of the financial year*) and its details like: the details of technology imported, the year of import, whether the technology been fully absorbed and if not fully absorbed, areas where absorption has not taken place, and the reasons thereof. | NIL |
| (iv) | the expenditure incurred on Research and Development | NIL |

**c. Foreign exchange earnings and outgo:** *(Amount in Rs. Lakhs)*

| **Particulars** | **Financial Year ended 31st March 2025** | **Financial Year ended 31st March 2024** |
|---|---|---|
| Foreign Exchange Earnings | 90,447.84 | 95,944.46 |
| Foreign Exchange Outgo | 23,231.00 | 8,817.44 |

**For and behalf of the Board of Directors**

**P Ranjit**
Managing Director
DIN: 01952929

**S Meenakshisundaram**
Director
DIN: 01176085

Date: May 02, 2025
Place: Chennai

# REPORT ON CORPORATE GOVERNANCE

## Company's Philosophy on Code of Corporate Governance

The governance philosophy of your Company is inspired by its core values of professionalism, integrity, and excellence. It provides the framework for attaining the Company's objectives while balancing the interests of all its stakeholders and ensuring that the business is being conducted in a fair manner. At Archean, we believe effective leadership, robust Corporate Governance practices and a rich legacy of values form the hallmark of our best Corporate Governance practices.

Your Company is cognizant of the fact that effective Corporate Governance is about creating long-term sustainable value for its stakeholders. While Archean strives to achieve the highest governance standards, it continues to refine its ongoing practices to ensure the fulfilment of this goal.

The Company has complied with the provisions outlined in Regulations 17 to 27, read with Para C and D of Schedule V, as well as clauses (b) to (i) and (t) of Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') related to Corporate Governance and the detailed report on Corporate Governance for the Financial Year ended March 31, 2025, as per Regulation 34(3), read with above provisions is set out below.

## Board of Directors

Your Company is led by a proficient and well-informed Board of Directors ("Board"). The Directors exemplify the highest levels of personal and professional ethics, integrity, values, are dedicated to serving the long-term interests of the Stakeholders. The Board includes prominent Independent Directors who offer unbiased judgment during discussions on strategy, risk management and overall governance.

In accordance with Regulation 26(1) of the SEBI LODR, none of the Directors is a Member in more than ten (10) Committees nor act as a chairperson of more than five (5) Committees across all listed entities in which they are Directors. As mandated under Regulation 17A of the SEBI LODR, none of the Directors holds Directorship in more than Seven (7) listed entities and not holding position as Independent Director in more than seven (7) listed entities.

The Board has an optimum combination of executive and Non-Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI LODR. As on March 31, 2025, the Board consists of Six (6) Directors, headed by the Managing Director as mentioned below:

| Sl. No. | Name of the Directors / DIN / Category | No. of Directorship in other public limited Companies in India* | | Number of committee positions in other public limited companies** | | No. of shares held in the Company |
|---|---|---|---|---|---|---|
| | | Chairperson | Director | Chairperson | Member | |
| 1 | Mr. Ranjit Pendurthi<br>DIN: 01952929<br>Managing Director | Nil | Nil | Nil | Nil | 2,82,65,965 |
| 2 | Mr. Ravi Pendurthi<br>DIN: 02334379<br>Non-executive | Nil | Nil | Nil | Nil | - |

| Sl. No. | Name of the Directors / DIN / Category | No. of Directorship in other public limited Companies in India* | | Number of committee positions in other public limited companies** | | No. of shares held in the Company |
|---|---|---|---|---|---|---|
| | | Chairperson | Director | Chairperson | Member | |
| 3 | Mr. S Meenakshisundaram<br>DIN: 01176085<br>Non-executive | Nil | 1 | Nil | Nil | 1,35,000 |
| 4 | Mrs. Padma Chandrasekaran<br>DIN: 06609477<br>Independent | Nil | 1 | Nil | 1 | - |
| 5 | Mr. K M Mohandass<br>DIN: 00707839<br>Independent | Nil | Nil | Nil | Nil | - |
| 6 | Mr. C G Sethuram<br>DIN: 01081951<br>Independent | Nil | Nil | Nil | Nil | - |

*Public Limited Companies, other than Archean Chemical Industries Limited. Excludes directorships in private limited companies and Section 8 (Not for profit) companies.

**Audit Committee and Stakeholders Relationship Committee of Public Limited Companies, other than Archean Chemical Industries Limited.

Note: The Committee positions held by the Directors across all Companies in which they are Directors are in accordance with Regulation 26 of the SEBI LODR.

Mr. Ravi Pendurthi, Non-Executive Director is the brother of Mr. Ranjit Pendurthi, Managing Director. There is no inter-se relationship among other Directors of the Company.

There are no Alternate Directors on the Board. The Woman Director of the Company is an Independent Director.

In the opinion of Board, the Independent Directors fulfil the conditions specified in SEBI LODR and the provisions of the Companies Act, 2013 (the Act) and are independent of the management of the Company. Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every Financial Year, gives a declaration under Section 149(7) of the Act that he/ she meets the criteria of independence as required under Section 149(6) of the Act.

All Independent Directors have confirmed that they meet the “Independence” criteria as mentioned under Regulation 16(1)(b) of the SEBI LODR and Section 149 of the Act. The Independent Directors have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. Your Company has issued formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been hosted on the website of the Company. No Independent Directors has resigned from the post of Directorship during the year under review.

The Directors periodically notify the Company about changes in the Directorship / Committee positions as and when they take place. The names of the listed entities (including this Company) and the category of directorship as on March 31, 2025 are as follows:

| Name of the Director | Name of the Listed Entity | Category of Directorship | No. of Membership/ Chairmanship in any other public limited companies |
|---|---|---|---|
| Mr. Ranjit Pendurthi | Archean Chemical Industries Limited | Executive | - |
| Mr. Ravi Pendurthi | Archean Chemical Industries Limited | Non-executive | - |
| Mr. S Meenakshisundaram | Archean Chemical Industries Limited | Non-executive | 1 (Non- Executive) |
| Mrs. Padma Chandrasekaran | Archean Chemical Industries Limited | Independent | 1 (Independent) |
| Mr. K M Mohandass | Archean Chemical Industries Limited | Independent | - |
| Mr. C G Sethuram | Archean Chemical Industries Limited | Independent | - |

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

During the FY 2024-25, the Board met seven (7) times on May 14, 2024, June 01, 2024, August 02, 2024, October 25, 2024, November 08, 2024, December 30, 2024 and February 07, 2025 with requisite quorum present throughout these meetings. The attendance particulars of the Directors are as under:

| Name of the Director | No. of Board meetings held during the year | No. of Board meetings attended | Attendance at AGM held on June 28, 2024 |
|---|---|---|---|
| Mr. Ranjit Pendurthi | 7 | 7 | Yes |
| Mr. Ravi Pendurthi | 7 | 4 | Yes |
| Mr. S Meenakshisundaram | 7 | 7 | Yes |
| Mrs. Padma Chandrasekaran | 7 | 7 | Yes |
| Mr. K M Mohandass | 7 | 7 | No |
| Mr. C G Sethuram | 7 | 7 | Yes |

During the FY 2024-25, there were no pecuniary transactions with Non-Executive Directors.

**Chart / matrix setting out the skills / expertise / competence of the Directors**

The Board comprises of qualified members who have skills, competence and expertise that allows them to make effective contributions to the Board and Committees. The Board ensures and maintains the highest standard of Corporate Governance. The skills, expertise and competencies of each of the Directors are as follows:

| Name of the Director | Mr. Ranjit Pendurthi | Mr. Ravi Pendurthi | Mr. S Meenakshis-undaram | Mrs. Padma Chandrase-karan | Mr. K M Mo-handass | Mr. C G Sethuram |
|---|---|---|---|---|---|---|
| Experience and Industry knowledge | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Finance & Accounts | ✓ | ✓ | ✓ | ✓ | ✓ | - |
| Corporate Governance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| General Management & Leadership | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Technology and Development | ✓ | ✓ | - | - | - | ✓ |
| Sales & Marketing | ✓ | ✓ | - | - | - | - |
| Business Development | ✓ | ✓ | - | - | - | - |

The brief profile of the Directors are available in the website at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/Brief-%20Profile-of-BOD-final%20_1_.pdf

**Familiarization program**

Pursuant to Regulation 25 of SEBI LODR, the Company is required to conduct programs for the Independent Directors of the Company to familiarize them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The details of familiarisation programme imparted to Directors can be accessed in the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/Familiarization%20Programme%202024-25.pdf.

## BOARD COMMITTEES

### Audit Committee

**Terms of reference**

The terms of reference, roles & responsibilities of the Audit Committee are in compliance with the provisions of Section 177 of the Act and Regulation 18 of SEBI LODR, read with Part C of Schedule II of the said Regulations.

The primary terms of reference for an Audit Committee is to assist the Board of Directors in overseeing the Company's financial reporting, internal controls, and audit processes. This involves reviewing financial statements, monitoring compliance, and evaluating the performance of internal and external auditors.

**Composition, Meetings and Attendance**

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Act and Regulation 18 of the SEBI LODR. The Committee met four (4) times during the year on May 13, 2024, August 01, 2024, November 07, 2024 and February 06, 2025 with requisite quorum present throughout these meetings. The Company Secretary acts as Secretary to the Committee. Chief Financial Officer attend meetings of the Audit Committee, as invitees. The Statutory Auditors/ Internal Auditor attend the Audit Committee Meetings for matters relating to discussion on financials results/ respective audit reports.

The details of Members and their attendance are as below:

| Name | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. K M Mohandass, Chairman | Independent Director | 4 | 4 |
| Mr. S Meenakshisundaram, Member | Non-executive Director | 4 | 4 |
| Mrs. Padma Chandrasekaran, Member | Independent Director | 4 | 4 |

All the recommendations of the Audit Committee during the FY 2024-25, were considered, accepted and approved by the Board. The Chairman of the Audit Committee was not present at the last AGM of the Company held on June 28, 2024 due to personal emergencies.

## Nomination and Remuneration Committee

### Terms of Reference

The terms of reference, roles & responsibilities of the Nomination and Remuneration Committee ("NRC") is in accordance with the provisions of the Section 178 of the Act and Regulation 19 of the SEBI LODR. The NRC constituted by the Board of Directors of the Company, shall identify, ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level. The Committee has powers to decide whether qualification, expertise and experience possessed by a person are sufficient for such position.

### Composition, Meetings and Attendance

The composition of the NRC of the Board is in conformity with the requirements of Section 178 of the Act and Regulation 19 of the SEBI LODR read with Part D of Schedule II of the said Regulations. The Company Secretary acts as the Secretary to the Committee. The Committee met six (6) during the year on May 08, 2024, June, 01 2024, August 01, 2024, September 26, 2024, December 30, 2024 and February 07, 2025 with requisite quorum present throughout the meeting. The Chairman of the NRC had attended the AGM of the Company held on June 28, 2024. The Committee as well acts as a Compensation Committee in accordance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEB) for dealing with matters relating to the implementation of the Employee Stock Option Plan of the Company. The NRC of the Board is authorised to perform all the functions and execute all powers as bestowed under the SEBI (SBEB) regulations. The details of members and their attendance are as below.

| Name | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mrs. Padma Chandrasekaran Chairperson | Non-executive and Independent | 6 | 5 |

| Name | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. K M Mohandass, Member | Non-executive and Independent | 6 | 6 |
| Mr. S Meenakshisundaram, Member | Non-executive and Non-Independent | 6 | 6 |

**Nomination and Remuneration policy**

Remuneration of the Directors, KMP shall be based on their scope of duties, role and nature of responsibilities, level of skill, knowledge and experience, core performance, requirements, the Company's performance and such other parameters as the Company may decide from time to time.

The remuneration for Senior Management and KMP will be decided by the Committee and power to fix the remuneration to other employees has been delegated to the Human Resources Department of the Company. The criteria for making payment to Non-Executive Directors are in accordance with the policy framed by the Nomination and Remuneration Committee. The salient features of the said Policy forms part of the Boards Report. The performance evaluation criteria for Executive, Independent, Non-Independent Directors, Committees etc., are disclosed in the Boards Report.

The remuneration policy of the Company can also be accessed in the Company's website at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/Nomination%20and%20Remuneration%20Policy.pdf

**Performance Evaluation of non-executive and Independent Directors:**

Pursuant to the provisions of the Act and Regulations of the SEBI LODR, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Statutory Committees constituted by the Board. A peer review was done by all the Directors evaluating every other Director. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance.

**Criteria for making payments to Non-Executive Directors:**

The Non-Executive Directors of the Company are / will not be paid any remuneration other than sitting fee, profit related commission based on the criteria laid down by the NRC and the Board which may include; Performance of the Company, Members' attendance, position held in the Committee(s) and time spent by each Member.

## Stakeholders Relationship Committee

**Terms of reference**

The terms of reference, roles & responsibilities of the Stakeholders Relationship Committee ("SRC") is in accordance with the provisions of the Section 178(5) of the Act, read with Regulation 20 read with Part D of Schedule II of SEBI LODR.

**Composition, Meetings and Attendance**

The Committee consists of Mr. S Meenakshisundaram as Chairman, Mr. P Ranjit and Mr. C G Sethuram as its members. Mr. Vijayaraghavan N E, Company Secretary is the compliance officer of the Company and acts as the Secretary to the Committee. The Committee met once (1) on March 19, 2025 which was attended by all the members of Committee except Mr. P Ranjit, and the requisite quorum present throughout the meeting. The Chairman of the SRC had attended the AGM of the Company held on June 28, 2024.

The details of complaints are reported to the Board of Directors in each meeting in accordance with the SEBI LODR. During the year, no Complaint was received from Members. As on March 31, 2025, there were no outstanding complaints pending to be resolved.

## Risk Management Committee

**Terms of Reference**

The terms of reference, roles & responsibilities of the Risk Management Committee ("RMC") is in accordance with Regulation 21(5) read with Part D of Schedule II of SEBI LODR.

The RMC monitor and review the risk management plan of the Company and perform such other functions as mandated by the Board of Directors.

The risk management policy is available on the company's website at the following weblink: https://www.archeanchemicals.com/investor-relations/admin/assets/products/Risk%20Management%20Policy-15.01.2022.pdf

**Composition, Meetings and Attendance**

The Company Secretary acts as the Secretary to the Committee. The Committee met twice (2) i.e. on August 24, 2024 and March 19, 2025. The requisite quorum was present throughout these meetings. The details of members and their attendance are as below:

| Name | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. S Meenakshisundaram Chairperson | Non-Executive Director | 2 | 2 |
| Mr. P Ranjit | Managing Director | 2 | 1 |
| Mr. C G Sethuram | Independent Director | 2 | 2 |
| Mr. R Raghunathan | Chief Financial Officer (till January 20, 2025) | 2 | 1 |
| Mr. Natarajan Ramamurthy | Chief Financial Officer (from January 21, 2025) | 2 | 1 |

### Senior Management Personnel (SMP)

According to Regulation 16(1)(d) of SEBI LODR, the particular of Senior management is given below:

| Sl. No. | Name of SMP | Designation |
|---|---|---|
| 1 | Mr. P Ranjit | Managing Director |
| 2 | Mr. N R Kannan | Executive Director (KMP) |
| 3 | Mr. R Natarajan | Chief Financial Officer |
| 4 | Mr. Vijayaraghavan N E | Company Secretary |
| 5 | Mr. Rajeev Kumar | Head of Strategy |
| 6 | Mr. Vijay Vyas | Head of Sales & Marketing |

During the FY 2024-25 under review, except the following there are no changes in the list of Senior Management Personnel:

1. Mr. S Balasundharam resigned from the position of Company Secretary on June 01, 2024.
2. Mr. Ravi Prakash Mundhra joined as Company Secretary on August 02, 2024 resigned on August 07, 2024.
3. Mr. N R Kannan has been appointed as the Executive Director (KMP) w.e.f. August 02, 2024.
4. Mr. R Ragunathan resigned from the position of CFO on January 20, 2025.
5. Mr. R Natarajan has been appointed as the CFO of the company w.e.f January 21, 2025.
6. Mr. Vijayaraghavan N E has been appointed as Company Secretary and compliance officer of the Company w.e.f February 07, 2025.

### Corporate Social Responsibility Committee

The terms of reference, roles & responsibilities of the Corporate Social Responsibility Committee ("CSR") is in accordance with the Section 135 of the Act, the Board of Directors have constituted the Corporate Social Responsibility Committee (CSR Committee).

The CSR Committee formulates and recommends to the Board, a CSR Policy and the annual action plan indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. The CSR Committee recommends the amount of expenditure to be incurred on the activities mentioned in the CSR Policy and monitors the implementation of the CSR Policy.

The Chairman of the Committee is Non-Executive Director. The Committee consists of two (2) Non-Executive Directors and one (1) Independent Director. The Company Secretary acts as the Secretary to the Committee. The Committee met twice (2) i.e. on May 08, 2024 and March 14, 2025. The requisite quorum were present throughout the meetings. The attendance of member of the Committee are given below:

| Name of the Directors | No. of Meetings | |
|---|---|---|
| | Held | Attended |
| Mr. S Meenakshisundaram,<br>Chairman,<br>Non-Executive Director | 2 | 2 |
| Mr. P Ravi,<br>Non-Executive Director | 2 | 1 |
| Mrs. Padma Chandrasekaran,<br>Independent Director | 2 | 2 |

## Independent Directors' Meeting

During the FY 2024-25, a Separate Meeting of Independent Directors were held on March 19, 2025 *inter alia*, to evaluate the performance of the non-Independent Directors, Chairman, and the Board of Directors as a whole. Evaluation was done on the basis of attendance, quality of discussion in the Meetings, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors attended the meeting.

| Name of the Directors | No. of Meetings | |
|---|---|---|
| | Held | Attended |
| Mrs. Padma Chandrasekaran | 1 | 1 |
| Mr. C G Sethuram | 1 | 1 |
| Mr. K M Mohandass | 1 | 1 |

## Remuneration of Directors

During the FY 2024-25, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than Commission, sitting fees, and reimbursement of expenses if any incurred by them for attending Meetings of the Company.

The remuneration paid to the Directors of the Company is within the limits prescribed under the Act and the SEBI LODR.

### Criteria for making payments to Non-Executive Directors

The Non-Executive Directors of the Company are paid remuneration by way of sitting fee and profit related commission based on the criteria laid down by the NRC and the Board. The details on the criteria for making payments to the Non-Executive Director(s) is available on the Company's website www.archeanchemicals.com.

**Details of the Remuneration paid to Non-Executive Directors during the year ended March 31, 2025**

| S. No | Name of the Director | Commission (Rs.) | Sitting fees (Rs.) | Total (Rs.) |
|---|---|---|---|---|
| 1 | Mr. S Meenakshisundaram | 15,00,000 | 14,50,000 | 29,50,000 |
| 2 | Mr. P Ravi* | - | 4,50,000 | 4,50,000 |
| 3 | Mrs. Padma Chandrasekaran | 15,00,000 | 13,00,000 | 28,00,000 |
| 4 | Mr. K M Mohandass | 15,00,000 | 12,50,000 | 27,50,000 |
| 5 | Mr. C G Sethuram | 15,00,000 | 9,00,000 | 24,00,000 |

* Voluntarily waived his entitlement to commission for the period ended March 31, 2024

**Details of Remuneration paid to the Executive Director during the year ended March 31, 2025**

| S. No | Particulars of Remuneration | Mr. P Ranjit, Managing Director |
|---|---|---|
| 1 | Gross Salary (Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 and Value of perquisites under Section 17(2) of the Income-tax Act, 1961) | 7,63,49,456 |
| 2 | Others (Commission on the Net Profit for the FY 2023-24) | 12,66,56,000 |

**Service Contract, Severance Fees and Notice Period**

| Terms of agreement | Mr. P Ranjit<br>Managing Director |
|---|---|
| Period of Contract | 5 years from November 27, 2023 |

The service contracts, notice period and severance fees are not applicable to Non-Executive and/ or Independent Directors. The appointment of the Managing Director is governed by the Articles of Association of the Company, resolutions passed by the Committees/Board and the Members of the Company along with Service/Employment Contracts.

**Stock options**

During the year, no Stock Options were granted to Non-Executive Non-Independent Directors. Stock Options have so far been granted only to one Non-Executive Non-Independent Director, viz., Mr. S Meenakshisundaram. The Stock Option details, issue price, exercise period etc. are given in **Annexure I** to the Board's Report.

## Shareholders information - Details of General body meetings

**a. Location and time where the last three AGMs were held and the Special Resolutions passed thereat**

| | | |
|---|---|---|
| Financial year 2023-24 | Date | June 28, 2024 |
| | Location | Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") |
| | Time | 10.00 A.M. |
| | Special Resolutions Passed | Reappointment of Mrs. Padma Chandrasekaran as Independent Director of the Company for a further period of 5 years from 13th November 2024 to 12th November 2029. |
| | | To ratify the "ARCHEAN CHEMICAL - EMPLOYEES STOCK OPTION PLAN, 2022" (ESOP 2022) |
| Financial year 2022-23 | Date | July 26, 2023 |
| | Location | Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") |
| | Time | 10.30 A.M |
| | Special Resolution Passed | Reappointment of Mr. P Ranjit as Managing Director of the Company for a further period of 5 years from 27th November 2023 to 26th November 2028. |
| Financial year 2021-22 | Date | July 08, 2022 |
| | Location | No.2, North Crescent Road, T Nagar, Chennai 600 017 |
| | Time | 05.30 P.M. |
| | Special Resolution Passed | NIL |

**b. Extraordinary General Meeting/Postal Ballot**

No Extra-Ordinary General Meeting was held during the FY 2024-25.

**c. Postal Ballot:**

No special resolution was passed through postal ballot during the FY 2024-25. None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing of special resolution through postal ballot. No Special Resolution is proposed to be passed through Postal Ballot.

## Means of Communication

The Company implements a comprehensive approach to effectively engage with its stakeholders and investors, thereby fulfilling its commitment to the Company's vision. Timely and effective communication with the investor community and external parties ensures that they remain informed about the Company's business operations, strategic direction, and future opportunities.

**Financial Results:**

The quarterly / annual financial results were published in accordance with the timeline set forth by the SEBI LODR in the Business Standard (English) and Makkal Kural (Tamil – vernacular) Newspapers within the stipulated time. The financial results, shareholding Pattern and other disclosures / filings required to be made pursuant to relevant provisions of SEBI LODR, wherever applicable, have been uploaded on the websites of the Stock Exchanges and the Company at www.archeanchemicals.com

The Company sends Annual Financial Results through email to those Shareholders whose email addresses are registered with the Registrar & Transfer Agent ('RTA')/Depositories.

**Analyst/Investor Meets**

The Managing Director, along with the management team conducts quarterly briefings with analysts, shareholders, and key stakeholders to discuss the Company's performance. Official press releases, presentations delivered to Institutional Investors and analysts, as well as audio / video recordings and transcripts of the calls with analysts regarding quarterly, half-yearly, and annual results, can be accessed on the Company's website at www.archeanchemicals.com

**Stock Exchange Intimations**

All information that may affect prices (Price Sensitive Information) and is significant to shareholders, including key events or details outlined in Regulation 30 of the SEBI LODR, is communicated to the relevant Stock Exchanges where the Company's Securities are listed. Submissions to these Exchanges are conducted via their respective electronic filing systems: the National Stock Exchange of India Limited ('NSE') through NEAPS and BSE Limited ('BSE') via the BSE Listing Centre. Additionally, this information is made available on the Company's website at www.archeanchemicals.com

**Company's Website:**

To enhance the user-friendliness of the corporate website and ensure effective communication, as well as facilitate easy navigation and improved access to information, the Company has established a comprehensive corporate website. This platform offers extensive details about the Company's business operations, policies, press releases, and more. The 'Investor Relations' section of the website contains vital information regarding financial performance, annual reports, corporate governance documents, policies, general meetings, credit ratings, and presentations made to analysts and investors at www.archeanchemicals.com.

## General Shareholder Information

| | |
|---|---|
| Financial Year | 2024-25 |
| Date of Annual General Meeting | 02nd June 2025 |
| Time | 10.00 am |
| Venue | Video Conferencing (VC) / Other Audio-Visual Means (OAVM) |
| Date of book Closure/Record Date | May 26, 2025 |

| | |
|---|---|
| Dividend Payment Date | On or before July 01, 2025 |
| Annual General Meeting 2026 | Tentatively in June/July, 2026 |
| Approval of financial results / statements (both standalone and consolidated) for the:<br><br>Financial Reporting 2025-26<br><br>Quarter ending June 30<br>September 30<br>December 31<br>March 31 | Financial Year: April 01, 2025 to March 31, 2026<br><br>Second week of August 2025<br>Second week of November 2025<br>Second week of February 2026<br>Last week of May 2026<br><br>The above dates are only tentative in nature and may undergo changes based on the administrative / legal requirements. |
| Listing on Stock exchanges (including its address) | National Stock exchange of India Ltd. (NSE)<br>Exchange Plaza, 5th Floor, Plot No. C/1, G block,<br>Bandra Kurla Complex, Bandra (e), Mumbai - 400 051<br>BSE Limited (BSE)<br>Phiroze Jeejeebhoy Towers, Dalal Street,<br>Mumbai - 400 001 |
| Listing fees | Annual listing fee for the FY 2024-25 has been paid to both the Stock Exchanges. |
| ISIN Code in NSDL and CDSL | INE128X01021 |
| Stock Code | NSE Symbol: ACI<br><br>BSE Scrip code: 543657 |
| Registrar and Share Transfer Agent | MUFG Intime India Private Limited<br>(formerly Link Intime India Private Limited)<br>C 101, Embassy,<br>247, L.B.S Marg Vikhroli (West),<br>Mumbai, Maharashra-400083 |
| Share Transfer System | As on March 31, 2025, the entire shares of the Company are in Demat mode and there is no physical shareholding. |
| Dematerialization of shares and liquidity: | The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. M/s MUFG Intime Private Limited (formerly Link Intime India Private Limited) is the RTA of the Company for establishing connectivity with NSDL and CDSL to facilitate dematerialization of the shares held by the Members.<br><br>As on March 31, 2025, 100% of the equity shares are held in Dematerialized form. |

| | |
|---|---|
| Pattern of Shareholding as on March 31, 2025 | Can be accessed in the Company's website, at the following weblink: https://www.archeanchemicals.com/investor-relations/general-shareholder-info.php?id=MTY3 |
| Distribution of shareholding as on March 31, 2025 | Data in statement form – forming part of this Report |
| Address for Investors' correspondence: | **Registrar and Share Transfer Agents:**<br>MUFG Intime India Private Limited<br>(formerly Link Intime India Private Limited)<br>C 101, Embassy,<br>247, L.B.S Marg Vikhroli (West),<br>Mumbai, Maharashra-400083,<br>Phone: 8108114949<br><br>**Investor Correspondence / Compliance Officer**<br>Mr. Vijayaraghavan N E,<br>Company Secretary & Compliance Officer<br>Archean Chemical Industries Limited,<br>No.2, North Crescent Road, T Nagar, Chennai 600 017<br>Phone: 044 - 61099999<br>e-mail ID: secretarial@archeanchemicals.com |
| Details of Unclaimed Shares/ Securities Suspense Account | Not Applicable |
| Details of Shares transferred to IEPF Authority during 2024-25 | Not applicable |

**Distribution pattern**

The Distribution of Shareholding of the Company as at March 31, 2025 is as follows:

| No. of shares | Shareholders | | No. of shares | |
|---|---|---|---|---|
| | Number | % | Held | % |
| Upto 500 | 82636 | 94.73 | 5854840 | 4.75 |
| 501 – 1000 | 2699 | 3.09 | 1927846 | 1.56 |
| 1001 – 2000 | 1030 | 1.18 | 1496234 | 1.21 |
| 2001 – 3000 | 289 | 0.33 | 740984 | 0.60 |
| 3001 – 4000 | 137 | 0.15 | 488626 | 0.40 |
| 4001 – 5000 | 98 | 0.11 | 459409 | 0.37 |
| 5001 – 10000 | 135 | 0.16 | 974377 | 0.79 |
| 10001 and above | 214 | 0.25 | 111485366 | 90.32 |

| No. of shares | Shareholders | | No. of shares | |
|---|---|---|---|---|
| | Number | % | Held | % |
| Total | 87238 | 100.00 | 123427682 | 100.00 |

**Global Deposit Receipts/American Deposit Receipts**

There is no outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity.

**Commodity price risk / foreign exchange risk and hedging activities**

The Board has put in place a risk management policy to manage the risks *inter-alia* but not limited to risk arising out of foreign currency fluctuations. The Company enters into forward contracts to hedge the foreign currency risks. Refer the Note no.34 of the standalone financials statements for more details.

**Plant locations**

Hajipir, Bhuj Taluk, Kutch District, Gujarat.

**Details of credit ratings obtained by the Company are as under:**

Credit ratings given by: ICRA Limited

| Name of the Instrument | Ratings as on March 31, 2025* |
|---|---|
| Long Term Rating for Term Loan | Crisil A/Stable |

* CRISIL upgraded the Rating from Crisil A-/Stable to Crisil A/Stable on July 08, 2024.

## Other Disclosures

a) There were no materially significant related party transactions that may have potential conflict with the interest of listed entity at large. The transactions entered with related parties during the year were in the ordinary course, at arms' length and not in conflict with the interests of the Company.

b) There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years except the following:

   Pursuant to Regulation 6(1) of the SEBI LODR, there was a delay of appointment of a qualified Company Secretary as Compliance Officer by 92 days. The Company received a notice from NSE & BSE in this regard. In response, the Company filed an application seeking waiver/reduction of the fine, highlighting genuine efforts of the Company to identify a qualified and suitable candidate with the requisite legal expertise. After considering the grounds and representation, NSE granted partial relief, and the Company paid a reduced fine of Rs. 35,000/- plus applicable GST to settle the matter.

c) Vigil mechanism /whistle blower policy is in place and we affirm that no personnel has been denied access to the audit committee The whistle blower policy of the Company is available on the Company's website www.archeanchemicals.com

d) details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

**Mandatory Requirements:** The Company has complied with the mandatory requirements of Part C of Sub-Paras (2) to (10) of Schedule V of the SEBI LODR.

Company has adopted following requirements of SEBI LODR:

i. **Reporting of Internal Auditor:** The Internal Auditor of the Company reports directly to the Audit Committee.

ii. **Audit Opinion:** The Company is already in the regime of financial statements with unmodified opinion.

e) The policies on Material Subsidiaries are available on the Company's website at https://www.archeanchemicals.com/investor-relations/admin/assets/products/Policy%20on%20Material%20Subsidiaries.pdf

f) The policies on Related Party Transactions are available on the Company's website at https://www.archeanchemicals.com/investor-relations/admin/assets/products/Policy%20on%20RPT-07.02.2025.pdf

g) disclosure of commodity price risks and commodity hedging activities:

The details about the price risk and hedging activities are provided in the Note no.34 of the standalone financials statements for more details.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI LODR. – Not applicable

i) A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. – Certificate from HVS & Associates, Company Secretaries are enclosed as **Annexure I** to the Corporate Governance Report.

j) There is no such instance occurred where the Board had not accepted any recommendation of Committee of the Board which is mandatorily required, during the FY 2024-25 under review.

k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Rs. in Lakhs

| | |
|---|---|
| Audit fees | 54.65 |
| Tax Audit fees | 9.60 |
| For Other Services | 9.78 |
| Reimbursement of expenses | 1.13 |
| **Total** | **75.16** |

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for the FY 2024-25 no complaint was received, and no complaint was pending for disposal as on March 31, 2025.

m) Loans and advances: Refer Note no. 7 of the standalone financials.

n) The company is not having any material subsidiary.

o) There is no non-compliance of any requirement of Corporate Governance Report. There are no disclosure requirements falling under Regulation 30A of the SEBI LODR.

p) The Company complied with all mandatory requirements prescribed under SEBI LODR.

q) Code of Conduct: The Board of ARCHEAN CHEMICAL INDUSTRIES LIMITED laid down a code of conduct for all Board members and Senior Management. The Code of Conduct has been posted in the Company's website www.archeanchemicals.com. Pursuant to regulation 26(3) of SEBI (LODR) Regulations 2015, all Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors and the declaration in this regard by the Managing Director are enclosed as **Annexure II** to the Corporate Governance Report.

r) In accordance with Regulation 17(8) read with Part B of Schedule II of SEBI LODR, MD & CFO of the Company give annual certification on financial reporting and internal controls to the Board and the same are enclosed as **Annexure III** to the Corporate Governance Report. They also give quarterly certification on financial results while placing the financial results before the Board confirming that such financial results for the quarter/ year ended do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

s) As required in Schedule-V(E) of the SEBI LODR, the Auditor's Certificateare enclosed as **Annexure IV** to the Corporate Governance Report.

t) There is no demat suspense account/ unclaimed suspense account

u) Disclosure of Certain type of agreements binding the listed entity: There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI LODR.

**Annexure I**

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
**The Members of**
**Archean Chemical Industries Limited,**
No.2, North Crescent Road, T. Nagar,
Chennai - 600 017.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Archean Chemical Industries Limited** bearing CIN: L24298TN2009PLC072270 and having its registered office at No.2, North Crescent Road, T Nagar, Chennai – 600 017 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| S No. | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1 | Kandheri Munaswamy Mohandass | 00707839 | 06/12/2021 |
| 2 | Ranjit Pendurthi | 01952929 | 27/11/2018 |
| 3 | Padma Chandrasekaran | 06609477 | 13/11/2019 |
| 4 | Chittoor Ghatambu Sethuram | 01081951 | 06/12/2021 |
| 5 | Subrahmanyam Meenakshisundaram | 01176085 | 24/03/2010 |
| 6 | Ravi Pendurthi | 02334379 | 29/01/2022 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **HVS & Associates**
Company Secretaries
Firm Unique Code: P2016TN048300
Peer Review No: 5993/2024

Place: Chennai
Date: 02/05/2025

**HARI BABU POTHAPU**
M. No: F10974, CoP: 15576
UDIN: F010974G000256802

**Annexure II**

## Code of Conduct Certification

Declaration from the Managing Director under Regulation 17(5) read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As provided under Regulation 17(5) read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended March 31, 2025

For ARCHEAN CHEMICAL INDUSTRIES LIMITED

**P Ranjit**
Managing Director
DIN: 01952929

Place: Chennai
Date: May, 02, 2025

**Annexure III**

## CERTIFICATE

**Compliance Certificate by Managing Director/CFO pursuant to Regulations 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

May 02, 2025

To
The Board of Directors
Archean Chemical Industries Limited
No.2, North Crescent Road
T Nagar, Chennai 600 017

Dear Sir/Mam,

We, the Undersigned, in our respective capacity as Managing Director & Chief Financial Officer of the company respectively to the best of our knowledge and belief certify that:

1. The Financial Results (standalone and consolidated) for the Year ended March 31, 2025, submitted to the Board do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading. We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2025 and that to the best of our knowledge and belief:

    a) these statements do not contain any materially untrue statement or omit any material act or contain statements that might be misleading;

    b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations

2. To the best of my knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial Reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the Company's Auditors and the Audit Committee of Archean Chemical Industries Limited that:

   a) significant changes, if any in the Company's internal control over financial reporting during the year;

   b) significant changes, if any in accounting policies during the year and the same have been disclosed in the notes to the financial statements

   c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For ARCHEAN CHEMICAL INDUSTRIES LIMITED

| | |
|---|---|
| **P RANJIT** | **NATARAJAN RAMAMURTHY** |
| MANAGING DIRECTOR | CHIEF FINANCIAL OFFICER |
| DIN: 01952929 | |

**Annexure IV**

# AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Board of Directors of Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited).

1. This Certificate is issued in accordance with the terms of our engagement letter dated 23rd January 2025.

2. We have examined the compliance of conditions of Corporate Governance by Archean Chemical Industries Limited ('the Company') for the year ended 31st March 2025, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

## Management's Responsibility

3. The compliance of the conditions of Corporate Governance is the responsibility of the Management. The responsibility includes the designing, implementing, and maintaining operating effectiveness of internal controls to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

## Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in the Paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Standards on Auditing, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI') and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

## Opinion

7. Based on the procedures performed by us and to the best of our information, according to the explanations provided to us and the representation made by the management, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2025.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

## Restrictions on use

9. This certificate is addressed and provided to the Board of Directors of the Company solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

**S. Prasana Kumar**
Partner
Membership No. 212354
UDIN: 25212354BMJMWE8669

Place: Chennai
Date: 2nd May 2025

# MANAGEMENT DISCUSSION AND ANALYSIS

## Global Economy

The global economy is projected to experience moderate growth, influenced by technological advancements, geopolitical uncertainties, and shifting economic policies. According to estimates from the International Monetary Fund (IMF) and the World Bank, the global GDP growth rate is expected to be between 2.5% and 3.2%, depending on economic stability, trade relations, and monetary policies worldwide. While major economies aim for recovery, inflationary concerns, supply chain disruptions, and policy decisions will play a crucial role in shaping global economic performance.

India remains the fastest-growing major economy, with GDP expected to exceed 6%, driven by manufacturing, IT services, and domestic consumption. Latin America will benefit from commodity exports, but economic instability and fiscal deficits remain concerns. Africa's growth will be led by infrastructure projects, digitalization, and foreign direct investments (FDI).

## Indian Economy

The Indian economy is poised for strong growth in 2025, with GDP expected to expand at a rate of 6-7%, making it one of the fastest-growing major economies in the world. India's economic trajectory will be driven by robust domestic demand, industrial expansion, digital transformation, and infrastructure development. The government's focus on self-reliance (Atmanirbhar Bharat), increased foreign direct investment (FDI), and policy reforms will further support growth across key sectors.

India's Make in India and Production-Linked Incentive (PLI) schemes will drive manufacturing expansion. The semiconductor, automobile, and electronics sectors are expected to grow significantly due to global supply chain diversification. Demand for steel, cement, and construction materials will rise due to infrastructure development. India's IT and software services industry will continue to be a major contributor to GDP, driven by AI, cloud computing, and cybersecurity while fintech, e-commerce, and digital banking will strengthen India's digital economy. Government initiatives like Digital India and 5G expansion will enhance connectivity and economic participation. Large-scale investments in roads, railways, airports, and smart cities will boost employment and economic output. Increased agri-tech adoption, farm mechanization, and irrigation improvements will enhance productivity. Government support through minimum support prices (MSP), rural credit programs, and farm subsidies will ensure stability.

India's economy in 2025 will be defined by strong domestic consumption, industrial expansion, and digital transformation. Despite global uncertainties, policy support, infrastructure development, and innovation will ensure that India remains a key driver of global economic growth.

## Indian Chemical Industry

The Indian chemical industry is set to witness substantial growth in 2025, driven by strong domestic demand, increasing exports, and the country's emergence as a global manufacturing hub. The sector, valued at around USD 220 billion in 2022, is expected to reach USD 300 billion by 2025, growing at a CAGR of 10-12%. Government policies, technological advancements, and a shift in global supply chains away from China have positioned India as a key player in the global chemical market.

The Indian chemical industry is the sixth-largest in the world and the third largest in Asia. It contributes about 7% to the country's GDP and accounts for over 14% of total exports. The industry is highly diverse, spanning bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, and pharmaceuticals.

For a decade, India's chemical industry has consistently surpassed global averages in demand growth and wealth creation for shareholders. With its rapid economic expansion, growing middle class, and competitive capital and operational costs, India has the potential to emerge as a key consumer and producer in the global chemical sector. Nonetheless, challenges such as limited access to domestic raw materials, regulatory delays, and a shortage of skilled R&D professionals continue to be obstacles for the Indian chemical industry.

### Key Opportunities

- Specialty Chemicals: Rising demand for high-performance materials in sectors like automotive, electronics, and personal care presents a significant growth opportunity. India can become a global hub for several chemical products driven by increasing domestic & export demands.
- China+1 Strategy: Global companies are reducing dependency on China for chemical supplies, creating opportunities for Indian manufacturers. India can attract foreign direct investment (FDI) and expand exports to Europe and North America.
- Green and Sustainable Chemicals: The shift towards eco-friendly and biodegradable chemicals offers new growth areas, including bio-based polymers and green surfactants. Government incentives for carbon-neutral production can boost investments in sustainable solutions.

Digitalization & Industry 4.0 : AI, automation, and IoT-driven smart factories can improve efficiency and reduce operational costs. Companies investing in predictive analytics and smart supply chains will gain a competitive edge.

Government Support & Policy Reforms: PLI schemes, infrastructure development, and R&D incentives will create a favorable business environment. Expanding domestic petrochemical production will reduce reliance on imports.

### Key Challenges

- **Raw Material Price Volatility:** Fluctuations in crude oil prices impact the cost of petrochemicals and other raw materials. Supply chain disruptions can lead to price instability, affecting margins.
- **Environmental Regulations and Sustainability:** Strict environmental norms require companies to adopt greener production methods. India is pushing for greater sustainability with green chemistry solutions and bio-based alternatives.
- **Competition from China and Other Asian Markets:** While the China+1 strategy is benefiting India, competition from Southeast Asian countries like Vietnam and Indonesia remains a challenge. Indian companies need to improve productivity, efficiency and technology adoption to stay competitive.
- **Global Competition:** Cheaper chemical imports from low-cost manufacturing centers like China have intensified competition in India. Since joining the World Trade Organization, India has reduced import tariffs on various products, further increasing competitive pressures.
- **Plant Underutilization:** Due to oversupply in the global petrochemical market, the cost of petrochemicals has decreased, causing domestic manufacturers to underutilize their production facilities.
- **R&D Limitations:** The high cost associated with research and development discourages domestic manufacturers from introducing new products to the market, hindering their ability to innovate and adapt.
- **Skilled Labor Shortage:** The chemical industry in India grapples with a significant

shortage of skilled workers, impacting productivity. A study by FICCI-NASSCOM & EY highlighted that out of India's 600 Mln - strong workforce, 9% will be in jobs that currently don't exist, and 37% will require entirely new skill sets. Over the next decade, the manufacturing sector alone is projected to face a shortfall of 7.9 Mln workers.

### Outlook:

The Indian specialty chemical industry is set for significant growth, driven by rising domestic demand, global supply chain diversification, and government incentives. With an expected CAGR of 12-14%, the sector will benefit from increased investments in agrochemicals, pharmaceuticals, and performance chemicals. India's push for self-reliance (Atmanirbhar Bharat) and a shift in global supply chains away from China provide strong tailwinds. Key players are expanding capacity and adopting green chemistry solutions to meet evolving sustainability norms. The sector's expansion will contribute significantly to exports, making India a global hub for specialty chemicals.

### Bromine

The global Bromine market is expected to witness steady growth, driven by increasing demand from pharmaceuticals, flame retardants, oil and gas drilling, and water treatment industries. Market valued at USD 3.80 billion in 2025 projected to grow with CAGR of around 5-6%, the market is fueled by rising consumption in Asia-Pacific, particularly in China and India, due to expanding industrial applications. The shift toward energy storage solutions, especially in zinc-bromine flow batteries, further boosts bromine demand.

Key global players in market are focusing on capacity expansion and sustainable extraction techniques to ensure steady supply and regulatory compliance. North America and Europe will also see moderate growth due to stringent safety standards in electronics and fire safety applications. Overall, technological advancements and growing end-use industries will drive bromine market expansion.

### Industrial Salt

Industrial salt is a crucial commodity used across various industries, including chemical manufacturing, water treatment, de-icing, agriculture, and food processing. The market is expected to witness steady growth, driven by increasing demand in these sectors. The expanding chemical industry, especially in emerging economies, and the growing need for water purification solutions are key factors propelling the market forward.

Asia-Pacific region dominates the global industrial salt market, with China and India being the largest producers and consumers. Rapid industrialization & consumption and an expanding chemical sector, drive demand.

The global industrial salt market is estimated to be valued at USD 15–16 billion in 2024, with a compound annual growth rate (CAGR) of around 3-5%. This growth is fueled by the rising demand for industrial salts in chemical processing, particularly in chlorine-alkali production, which is essential for manufacturing chemicals like caustic soda, chlorine, and soda ash. The increasing use of salt in de-icing operations in colder regions also contributes to market expansion.

### SOP

The global Sulphate of Potash (SOP) market is expected to experience steady growth, driven by increasing demand in agriculture, especially for chloride-sensitive crops like fruits, vegetables, and nuts. SOP is a premium potassium fertilizer that enhances crop yield and quality while improving plant resistance to stress. Its market is projected to grow at a CAGR of 4-6% over the next few years, with an estimated market value exceeding USD 6 billion by 2025.

Key growth drivers include rising global food demand, soil degradation concerns, and the shift towards sustainable farming practices. Additionally, water-soluble SOP is gaining traction in modern irrigation techniques, such as drip irrigation.

Regional trends show that Asia-Pacific leads in demand due to high agricultural activity, particularly in China and India. Europe and North America also contribute significantly, with increasing organic farming adoption.

### Company Overview

Archean Chemical Industries Limited (ACIL) is an India-based specialty chemicals manufacturing company that produces and supplies marine chemicals. The Company is engaged in the production and supply of industrial salt, liquid bromine, sulphate of potash (SOP). ACIL serves a range of industries, including agriculture, pharmaceutical, water treatment, aluminium, glass, and textiles.

### Product wise performance

| Revenue (Rs. in Cr) | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| Bromine | 353.13 | 427.43 | 708.39 |
| Industrial Salt | 659.48 | 840.06 | 728.12 |
| Sulphate of Potash | 0.97 | 35.96 | 3.05 |

**1. Bromine and Bromine Derivatives Business Expansion**

Archean Chemicals expanded its bromine production capacity from 28,500 MTPA to 42,500 MTPA in January 2023. Bromine is a naturally occurring element extracted from seawater, salt lakes, and brine wells, with higher recoverable concentrations in inland seas and brine wells. The increased capacity will primarily be used for captive consumption in the bromine derivatives plant, supporting an expanded product portfolio.

Bromine is used as a reactant and catalyst in the production of agrochemicals, biocides, water disinfectants, pharmaceutical intermediates, dyes, completion fluids, flame retardants, photographic chemicals, and zinc-bromide batteries. These applications span multiple industries, including chemicals, rubber, plastics, agrochemicals, oil and gas, pharmaceuticals, electronics, and textiles.

The company's subsidiary, Acume Chemicals Private Ltd (ACPL), has established a bromine derivatives production facility with a capacity of 28,000 MTPA, with Phase I commissioned in 2024. Acume is currently focusing on the production of clear brine fluids, PTA synthesis catalysts, and other bromine-based compounds. The company is also working towards setting up the facility to produce brominated flame retardants to further expand its bromine derivatives portfolio.

Archean also acquired Oren Hydrocarbons Private Ltd, gaining access to manufacturing facilities across Andhra Pradesh, Tamil Nadu, and Gujarat. These facilities are undergoing revival to restart production of chemicals used in oilfield and drilling applications, further expanding the company's offerings in this segment.

**2. Semiconductor Initiative: SiCSem Private Limited**

Archean Chemicals, through its step-down subsidiary SiCSem Private Limited, has initiated a upto Rs. 3,000 crore investment to establish a compound semiconductor fabrication and ATMP (Assembly, Testing, Marking & Packaging) facility in Odisha. This facility will manufacture silicon carbide (SiC) power semiconductor devices for applications in electric vehicles, renewable energy, data centers, fast-charging systems, and industrial power electronics.

The initiative is part of Archean's entry into India's semiconductor manufacturing sector and aligns with the goals of the India Semiconductor Mission.

In parallel, SiCSem has established the Silicon Carbide Research and Innovation Centre (SiCRIC) in collaboration with IIT Bhubaneswar. SiCRIC is focused on research and indigenization of silicon carbide (SiC) crystal growth technologies, enabling knowledge development and fostering industry-academia collaboration to support India's semiconductor ecosystem.

3. **Strategic Investment in Silicon Carbide Foundry: Clas-SiC Wafer Fab Limited, UK**

Archean Chemicals acquired a strategic stake in Clas-SiC Wafer Fab Limited, UK, a dedicated silicon carbide foundry engaged in the design and manufacture of SiC MOSFET devices. This investment provides Archean with access to advanced silicon carbide process technologies critical for electric vehicles, renewable energy systems, and industrial applications.

The investment also provides SiCSem Private Limited with exclusive access to Clas-SiC's silicon carbide technology for the Indian market, strengthening its technology base and supporting domestic semiconductor manufacturing efforts.

4. **Energy Storage Initiative: Zinc-Bromide Battery Technology**

Through its investment in Offgrid Energy Labs Inc., USA, Archean Chemicals is supporting the development of zinc-bromide battery technology. This patented technology is targeted at applications in renewable energy storage and industrial energy management.

Archean is participating in scale-up efforts through a pilot facility in the UK and a proposed giga-factory in India, leveraging synergies with its bromine production business.

**Industrial salt** is another main product. ACIL is India's largest producer of industrial salt, with a capacity of 4 Mln MT in FY25. Industrial salt has 14,000 commercial uses of salt, a source of sodium and chlorine, which are essential components of an array of materials, glass, synthetic rubber, cleansers, pesticides, paints, adhesives, fertilizers, explosives and metal coatings. The Company exported 100% of its industrial salt production and benefits from its nearness to the captive Jakhau Jetty and Mundra Port, where it transports industrial salt to its customers globally.

With respect to Sulphate of potash (SOP), ACIL is India's only large-scale producer of fertilizer grade water soluble SOP. It is produced through sea brine, which has a low cost of production and is green (no chemical process involved). Globally, only 15% of SOP is produced through this brine route, and the majority are by the Mannheim process, which consists of converting MOP (muriate of potash) into SOP by using sulphuric acid. The cost of production of SOP is lowest for brine-based production.

## Risks and Concerns

The Company recognises, assesses, and manages risks by placing suitable mitigation measures against each identified risk. The Company is engaged in formulating and recommending an appropriate Risk Management Policy to the Board on a continuous basis. The Risk Management Committee ensures (a) that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company (b) monitoring and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems. (c) periodically review the risk management policy (d) to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

**In the constantly changing environment in which the Company operates, risk analysis and mitigation are crucial.**

| Risk | Impact | Mitigation |
|---|---|---|
| Accident Risk | Accidents or unsafe conditions at manufacturing sites can lead to serious injury, loss of assets, operational disruptions, and regulatory non-compliance. Such incidents may also adversely affect the Company's reputation and result in potential legal consequences. | The Company mitigates accident-related risks by providing safe working place, by providing adequate personal protective equipments and imparting necessary training to employees. Additionally, your Company has well equipped Occupational Health Centre, including ambulance to provide necessary assistance as and when needed. Periodic mock drills are conducted with learnings integrated into safety practices. Proactive monitoring of leading indicators such as unsafe acts, near-miss reporting, and PPE compliance further strengthens on-site safety. |
| Competition | The Company might fail to act on the underlying opportunities in a timely manner-<br>- Increased and intensified competition might hurt the Company's market share, margin profile, and return on capital employed | The Company is always aware of new prospects in the chemical industry and responds proactively by introducing new products to its portfolio.<br>- Our long-standing client connections help us manage this risk as a chosen supplier and dependable partner.<br>Constantly review peers and focus on quality of the product and timely servicing the customer. |
| Raw material price risk | Increase in crude oil prices and the pricing of other raw materials might have an impact on the bottom line. | Our backward integration enables us to receive a consistent supply of Inputs at a low cost. Further, the Company is constantly working towards Multi supplier approach so as to lessen our reliance on single supplier, reducing the risk |
| Disaster risks | The Company might be hit by force majeure events such as cyclone etc., | We ensure our preparedness to face such events. Our manufacturing plant(s) are insured against natural risks. |
| Foreign currency exchange rate risk | Foreign exchange rate changes might have a substantial influence on our financial performance with our exports accounting for more than 70% of our revenue, and significant portion of our raw material being imported | Our strong foreign exchange hedging mechanism and processes, such as forward contracts, help us to manage this risk |

## Internal Control Systems & their Adequacy

The Company has established an internal control system commensurate with the size and nature of its operations. These controls are designed to provide reasonable assurance regarding the accurate recording of transactions, the reliability of financial and operational information, compliance with applicable laws and regulations, and the safeguarding of the Company's assets.

The responsibility for establishing and maintaining adequate internal controls for financial reporting rests with the Management. The statutory auditors have evaluated the Company's internal control systems, including those related to financial reporting. Based on their review, they have confirmed that the systems are adequate and appropriate, considering the size and nature of the Company's business. Further, the statutory auditors have issued a report on internal financial controls over financial reporting, as required under Section 143 of the Companies Act, 2013.

The Company has aligned its internal financial control framework with the requirements of the Companies Act, 2013 ("Act"), In compliance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), the Company assessed the effectiveness of its internal financial controls as of March 31, 2025. Based on this evaluation and in accordance with Section 177 of the Act and Regulation 18 of SEBI LODR, the Audit Committee concluded that the internal financial controls were adequate and operating effectively as of March 31, 2025.

## Discussion on Financial Performance / Operation Performance

Archean Chemical Industries Limited's total revenue on a standalone basis is Rs. 1,01,379.02 lakhs. In FY 2024-25, the EBITDA stands at Rs. 37,212.14 lakhs, compared to Rs. 51,103 lakhs in FY 2023-24. In FY 2024-25, the PAT is Rs. 18,492.34 lakhs, compared to Rs. 32,234.56 lakhs in FY 2023-24. EPS in FY 2024-25 is Rs. 14.98.

On a consolidated basis, the total revenue is Rs. 1,04,101.79 lakhs. EBITDA stands at Rs. 35,143.74 lakhs in FY 2024-25, compared to Rs. 50,598.27 lakhs in FY 2023-24. PAT stands at Rs. 16,214.49 lakhs in FY 2024-25, compared to Rs. 31,897.07 lakhs in FY 2023-24. EPS stands at Rs. 13.13 in FY 2024-25.

## Material Development in Human Resource & Industrial Relations

The Company continues to uphold its commitment to being a people-centric organization, recognizing its employees as its most valuable asset.

Building on this philosophy, the Company has strengthened its Human Resource function through the adoption of Digital HR solutions to streamline processes, enhance data-driven decision-making, and deliver a seamless employee experience. A focused approach to leadership development has been implemented, leveraging well-established assessment tools to identify and nurture high-potential talent across the organization.

Our talent management strategy now integrates structured career paths aligned with organizational goals, ensuring every employee has a clear growth trajectory. Efficient onboarding practices and continuous capability-building programs foster learning agility, supported by a culture that promotes adaptability and innovation. Robust HR communication strategies have been instituted to ensure transparency, alignment, and engagement at all levels.

Recognition and reward initiatives are in place to celebrate individual and team achievements, with a clear linkage between pay and performance outcomes. Diversity, Equity, and Inclusion (DEI) principles are now embedded into the Company's culture, policies, and practices, reinforcing our commitment to a fair and empowering workplace. Furthermore, the Company has adopted holistic wellbeing initiatives, supporting employees' physical, emotional, and financial wellness.

All HR activities—from hiring and training to performance management—are clearly aligned with business objectives, driving improvements in productivity, profitability, and employee engagement. As of March 31, 2025, the Company employed 262 individuals across its plant and Registered Office.

## Key Ratios

| Metric | FY 2024-25 | FY 2023-24 | % Change | Explanation |
|---|---|---|---|---|
| Current ratio | 4.5 | 5.7 | (21)% | Decrease in current assets due to decrease in investment in Mutual funds. |
| Debt-Equity Ratio | 0.03 | 0.00 | | Due to increase in borrowings. |
| Return on Net Worth | 10.3% | 20.5% | (50)% | Due to decrease in profit and increase in Average Shareholder's Equity. |
| Inventory turnover | 7.2% | 9.0 | (20)% | - |
| Debtors turnover | 6.2 | 9.7 | (36)% | Due to increase in average Trade Receivables |
| Operating Profit Margin | 31.2% | 37.2% | (16)% | - |
| Net profit Margin | 17.4% | 23.4% | (26)% | Due to decrease in profit. |
| Interest Coverage Ratio | 28.4 | 45.6 | (38)% | Due to decrease in Earnings Before Interest and Tax |

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## BRSR OVERVIEW

**SECTION A** – General disclosures

**SECTION B** – Management and process disclosures

**SECTION C** – Principle-wise performance disclosure

| | |
|---|---|
| Principle 1 | Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable |
| Principle 2 | Businesses should provide goods and services in a manner that is sustainable and safe |
| Principle 3 | Businesses should respect and promote the well-being of all employees, including those in their value chains |
| Principle 4 | Businesses should respect the interests of and be responsive to all its stakeholders |
| Principle 5 | Businesses should respect and promote human rights |
| Principle 6 | Businesses should respect and make efforts to protect and restore the environment |
| Principle 7 | Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| Principle 8 | Businesses should promote inclusive growth and equitable development |
| Principle 9 | Businesses should engage with and provide value to their consumers in a responsible manner |

| **Principle 1:**<br>**Ethical and Transparent Business** | **Principle 2:**<br>**Product Stewardship** | **Principle 3:**<br>**Employee Well-being** |
|---|---|---|
| • **100%** of the BoD, KMPs and employees have undergone training/awareness in the 9 NGRBC principles.<br>• **NIL** monetary/non-monetary proceedings or actions by the regulatory enforcement agency/ judicial institutions. | • **1.74%** of the total value of sales is reclaimed for packaging. | • **100%** employees covered under Health Insurance, Accident Insurance, Maternity and Paternity benefits.<br>• **100%** employees received Training on Health and Safety and Skill Upgradation.<br>• **NIL** Safety related incidents reported.<br>• **Third Party Audits for Health & Safety and Working Condition** assessment conducted every year. |
| **Principle 4:**<br>**Stakeholder Engagement** | **Principle 5:**<br>**Human Rights** | **Principle 6:**<br>**Environment** |
| • **Robust mechanisms** for Stakeholder Identification and Engagement | • **100%** training for employees on Human Rights issues and policies.<br>• **100%** employees paid more than minimum wages.<br>• **0** incidents of Sexual Harassment, Forced Labour, Child Labour, Discrimination at Workplace, wages issue. | • **935.43 Tera Joules** of Energy utilized in FY 24-25.<br>• **70,73,505 Kilo Litres of** Water Consumed in the current reporting period.<br>• **75,631.92 Mt $CO_2e$ of Scope 1 and 19,850.05 Mt $CO_2e$** of Greenhouse gases emitted in FY 2024-25. |
| **Principle 7:**<br>**Public Policy Advocacy** | **Principle 8:**<br>**CSR Initiatives** | **Principle 9:**<br>**Customer Relations** |
| • **0** cases filed against unfair trade practices and Anti-competitive behaviour.<br>• **2** affiliations with trade and industry chambers/ associations | • **61.3%** Input Materials directly sources from MSME/ Small Producers<br>• **100%** Input Materials sourced from within India.<br>• **65%** wages as % of total wage cost paid to employees from Rural locations.<br>• Numerous CSR initiatives to support Marginalised and Vulnerable communities. | • **0** Customer complaints received with respect to Data privacy, Adverting, Cyber Security, Restrictive Trade Practices, Unfair Trade Practices etc.<br>• **0** Forced or Voluntary Product Recalls.<br>• **0** instances of Data Breach |

Dear Shareholders,

At Archean Chemical Industries Limited, sustainability is a way of life. It is embedded in the way we operate, innovate, and grow. As a responsible Marine Chemical manufacturer, we harness the unique advantage of using sea water as a raw material for the production of marine chemicals. We recognise the urgency to act on climate changes, conserve resources, and ensure that our progress supports people and planet alike.

This year we made decisive progress on our journey towards a climate-positive, resource-efficient operation. A key milestone was the reduction of coal consumption by 1,500MT, which significantly reduced our carbon emissions. We also commissioned a hybrid renewable energy solution via a 66kV power import system, which supplied 9963.52 MWh of clean electricity, reducing our reliance on fossil fuels.

We also enhanced energy efficiency through an integrated energy optimization strategy, including:

- Installation of a 132 kW Variable Frequency Drive (VFD) panel for the cooling tower pump.
- Installation of a 55 kW VFD for the Bromine plant compressor.
- Commissioning of an Automatic Power Factor Correction (APFC) panel at PS-9, improving power factor performance and operational efficiency.

We successfully harvested 51,82,527 kilolitres of rainwater, reinforcing our long-term commitment to water stewardship. Furthermore, we achieved a notable reduction in sludge generation by modifying our treatment process which led to decrease in lime consumption for neutralization-an initiative that enhanced both environmental and operational outcomes.

We believe that sustainability must be inclusive. Our safety-first culture, community outreach programs, and skill-building initiatives ensure that our people and surrounding communities grow alongside us. We maintain an open channel of communication with our stakeholders, increasing trust through transparency and shared purpose.

Strong governance forms the foundation of our ESG agenda. We continue to hold ourselves to the highest ethical and regulatory standards, embedding ESG risks and opportunities into our core decision-making. Innovation continues to drive our progress, shaping smarter, cleaner and more responsible ways of operating.

Our short-term focus is on operational excellence and stakeholder engagement. In the medium term, we aim to align with the UN Sustainable Development Goals (UN SDGs). Over the long term, we seek to transform our business models, drive sustainable innovation, and build resilience against emerging global challenges.

## SECTION A – GENERAL DISCLOSURES

### I. Details of the listed entity

| | | |
|---|---|---|
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L24298TN2009PLC072270 |
| 2 | Name of the company | Archean Chemical Industries Limited (Company / Archean Chemical) |
| 3 | Year of incorporation | 14.07.2009 |
| 4 | Registered office address | No.2, North Crescent Road, T Nagar, Chennai, Tamil Nadu 600017 |
| 5 | Corporate address | No.2, North Crescent Road, T Nagar, Chennai, Tamil Nadu 600017 |
| 6 | E-mail | secretarial@archeanchemicals.com |
| 7 | Telephone | 044 - 6109 9999 |
| 8 | Website | www.archeanchemicals.com |
| 9 | Financial year for which reporting is being done | 2024-25 |
| 10 | Name of the Stock Exchange(s) where shares are listed | BSE Limited and National Stock Exchange of India Limited |
| 11 | Paid-up Capital | Rs 24,68,55,364 |
| 12 | Name of contact details of the person who may be contacted in case of any queries on the BRSR Report | Mr. Vijayaraghavan N.E<br>044 - 6109 9999<br>vijayaraghavan.ne@archeanchemicals.com |
| 13 | Reporting boundary | Disclosures made in this report are on a standalone basis and pertain only to Archean Chemical Industries Limited |
| 14 | Name of assessment or assurance provider | The report is not assured by an external assurance provider |
| 15 | Type of assessment or assurance obtained | Not applicable |

## II. Products and Services

### 16. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % Of Turnover of the entity |
|---|---|---|---|
| 1 | Production of Marine Chemicals | Manufacturing, distribution, sales and marketing of Marine Chemicals | 99.90% |

* No single product sold by the Company account for more than 90% of the Turnover.

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

| S. No. | Product/Service | NIC Code | % Of total Turnover contributed |
|---|---|---|---|
| 1 | Production of Marine Chemicals | 08932, 08919 | 99.90% |

* No single product sold by the Company account for more than 90%of the Turnover.

## III. Operations

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

| Location | Number of Plants | Number of offices | Total |
|---|---|---|---|
| National | | | |
| - Hajipir (Gujarat) | 1 | - | 1 |
| - Chennai (Tamil Nadu) | - | 2 | 2 |
| - Bhuj (Gujarat) | - | 1 | 1 |
| - Gandhidham (Gujarat) | - | 1 | 1 |
| International | - | - | - |

### 19. Markets served by the entity:

### a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States) | 9 (Nine) |
| International (No. of Countries) | 8 (Eight) |

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

For FY 2024-25, the exports contribution was 77%.

c. **A brief on types of customers**

All the customers of the Company are industrial customers. Their end users are in agriculture, pharmaceuticals, water treatment, flame retardant, Oil, gas & energy storage, chloralkaline chemicals, food & beverage, medical uses, aluminium, glass, and textile industry. The Company is serving 63 such customers in which 23 are global and 40 are in domestic market.

## IV. Employees

**20. Details as at the end of Financial Year:**

**a. Employees and workers (including differently abled):**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 262 | 257 | 98% | 5 | 2% |
| 2. | Other than Permanent (E) | 445 | 445 | 100% | - | - |
| **3.** | **Total employees (D + E)** | **707** | **702** | **99%** | **5** | **1%** |
| | **WORKERS** | | | | | |
| 4. | Permanent (F) | NA | NA | NA | NA | NA |
| 5. | Other than Permanent (G) | NA | NA | NA | NA | NA |
| 6. | **Total workers (F + G)** | NA | NA | NA | NA | NA |

**b. Differently abled Employees and workers:**

| S. No | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **DIFFERENTLY ABLED EMPLOYEES** | | | | | |
| 1. | Permanent (D) | NA | NA | NA | NA | NA |
| 2. | Other than Permanent (E) | NA | NA | NA | NA | NA |
| 3. | **Total differently abled employees (D + E)** | NA | NA | NA | NA | NA |
| | **DIFFERENTLY ABLED WORKERS** | | | | | |
| 4. | Permanent (F) | NA | NA | NA | NA | NA |
| 5. | Other than permanent (G) | NA | NA | NA | NA | NA |
| 6. | **Total differently abled workers (F + G)** | NA | NA | NA | NA | NA |

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

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 6 | 1 | 16.67 |
| Key Management Personnel | 4* | - | - |

**KMP includes the Managing Director as per the Companies Act, 2013*

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

| | FY 2024-25 | | | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 30% | 1% | 31% | 30% | 1% | 31% | 33% | - | 33% |
| Permanent Workers | NA | NA | NA | NA | NA | NA | NA | NA | NA |

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

**23. (a) Names of holding / subsidiary / associate companies / joint ventures Number**

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % Of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1. | Acume Chemicals Private Limited | Subsidiary | 100 | No |
| 2. | Idealis chemicals Private Limited | Subsidiary | 100 | No |
| 3. | Neun Infra Private Limited | Subsidiary | 100 | No |
| 4. | SICSEM Private Limited | Step Down Subsidiary | 70 | No |
| 5 | Idealis Mudchemie Private Limited | Step Down Subsidiary | 100 | No |

## VI. CSR

**24.** (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: (Yes/No)

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

(ii) Turnover (in Rs.) – 1,013.79 crores

(iii) Net worth (in Rs.) – 1880.14 crores

## VII. Transparency and Disclosure Compliances

**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes, https://www.archeanchemicals.com/investor-relations/admin/assets/products/External%20Grievance%20Policy.pdf | Nil | Nil | Nil | Nil | Nil | Nil |
| Shareholders | An email can be sent to secretarial@archeanchemicals.com with the details of the grievance. The designated official is responsible for both assisting investors and addressing shareholder grievances. | Nil | Nil | Nil | 11 | Nil | All complaints were duly addressed and closed. |
| Employees & Workers | Yes, https://www.archeanchemicals.com/investor-relations/admin/assets/products/Internal%20Grievance%20Policy.pdf | Nil | Nil | Nil | Nil | Nil | Nil |
| Customers | Yes, https://www.archeanchemicals.com/investor-relations/admin/assets/products/External%20Grievance%20Policy.pdf | 2 | Nil | Nil | Nil | Nil | Nil |
| Value Chain Partner | Yes, https://www.archeanchemicals.com/investor-relations/admin/assets/products/External%20Grievance%20Policy.pdf | Nil | Nil | Nil | Nil | Nil | Nil |

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

In FY 2023-24, we conducted a desktop materiality assessment. We revisited our material issues, comparing them against our targets and evaluating our performance throughout the year. This review allowed us to assess the effectiveness of our efforts in addressing key sustainability targets. Additionally, we evaluated associated risks and analyzed their alignment with our adaptation and mitigation plans. This ensures our strategies are responsive to evolving conditions and that we remain on track to achieve our medium to long-term sustainability goals.

| S. No | Material issue identified | Indicate whether risk or oppor-tunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Carbon Emission | R | As a Company, we recognize carbon emissions as a key sustainability risk due to increasing regulatory expectations and the growing demand for environmental responsibility. With governments introducing stricter carbon regulations and sustainability goals, we understand the importance of reducing our emissions to align with these shifts. Additionally, consumers and investors are placing greater value on sustainable practices making it essential for us to adapt. Hence, it is paramount for us to stay competitive and meet these expectations by investing in cleaner technologies, enhancing energy efficiency, and exploring low-carbon alternatives to minimize our environmental impact. | In our constant endeavour to bring down our carbon emissions, we have implemented a hybrid renewable energy solution by sourcing 66KV power from The Gujarat Electricity Board supplying 9,963.52 MWH in FY 2024-25. This effort will significantly reduce our coal consumption required in our co-generation plant, thereby lowering GHG emissions. | Negative |

| S. No | Material issue identified | Indicate whether risk or oppor-tunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 2 | Water Stewardship | O | As a Company, we see water stewardship as a valuable opportunity within our sustainability efforts. We not only look to contribute to water conservation and protection but also enhance operational efficiency and cost-effectiveness. By optimizing water usage, reducing waste, and increasing recycling, we can minimize water related risks, improve regulatory compliance, and strengthen our reputation as a responsible corporate citizen. As water scarcity becomes a growing concern globally, our commitment to responsible water management helps us stay aligned with regulations, reduce our environmental footprint, and support long-term sustainability goals. | In FY 2024-25, we were able to successfully harvest 51,82,527 KL of rainwater. We have thus reduced our dependency of water from third-party sources to that extent. This initiative complements our objective to optimize water usage, attaining water positive status and strengthening our ESG credentials. | Positive |
| 3 | Energy Efficiency | R | As a Company, we understand that energy efficiency is a significant risk, especially as our continued reliance on coal and diesel fuels poses a considerable threat to our operational costs. This dependence not only increases expenses but also contributes to a larger carbon footprint, negatively impacting the environment. Furthermore, inefficient energy use leads to wastage, which makes it even more difficult to meet our sustainability goals. With rising energy prices and tightening environmental regulations, improving energy efficiency is essential for mitigating these risks and ensuring we can balance both our financial performance and environmental responsibilities. | As part of our energy-saving initiatives, we have<br>- Installed a **132 kW VFD** panel for the cooling tower pump, leading to significant energy savings.<br>- Additionally, a **55 kW VFD** has been installed for the Bromine plant compressor to further enhance energy efficiency.<br>- Commissioned an APFC panel at PS-9 to improve the power factor, enabling optimized power usage and enhanced electrical efficiency. | Positive |

| S. No | Material issue identified | Indicate whether risk or oppor-tunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 4 | Health & Safety | R | Health and Safety risks are a significant concern in our industry due to the nature of chemical processes and substances involved. These risks include potential exposure to hazardous chemicals, accidents from spills and leaks, fire and explosion hazards, and ergonomic challenges from manual handling or repetitive tasks. Additionally, inadequate safety protocols and training can result in more incidents and injuries among employees, which can negatively impact productivity, morale, and overall operational performance. To address these risks, its essential to implement strong safety measures and comprehensive training programs, ensuring a safe and efficient work environment. | We actively manage health and safety risks from hazardous chemicals and processes through an effective risk management program, robust process safety systems, regular safety audits, and continuous training. With strong controls, safety interlocks, and daily workplace monitoring, we are ensuring a safe and efficient work environment while improving safety standards day by day. | Negative |
| 5 | Talent attraction, retention & development | O | Talent attraction, retention, and development are critical drivers of growth and success for our organization. Retaining skilled and experienced employees not only ensures operational continuity and stability but also cultivates a collaborative work culture and enhances overall productivity. Bringing in fresh talent infuses new perspectives, diverse skill sets, and innovative ideas, which are essential for driving progress and adapting to market changes. By prioritizing talent development through mentorship, training programs, and clear career advancement pathways, we empower our workforce to reach their fullest potential, reinforcing our competitive edge and ensuring long-term success in the industry. | - | Positive |

| S. No | Material issue identified | Indicate whether risk or oppor-tunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 6 | Corporate Governance | O | Robust corporate governance practices present a significant opportunity for our organization by ensuring transparency, accountability and ethical conduct. It establishes clear guidelines and processes for decision-making, risk management, and compliance with regulatory requirements, helping us operate with integrity and adhere to industry standards. By implementing strong governance practices, we build trust with stakeholders, including investors, customers, and regulatory bodies, which enhances our reputation and credibility. Effective governance also helps mitigate risks and improve decision- making, contributing to long-term sustainability and business success. Upholding high standards of corporate governance positions us as a responsible and forward-thinking organization. | - | Positive |
| 7 | Innovation | O | Innovation is a key opportunity for our organization, driving growth, enhancing competitiveness, and ensuring our relevance in an ever-evolving business landscape. By continuously developing new products, processes, and technologies, we can meet changing customer needs, address environmental challenges and explore emerging markets. Embracing innovation allows us to stay ahead of industry trends, improve operational efficiency, and create sustainable solutions that align with global sustainability goals. This commitment to innovation not only strengthens our market position but also ensures that we remain adaptable, resilient, and well-equipped to succeed in a dynamic and competitive environment. | - | Positive |

## SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

| Disclosure questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and Management Processes** | | | | | | | | | |
| 1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| b) Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| c) Web Link of the Policies, if available | https://www.archeanchemicals.com/investor-relations/annual-report.php?id=MTYx | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | Our facility is IMS certified (ISO 9001, ISO 14001, ISO 45001). The business upholds Nicer Globe's standard for the safe transport of chemicals, and we are registered at IBP (India Bromine Platform) for regular updates on safety related to manufacturing and transportation of Bromine. In FY 2024-25, we obtained the prestigious Responsible Care (RC) certification from Indian Chemical Council. | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | We have set out short, medium and long-term vision on various ESG initiatives. We are in the process of setting our goals and targets aligning to our ESG vision with a defined timeline. Our focus areas on E, S and G are as follows:<br>**Environment**<br>a. Greenhouse gas emissions reduction.<br>b. Reduction in Water usage by improvement in water recycling and reuse practices by rainwater harvesting initiatives.<br>c. Greenbelt development through plant sapling across the sites.<br>d. Implementation of effective waste management<br>**Social:**<br>a. Community Engagement through CSR.<br>b. Promoting economic empowerment.<br>c. Employee diversity & inclusion. | | | | | | | | |

| | |
|---|---|
| | d. Zero workplace accidents or incidents, improve occupational health and safety training, and enhance emergency response procedures.<br><br>**Governance:**<br>a. Improved transparency, accountability, and compliance with regulatory requirement. |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | As part of our commitment to environmental responsibility, we have undertaken several targeted initiatives aimed at reducing our carbon footprint, conserving natural resources, and improving operational efficiency. These actions align with our broader sustainability goals and reflect measurable progress towards our climate and resource stewardship commitments.<br><br>1. **GHG Emissions Reduction (Scope 1)**: In alignment with our GHG reductions targets, we have significantly lowered coal consumption. Previously, Cogen high-pressure boiler consumed approximately 5,000 MT of coal per month. This has now been reduced by 1500 metric tons per month, leading to a substantial decreased in Scope 1 GHG emissions.<br><br>2. **Water Stewardship**: Supporting national water conservation efforts under the Ministry of Environment, Forest and Climate Change (MoEFCC), we have successfully harvested 51,82,527 KL of rainwater. This initiative has entirely offset the need for an equivalent volume of water from third-party sources. This achievement marks significant progress towards attaining water positive status, strengthening our ESG credentials, and positioning us to be eligible for green credits benefits.<br><br>3. **Hybrid Renewable Energy Integration:** We have advanced our low-carbon transition by implementing a hybrid renewable energy solution via a 66kV power import system from the Gujarat Electricity Board, delivering 9,963.52 MWh of electricity in FY 2024-25, thus replacing two-45 TPH Boilers and one Steam Turbine Generator. This resulted in significant reduction in the consumption of Coal and reducing our overall carbon footprint, reinforcing our decarbonization commitment and exemplifying green leadership.<br><br>4. **Energy Efficiency:** As part of our energy optimization strategy, we have:<br><br>• Installed a 132 kW VFD panel for the cooling tower pump, resulting in substantial energy savings. |

| | |
|---|---|
| | • Installed a 55kW VFD for the Bromine plant compressor to further boost efficiency.<br>• Commissioned an Automatic Power Factor Correction (APFC) panel at PS-9, which has enhanced power factor performance, leading to optimized power usage and improved electrical efficiency.<br><br>These measures support Scope 2 emissions reduction and reinforce our commitment to green operational practices. These combined efforts demonstrate our proactive approach to minimizing environmental impact while enhancing resource efficiency and helping us advance meaningfully towards our environmental commitments.<br><br>**5. Health, Safety, and Process Safety**<br><br>The Hajipir plant adopts a comprehensive approach to health and safety, legal compliance, and Process Safety Management (PSM). Regular audits, continuous employee training, and strict protocols for the safe handling and storage of hazardous chemicals form the backbone of its safety culture. The plant emphasizes proactive risk prevention and mitigation measures for spills, leaks, fires, and explosions, while also promoting ergonomic safety practices. With a strong focus on legal and regulatory compliance, the plant drives continuous improvement to meet industry standards and ensure the highest levels of safety and environmental protection across all operations. |
| **Governance Leadership and Oversight** | |
| 7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements<br><br>Refer page 71 | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. N R Kannan<br><br>Executive Director |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes,<br><br>Mr. N R Kannan<br><br>Executive Director |

| 10. Details of Review of NGRBCs by the Company: | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee** | | | | | | | | | **Frequency (Annually/Half - yearly/Quarterly/Any other – please specify)** | | | | | | | | |
| | **P1** | **P2** | **P3** | **P4** | **P5** | **P6** | **P7** | **P8** | **P9** | **P1** | **P2** | **P3** | **P4** | **P5** | **P6** | **P7** | **P8** | **P9** |
| Performance against above policies and follow up action | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | A | A | A | A | A | A | A | A |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | A | A | A | A | A | A | A | A |
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. | | | | | | | | | | We have not carried out independent assessment of the working of our policies by an external agency. | | | | | | | | |

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

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

## SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

### Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable

We are committed to conducting our business with integrity, ensuring our operations are ethical, transparent, and accountable. Guided by our Code of Conduct, which applies to our Directors and senior management, we uphold the highest standards of professional behaviour. To reinforce these principles, we provide relevant training to our employees and value chain partners, equipping them to identify and address ethical concerns effectively. Our Business Responsibility and Sustainability Policy further offers clear guidance to help recognize and navigate ethical issues, ensuring our decisions align with our core values and industry standards.

**SDG Linkages-**


### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | % of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 4 | • Familiarisation Programs for Directors<br>• Directors and Officers Liability Insurance | 100% |
| Key managerial personnel | 4 | • POSH Awareness Session<br>• Sleep Well, Work Well' Online Session! - Wellness<br>• Session on Empowering Her Future: Challenges, Perspectives, and Support for the Girl Child<br>• NPS Session - Retirement Benefit | 100% |
| Employees other than BoD and KMPs | 5 | • POSH Awareness Session:<br>• Sleep Well, Work Well' Online Session! - Wellness<br>• Session on Empowering Her Future: Challenges, Perspectives, and Support for the Girl Child<br>• NPS Session - Retirement Benefit<br>• Interpersonal Skills | 100% |
| Workers | Not applicable | | |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| **Monetary** | | | | | |
|---|---|---|---|---|---|
| | **NGRBC Principle** | **Name of the regulatory/ enforcement agency/ judicial institutions** | **Amount (In INR)** | **Brief of the Case** | **Has an appeal been preferred? (Yes/No)** |
| Penalty/ Fine | Nil | | | | |
| Settlement | | | | | |
| Compounding fee | | | | | |

| **Non-Monetary** | | | | |
|---|---|---|---|---|
| | **NGRBC Principle** | **Name of the regulatory/ enforcement agency/ judicial institutions** | **Brief of the Case** | **Has an appeal been preferred? (Yes/No)** |
| Imprisonment | Nil | | | |
| Punishment | | | | |

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

| **Case Details** | **Name of the regulatory/ enforcement agencies/ judicial institutions** |
|---|---|
| Not applicable | |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

The Company has established a comprehensive Anti-Bribery and Anti-Corruption policy that applies to all employees, Directors, associates, and third parties representing or acting on its behalf. This policy is designed to uphold the organization's commitment to ethical business practices by preventing and prohibiting any form of bribery, corruption, or related misconduct. It forbids offering, promising, or providing anything of value to government officials, individuals, or entities to influence their actions or secure business advantages. Similarly accepting gifts, entertainment or other benefits from clients or external parties that could compromise or appear to compromise professional judgement is prohibited.

The policy emphasizes the collective responsibility of all stakeholders to adhere to and enforce its provisions. Violations can lead to significant consequences, including criminal or civil liability, prosecution and fines. To ensure its continued relevance and effectiveness, the policy undergoes periodic reviews and updates in response to changes in applicable laws and regulations. Furthermore, the Company provides a designated, confidential channel for reporting potential violations, promoting a culture of transparency and accountability. The weblink can be accessed here - https://www.archeanchemicals.com/investor-relations/admin/assets/products/Anti%20Bribery%20and%20Anti%20Corruption%20Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Directors | Nil | |
| KMPs | | |
| Employees | | |
| Workers | | |

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

| | FY 2024-25 | | FY 2023-24 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | | | |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | | | | |

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Number of days of accounts payables | 74 | 48 |

9. Open-ness of business

| Parameter | Metrics | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | Nil | 15% |
| | b. Number of trading houses where purchases are made from | Nil | 13 |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | Our purchases from Trading houses are made as needed and are not on a regular basis. | |
| Concentration of Sales | a. Sales to dealers / distributors as % of total sales | Nil | Nil |
| | b. Number of dealers / distributors to whom sales are made | N.A. | N.A. |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | N.A. | N.A. |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | Nil | Nil |
| | b. Sales (Sales to related parties / Total Sales) | 4.69% | 3.63% |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | 85.46% | 95.92% |
| | d. Investments (Investments in related parties / Total Investments made) | 7.46% | 3.17% |

** A trading house is a business that specializes in facilitating transactions between a home country and foreign countries.*

## Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year

| Total number of awareness programmes held | Topics / principles covered under the training | % of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| 1 | Heavy Machinery Operating Safety Procedure by External Agency to Salt Harvesting Vendor workmen | 5% |
| 1 | Defensive Driving Training by External Agency to C-2 Contractual Workers | 30% |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

   Yes, each Director of the Company is required to disclose any interests or affiliations they may have in the Company, other businesses, corporate entities, partnerships, or associations of individuals. This includes shareholding or any other financial or personal involvement and must be reported annually or whenever a change occurs.

   In addition, Directors are required to sign an annual declaration under the Company's Code of Conduct, affirming their commitment to act in the best interests of the Company. They must also confirm that any external business or personal affiliations do not present a conflict of interest with the Company's operations or their role within it.

   Similarly, members of senior management must annually declare that they have not engaged in any significant financial or business transactions that could potentially give rise to a conflict of interest with the Company.

## Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

We have seamlessly integrated the principles of safety and sustainability into our processes and products throughout their life cycle- from raw material procurement and product design to manufacturing and final delivery. Our focus remains on ensuring the safe and efficient use of resources at every stage, including recycling wherever possible. We are committed to investing in R&D to enhance our processes, enabling us to create resource efficient and sustainable products. To further support responsible practices, we conduct thorough supplier assessments as part of our vendor registration, ensuring sustainable sourcing across our value chain.

### SDG Linkages


## Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | FY 2024-25 | FY 2023-24 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | - | 100% | Investment of INR 1.29 crore in FY 2023-24 in developing battery technologies that can be sourced sustainably and contribute to the environmental betterment |
| Capex | - | 8% | Investment of INR 7.30 crore in FY 2023-24 for reducing the carbon usage and emissions at site by installing Solar system. |

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

We uphold responsible procurement practices by ensuring that all vendors meet strict standards for environmental responsibility, occupational health and safety, and ethical conduct.

Our Supplier Code of Conduct establishes clear guidelines for sustainable business practices, adhering to legal regulations, ethical standards, human rights protections, and environmental management. We expect our suppliers to honour these commitments both in principle and in action.

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

We strive to improve our coverage of sustainable sourcing on a going forward basis.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company does not have any specific product to reclaim at the end of life. However, at the project and operation sites, there are systems in place to recycle, reuse and dispose in line with regulatory requirement for the above waste being generated during constructions and operations.

i. Plastics (including packaging) – Sold to authorized recyclers.

ii. E-waste –Sold to authorized recyclers.

iii. Hazardous waste and other waste – Sold to authorized recyclers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR does not apply to our business, as we manufacture chemicals compounds rather than specific plastic, electrical, or electronic products that fall under EPR regulations. Our products serve as intermediate goods for clients who use them to produce finished products. When our customers recycle these finished products through authorized recyclers, the packaging materials are classified as pre-consumer plastic waste. Additionally, any plastic waste from packaging materials used in our input products is also recycled by authorized recyclers.

## Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No, we have not conducted any LCA study in the FY 2024-25.

| NIC Code | Name of Product / Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency | Results communicated in public domain | If yes, provide the web-link. |
|---|---|---|---|---|---|---|
| Nil | | | | | | |

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---|---|---|
| Not applicable | | |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2024-25 | FY 2023-24 |
| Nil | | |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Reused | Recycled | Safely disposed | Reused | Recycled | Safely disposed |
| Plastics (including packaging) | Not applicable | | | | | |
| E-waste | | | | | | |
| Hazardous waste | | | | | | |
| Other waste | | | | | | |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| Bromine Bottles | 1.74% |

## Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Our employees are key to our growth, and we are committed to their professional development through timely career reviews and learning opportunities through trainings and upskilling. As a responsible organization, we strive to maintain a positive and engaging work environment where employees feel valued and supported. We adhere strictly to all applicable laws and regulations, with zero tolerance to child labour, forced or bonded labour, and any form of discrimination. Our policies, procedures, and practices are designed to promote employee well-being, diversity, safety and health ensuring a respectful and inclusive workplace. We extend these commitments to our value chain partners, ensuring we collaborate with socially responsible businesses that uphold ethical standards.

### SDG Linkages


## Essential Indicators

1. a. Details of measures for the well-being of employees

| Category | % Of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D /A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 257 | 257 | 100% | 257 | 100% | NA | NA | 257 | 100% | NA | NA |
| Female | 5 | 5 | 100% | 5 | 100% | 5 | 100% | NA | NA | NA | NA |
| **Total** | **262** | **262** | **100%** | **262** | **100%** | **5** | **100%** | **257** | **100%** | **NA** | **NA** |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 445 | 445 | 100% | 445 | 100% | NA | NA | NA | NA | NA | NA |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **445** | **445** | **100%** | **445** | **100%** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |

b. Details of measures for the well-being of workers:

| Category | % Of workers covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Total | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Total | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Cost incurred on well-being measures as a % of total revenue of the Company | 0.53% | 0.31% |

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

| Benefits | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/NA) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/NA) |
| PF | 100% | NA | Y | 100% | NA | Y |
| Gratuity | 100% | NA | Y | 100% | NA | Y |
| ESI | 100% | NA | Y | 100% | NA | Y |
| Others –please specify | NA | NA | NA | NA | NA | NA |

3. Accessibility of workplaces

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   Yes, the Company's permanent office buildings and manufacturing facilities are largely accessible to employees and workers with disabilities, in compliance with requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

   Yes, Equal Opportunity Policy for Persons with Disabilities (PwD) is adopted by the Company. The policy is committed to ensuring fair and equitable opportunities to persons with disabilities in recruitment while establishing an inclusive and accessible work environment. It is designed to uphold their rights prevents discrimination, and promote diversity, dignity, and respect in the workplace. Weblink of the policy is available here – https://www.archeanchemicals.com/investor-relations/admin/assets/products/Equal%20Opportunity%20Policy.pdf

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

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | NA | NA |
| Female | Nil | Nil | NA | NA |
| **Total** | **100%** | **100%** | NA | NA |

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

| | Yes / No (If yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | Not applicable |
| Other than permanent workers | |
| Permanent Employees | Yes, the Internal Grievance Redressal Policy ensures employees have easy and seamless access to prompt resolution of their concerns. An employee with a grievance may submit it either orally or in writing to their immediate supervisor and will receive a written response, signed by the manager or Head of Department (HoD), within 10 days outlining the action taken. If the employee is not satisfied with the response, the manager or HoD will escalate the matter to the grievance committee, which will review the issue, and provide a detailed response, including the minutes of the meeting, within 10 days. If the employee remains dissatisfied, they may escalate the matter to the unit head, who will review the case and provide a final resolution within 15 days from the date of escalation. |
| Other than permanent employees | |

| | Kindly refer to our Internal grievance policy for more details - https://www.archeanchemicals.com/investor-relations/admin/assets/products/Internal%20Grievance%20Policy.pdf |
|---|---|

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

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total employees/ workers in respective category (A) | No. of employees/ workers in the respective category, who are part of the association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees/ workers in the respective category, who are part of the association(s) or Union (D) | % (D/C) |
| **Total Permanent Employees** | | | | | | |
| **Male** | NA | NA | NA | NA | NA | NA |
| **Female** | NA | NA | NA | NA | NA | NA |
| **Total** | NA | NA | NA | NA | NA | NA |
| **Total Permanent Workers** | | | | | | |
| **Male** | NA | NA | NA | NA | NA | NA |
| **Female** | NA | NA | NA | NA | NA | NA |
| **Total** | NA | NA | NA | NA | NA | NA |

8. Details of training given to employees and workers:

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On health and safety measures | | On skill upgradation | | Total (D) | On health and safety measures | | On skill upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| Male | 257 | 257 | 100% | 257 | 100% | 284 | 284 | 100% | 284 | 100% |
| Female | 5 | 5 | 100% | 5 | 100% | 4 | 4 | 100% | 4 | 100% |
| **Total** | **262** | **262** | **100%** | **262** | **100%** | **288** | **288** | **100%** | **288** | **100%** |
| **Workers** | | | | | | | | | | |
| Male | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Total** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |

9. Details of performance and career development reviews of employees and workers

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| Male | 257 | 257 | 100% | 284 | 284 | 100% |
| Female | 5 | 5 | 100% | 4 | 4 | 100% |
| **Total** | **262** | **262** | **100%** | **288** | **288** | **100%** |
| **Workers** | | | | | | |
| Male | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA |
| **Total** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? *(Yes/ No).* If yes, what is the coverage of such a system?

Yes, Our Safety and Health Management System covers all manufacturing facilities, offices, research labs, and supply chain partners, ensuring environmental protection while prioritizing the health and safety of employees, contractors, visitors, and other key stakeholders. Through our Integrated Management System policy, we are committed to continuously improving occupational health and safety standards across our operations.

Kindly refer to our IMS policy for more details: https://www.archeanchemicals.com/investor-relations/admin/assets/products/IMS%20Policy_English.pdf

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Processes used for identifying workplace hazards include Job Safety Analysis (JSA), Hazard Identification and Risk Assessment (HIRA), and Hazard and Operability Study (HAZOP).

1. Hazard Identification of Various Routine and Non-Routine Activities
   - i) Classifying work activities
   - ii) Identifying hazards and describing hazardous events
   - iii) Identify risk controls
   - iv) Determine risk
2. Risk Assessment for Identified Hazard
   - i) Estimation of the potential severity of consequence
   - ii) Estimating the likelihood (degree of certainty/uncertainty)
   - iii) Categorization of Risks levels (Intolerable, Substantial and Moderate risk levels are unacceptable risk and Trivial and Tolerable levels are acceptable risks)

3. Actions & Time Scale
   i) Based on the Risk Level, Risk reduction/control measures implemented within defined timelines
   ii) Ensure controls are maintained

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

   Yes. Our Safety reporting process is available at all locations. We have established robust procedures that allow workers to report work-related hazards and remove themselves from potentially dangerous situations. Employees are encouraged to report unsafe conditions promptly, either to their supervisors, the safety officer, or the designated controller.

   Additionally, our suggestion box provides a confidential way for workers to raise safety concerns without fear of reprisal. The safety committee, which meets regularly, also serves as a platform for reviewing and addressing reported hazards. This proactive approach ensures swift resolution of safety issues, promoting a strong culture of health and safety.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

   Yes, The Employees have access to Group Mediclaim Policy, Group Personal Accident Policy & Employer Liability Policy.

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

| Safety incident/number | Category | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked) | Employees | Nil | Nil |
| | Workers | NA | NA |
| Total recordable work-related injuries | Employees | Nil | Nil |
| | Workers | NA | NA |
| No. of fatalities | Employees | Nil | Nil |
| | Workers | NA | NA |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | Nil | Nil |
| | Workers | NA | NA |

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

    To ensure the highest standards of Health, Safety and corporate responsibility, our Company is committed to the following initiatives:

    - Demonstrating the highest standards of corporate behaviour towards customers, workers, and the communities where we operate
    - Developing, implementing, and maintaining comprehensive systems at work place that meet corporate standards and legal requirements for environmental preservation and employee's safety.
    - Leveraging robust technology to ensure health and safety.
    - Celebrating Safety Week and organizing competitions to motivate safe working practices.
    - Implementing ISO 45001 to establish advanced safety management structures.

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

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working conditions | Nil | Nil | Nil | Nil | Nil | Nil |
| Health & safety | Nil | Nil | Nil | Nil | Nil | Nil |

14. Assessments for the year

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% - Third party safety audit - Once in a year |
| Working conditions | |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

    No corrective actions were necessary as there were no concerns raised regarding Health & Safety practices and Working conditions.

## Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

   Yes, the Company has extended life insurance package for all its permanent employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   The Company monitors remittance of statutory dues by value chain partners while processing their invoices on a regular basis.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

| | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2024-25 | FY 2023-24 | FY 2024-25 | FY 2023-24 |
| Employees | Nil | Nil | Nil | Nil |
| Workers | Nil | Nil | Nil | Nil |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   Yes. Financial Management (investment planning, returns planning), Retirement planning, Saving Scheme related, awareness Programs are conducted.

5. Details on assessment of value chain partners:

| | **% of value chain partners (by value of business done with such partners) that were assessed** |
|---|---|
| Health and safety practices | There are no assessments conducted on value chain partners; however, we ensure that all our vendors are educated on our various policies and statutory obligation during the vendor induction process and while signing MOU/Work Order Agreement. |
| Working Conditions | |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

   As no significant risk/concern was reported on health, safety and/or working conditions in value chain partners, no corrective actions taken.

## Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

We regularly and actively engage with our stakeholders through regular communications, collaboration, and feedback mechanisms to ensure their concerns and expectations are well understood. This proactive approach not only helps us build trust but also enhances business growth by aligning our strategies with stakeholder needs. By maintaining transparent conduct and dialogue with our customers, suppliers, employees, and communities, we can identify opportunities, address risks, and improve decision-making processes, ultimately strengthening our operations and driving long-term success.

**SDG Linkages-**


## Essential Indicators

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

   Stakeholders are identified by the Management. These stakeholders are individuals, groups, or entities that have an interest in or are impacted by an organization’s activities, decisions, and outcomes. They include internal stakeholders-such as employees, managers, and shareholders-who are directly involved in operations, and external stakeholders-such as customers, suppliers, investors, regulators, and community members-who influence or are affected by the organizations from the outside.

Recognizing their vital role in our success and long-term sustainability, we actively engage with key stakeholders under the strategic direction on senior management. Through open dialogue and feedback, we gain valuable insights that inform our ESG strategy and broader business decisions.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

| Stakeholder group | Whether identified as vulnerable & marginalised group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other- Please Specify | Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Investors | No | Emails, Advertisements in Newspaper, Virtual Meetings and website. | Quarterly, Half-yearly, Annually and as and when needed. | Announcing the financial results to the investors, postal ballot educating and encouraging the shareholders to exercise their voting rights in shareholders meetings |
| Employees | No | Emails, Notices and other communication mechanisms | Need based | Employee Engagement including training and Awareness, performance appraisal etc. |
| Leadership | No | Emails, Notices and other communication mechanisms | Frequent and need based | Follow up for group meetings and compliances with policies of the Company |
| Local Communities | Yes (Case specific) | Directly or through CSR foundation | Frequent and need based | Support socially/by CSR activities to satisfy needs of society/ communities |
| Customers | No | Multiple Channel- Physical and digital | Frequent and need based | Compliance, service quality, deadline and due dates, concerns and queries. |

## Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The management frequently communicates with stakeholders such as investors, clients, vendors, employees, etc. The following are the modes of discussions with stakeholders:

a) Investors meet is conducted on a quarterly basis to discuss the business and ESG performance.

b) Analysts meet is organized quarterly where our Chief Financial Officer, Managing Director and Deputy General Manager Finance will participate to obtain inputs on ESG topics.

c) Clients meet is conducted by the marketing team to get client's input on ESG metrics

d) Ad hoc discussions between MD and employees to understand the key concerns

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes. The identification and effective management of significant environmental and social issues are strongly supported through structured and ongoing stakeholder engagement. The Company maintains continuous and meaningful dialogue with a broad spectrum of stakeholders which provide valuable insights and feedback, thus informing the Company's understanding of stakeholder expectations and emerging sustainability risks and opportunities. As a result, this stakeholder engagement process plays a critical role in shaping and refining the Company's environmental and social policies, ensuring that they are both responsive to stakeholder concerns and aligned with broader sustainability objectives.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   The Company demonstrates a strong commitment to social responsibility by actively supporting education and implementing targeted initiatives to uplift underprivileged communities, both directly and through its industrial operations. Beyond, these efforts, the Company works to enhance access to quality healthcare, ensure the availability of safe drinking water, and raise awareness on a range of critical issues including mental health, environmental sustainability, rural development, water conservation, and sanitation. These initiatives reflect the Company's broader mission to contribute meaningfully to societal well-being. Detailed information on the scope, impact, and beneficiaries of these efforts is outlines in our Corporate Social Responsibility (CSR) Report.

## Principle 5: Businesses should respect and promote human rights

We understand that human rights are essential, mutually linked and interdependent in nature and we strive to ensure that our employees basic human rights are safe guarded. We are dedicated to adhering to the principles outlined by both Indian regulations as well as International bill of Human Rights. To promote awareness, we conduct regular training sessions for our employees and encourage our business partners to comply with human rights regulations. Human rights considerations are integrated into our management systems through detailed assessments of our operations. Additionally, we ensure that all individuals impacted by our operations have access to effective redressal mechanisms.

### SDG Linkages

## Essential Indicators

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

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| **Employees** | | | | | | |
| Permanent | 262 | 262 | 100% | 288 | 288 | 100% |
| Other than permanent | 445 | 445 | 100% | 386 | 386 | 100% |
| **Total employees** | **707** | **707** | **100%** | **674** | **674** | **100%** |
| **Workers** | | | | | | |
| Permanent | NA | NA | NA | NA | NA | NA |
| Other than permanent | NA | NA | NA | NA | NA | NA |
| **Total workers** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |

2. Details of minimum wages paid to employees and workers

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | More than minimum wage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| **Male** | 257 | - | - | 257 | 100% | 284 | - | - | 284 | 100% |
| **Female** | 5 | - | - | 5 | 100% | 4 | - | - | 4 | 100% |
| **Other than permanent** | | | | | | | | | | |
| **Male** | 445 | 208 | 47% | 237 | 53% | 386 | 232 | 60% | 154 | 40% |
| **Female** | - | - | - | - | - | - | - | - | - | - |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| **Male** | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Female** | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Other than permanent** | | | | | | | | | | |
| **Male** | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Female** | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) Executive | 1* | 763.49 lakhs | - | - |
| Key Managerial Personnel | 3 | 112.50 lakhs | - | - |
| Employees other than BoD and KMP | 253 | 6.22 lakhs | 5 | 6.00 lakhs |
| Workers | NA | | | |

**The remaining Board members receive only sitting fees for attending meetings of the board/ committee.*

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Gross wages paid to females as % of total wages | 0.91% | 1.52% |

4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   Yes, the Head of HR Department leads the group that addresses the human rights issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Yes, all grievances are formally received and addressed by the respective manufacturing unit heads and project or business unit heads, through the coordination with the HR. Each grievance is thoroughly investigated, and appropriate measures are taken to resolve the issue. Where necessary, disciplinary actions are initiated, and support from relevant regulatory authorities are sought.

6. Number of complaints on the following made by employees and workers:

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed During the year | Pending resolution at the end of year | Remarks |
| Sexual harassment | Nil | Nil | Nil | Nil | Nil | Nil |
| Discrimination at workplace | Nil | Nil | Nil | Nil | Nil | Nil |
| Child labour | Nil | Nil | Nil | Nil | Nil | Nil |

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed During the year | Pending resolution at the end of year | Remarks |
| Forced labour / Involuntary labour | Nil | Nil | Nil | Nil | Nil | Nil |
| Wages | Nil | Nil | Nil | Nil | Nil | Nil |
| Other human rights-related issues | Nil | Nil | Nil | Nil | Nil | Nil |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | Nil | Nil |
| Complaints on POSH as a % of female employees / workers | Nil | Nil |
| Complaints on POSH upheld | Nil | Nil |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   We have implemented a robust Vigil Mechanism (Whistleblower Policy) and a Prevention of Sexual Harassment (POSH) policy, to promote a culture of transparency, accountability, and safety. These policies provide employees with a secure and confidential channel to report any unethical practices, misconduct, non-compliance, or behaviour that could adversely affect the organization, including financial losses or reputational damage. Importantly these mechanisms ensure that employees can report such concerns without the fear of retaliation. Adequate protections and safeguards are in place to prevent any form of victimization of the complainants.

   Additionally, the Company's Code of Conduct sets clear expectations for ethical behaviour and responsible conduct. All employees are required to act with integrity and accountability in their professional roles. To further strengthen our commitments to workplace safety and inclusivity, the Company has constituted Internal Committees at all locations, in line with the POSH Act. These committees are responsible for protecting the rights of women at the workplace. Their mandate includes receiving complaints, conducting impartial investigations, and recommending appropriate corrective actions, thereby ensuring a respectful, fair and secure environment for all.

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

   Yes. Our business agreements and contracts include mandatory clauses that address key statutory and regulatory requirements related to human rights, prohibition of child labour, equal pay, and social security, ensuring these principles are upheld across our operations and partnerships.

10. Assessments of the year

| | % of your plants and offices that were assessed (by the entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100% through statutory compliance |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – please specify | |

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    No risk/concern has arisen and there is no necessity for corrective action.

## Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   No Grievance/complaints received and there was no necessity for modification of business process.

2. Details of the scope and coverage of any Human rights due diligence conducted

   We ensure compliance with awareness of Legal and Regulatory requirements at all levels by conducting regular HR and safety audits.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Most of the permanent facilities and office buildings of Archean Chemical are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | There are no assessments conducted on value chain partners; however, we ensure that all our vendors are educated on our various policies and statutory obligations |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/Involuntary Labour | |
| Wages | |
| Others – please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   There is no risk identified. Hence no corrective action has been taken.

## Principle 6: Businesses should respect and make efforts to protect and restore the environment

We are committed to safeguarding the environment and ensuring safety in all our operations. We prioritize the conservation of natural resources and actively work to minimize our ecological impact. By using both natural and man-made resources responsibly, we strive for efficiency in energy and water consumption.

Our approach to sustainability focuses on reducing waste, reusing materials, recycling, and implementing effective waste management practices to ensure operational resilience, we have robust contingency plans in place to prevent, mitigate, and manage environmental risks and potential disasters.

### SDG Linkages


## Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

| | Unit# | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| **From renewable sources** | | | |
| Total electricity consumption (A) | TJ | 41.26 | - |
| Total fuel consumption (B) | TJ | - | - |
| Energy consumption through other sources (C) | TJ | - | - |
| **Total energy consumption (A+B+C)** | TJ | **41.26** | - |
| **From non-renewable sources** | | | |
| Total electricity consumption (D) | TJ | 98.29 | 18.08 |
| Total fuel consumption (E)@ | TJ | 795.87 | 1,342.78 |
| Energy consumption through other sources (F) | TJ | - | - |
| **Total energy consumed from non-renewable sources (D+E+F)** | TJ | **935.43** | **1,360.86** |
| **Total energy consumed (A+B+C+D+E+F)** | TJ | **935.43** | **1,360.86** |
| **Energy intensity per rupee of turnover** (Total energy consumption/ turnover in rupees) | TJ / million INR | 0.09 | 0.10 |
| **Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total energy consumed / Revenue from operations adjusted for PPP*) | TJ / million INR adjusted for PPP | 2.07 | 2.34 |
| **Energy intensity in terms of physical output** | TJ / MT of production | 0.0002 | 0.0003 |

* PPP conversion factor by World Bank is considered for calculation.

#TJ – Tera Joules

@ The data for fuel consumption pertaining to mobile combustion is included.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There was no independent assessment/ evaluation/ assurance carried out by an external agency.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | 51,82,527 | - |
| (ii) Groundwater | - | - |
| (iii) Third-party water | 18,90,978 | 3,01,350 |
| (iv) Seawater / desalinated water | - | 59,22,457 |
| (v) Others | - | - |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | **70,73,505** | **62,23,807** |
| **Total volume of water consumption (in kilolitres)** | **70,73,505** | **62,23,807** |
| **Water intensity per rupee of turnover** (Total water consumption / Revenue from operations) **kL / million INR** | 697.73 | 468.10 |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption / Revenue from operations adjusted for PPP) **kL / million INR adjusted for PPP** | 15,629.10 | 10,672.70 |
| **Water intensity in terms of physical output kL / MT of production** | 1.75 | 1.46 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There was no independent assessment/ evaluation/ assurance carried out by an external agency

4. Provide the following details related to water discharged

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | | |
| No treatment | Nil | Nil |

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| With treatment – please specify level of treatment | Nil | Nil |
| (ii) To Groundwater | | |
| No treatment | Nil | Nil |
| With treatment – please specify level of treatment | Nil | Nil |
| (iii) To Seawater | | |
| No treatment | Nil | Nil |
| With treatment – please specify level of treatment | Nil | Nil |
| (iv) Sent to third-parties | | |
| No Treatment* | 3,82,449 | 2,41,080 |
| With treatment – please specify level of treatment | Nil | Nil |
| (v) Others | | |
| No treatment | Nil | Nil |
| With treatment – please specify level of treatment | Nil | Nil |
| **Total water discharged (in kilolitres)** | **3,82,449** | **2,41,080** |

** This refers to water discharged from corporate office buildings*

*- There are mechanisms to ensure zero liquid discharge from the plant.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There was no independent assessment/ evaluation/ assurance carried out by an external agency

5. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

   Yes, Acidic brine generated from the feed enrichments section undergoes partial neutralization in the salt bed neutralization area. Subsequently, it is blended with fresh brine to adjust the pH to the desired range of 6.5-8.5, before being safely recycled into the solar pond.

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

| Parameter | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| NOx | *µg/m3* | 16.50 | 17.01 |
| SOx | *µg/m3* | 40.30 | 42.11 |
| Particulate matter (PM) | *µg/m3* | 36.00 | 34.00 |
| Persistent organic pollutants (POP) | - | NA | NA |
| Volatile organic compounds (VOC) | *µg/m3* | NA | NA |
| Hazardous air pollutants (HAP) | - | NA | NA |
| Others – please specify | - | NA | NA |

Note: Indicate if any independent assessment/ evaluation/assurance have been carried out by an external agency? (Y/N) If yes, name of the external agency.

There was no independent assessment/ evaluation/ assurance carried out by an external agency

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

| Parameter | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 75,631.92 | 1,28,768.78 |
| **Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 19,850.05 | 3,594.15 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | Metric tonnes of CO2 equivalent / million INR | 9.42 | 9.96 |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | Metric tonnes of CO2 equivalent / million INR adjusted for PPP | 210.97 | 227.78 |
| **Total Scope 1 and Scope 2 emission intensity in terms of physical output** | Metric tonnes of CO2 equivalent / MT of production | 0.02 | 0.03 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There was no independent assessment/ evaluation/ assurance carried out by an external agency

8. Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details.

We have undertaken targeted projects to reduce green house gas emissions as mentioned below:

1. **GHG Emissions Reduction (Scope 1)**: In alignment with our GHG reductions targets, we have significantly lowered coal consumption. Previously, our 45 TPH high-pressure boiler consumed approximately 5,000 MT of coal per month. This has now been reduced by 1,500 MT per month, leading to a substantial decreased in Scope 1 GHG emissions.

2. **Hybrid Renewable Energy Integration:** We have advanced our low-carbon transition by implementing a hybrid renewable energy solution via a 66kV power import system from the Gujarat Electricity Board, delivering 9,963.52 MWh of electricity in FY 2024-25, thus replacing two-45 TPH Boilers and one Steam Turbine Generator. This resulted in significant reduction in the consumption of Coal and reducing our overall carbon footprint, reinforcing our decarbonization commitment and exemplifying green leadership.

3. **Energy Efficiency:** As part of our energy optimization strategy, we have:

   - Installed a 132 kW VFD panel for the cooling tower pump, resulting in substantial energy savings.

- Installed a 55kW VFD for the Bromine plant compressor to further boost efficiency.
- Commissioned an Automatic Power Factor Correction (APFC) panel at PS-9, which has enhanced power factor performance, leading to optimized power usage and improved electrical efficiency.

This supports Scope 2 emissions reduction and reinforce our commitment to green operational practices.

These combined efforts demonstrate our proactive approach to minimizing environmental impact while enhancing resource efficiency and helping us advance meaningfully towards our environmental commitments.

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

| **Parameter** | **FY 2024-25** | **FY 2023-24** |
|---|---|---|
| Total waste generated (in metric tonnes) | | |
| Plastic waste (A) | 1.00 | 1.82 |
| E-waste (B) | 0.10 | 0.02 |
| Bio-medical waste (C) | 0.06 | 0.02 |
| Construction and demolition waste (D) | NA | NA |
| Battery waste (E) | NA | NA |
| Radioactive waste (F) | NA | NA |
| Other Hazardous waste. Please specify, if any (G)<br>Waste Oil<br>Sludge | <br>0.14<br>- | <br>0.28<br>9,078.00 |
| Other Non-hazardous waste generated (H). Please specify, if any. | 3,932.00* | - |
| (Break-up by composition i.e. by materials relevant to the sector) | | |
| **Total (A + B + C + D + E + F + G + H)** | **3,933.30** | **9,080.14** |
| **Waste intensity per rupee of turnover** (Total waste generated/ Revenue from Operations) **MT/ million INR** | 0.39 | 0.68 |
| **Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total waste generated / Revenue from operations adjusted for PPP) **MT/ million INR adjusted for PPP** | 8.69 | 15.63 |
| **Waste intensity in terms of physical output MT / MT of production** | 0.0010 | 0.0022 |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | 1.24 | 2.12 |

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| (ii) Re-used | 3,932.00 | 9,078.00 |
| (iii) Other recovery operations | - | - |
| **Total** | **3,933.24** | **9,080.12** |
| **For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | 0.06 | 0.02 |
| (ii) Landfilling | - | - |
| (iii) Other disposal operations | - | - |
| **Total** | **0.06** | **0.02** |

**Sludge is being considered as Non-Hazardous waste based on an approval obtained by Gujarat Pollution Control Board to use it for bund construction. The substantial reduction in sludge generation is due to a recent modification to our treatment process leading to significant decrease in lime consumption for neutralization.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

There was no independent assessment/ evaluation/ assurance carried out by an external agency

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

    We fully comply with all applicable statutory waste management regulations and ensure 100% disposal of waste in accordance with prescribed norms. Waste is systematically segregated and stored based on its type and characteristics, ensuring safe handling and efficient disposal. All waste is managed in alignment with the timelines mandated with regulatory authorities.

    At our manufacturing facility, MS scrap generated from operations is sold to local authorised vendors. E-waste is disposed of through vendors approved by the Pollution Control Board. Plastic waste is managed and disposed of through agencies authorized by the Gujarat Pollution Control Board.

    Additionally, bio-medical waste, arising from first aid services provided within the premises, is collected by the Occupational Health Centre (OHC). This waste is subsequently picked up and disposed of by the GPCB through their designated channels, ensuring compliance with all applicable health and safety standards.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

| Sr. No. | Location of operations / offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| 1 | Hajipir Site | Manufacturing | Yes |

12. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (yes/ no) | Relevant Web link |
|---|---|---|---|---|---|
| N/A | | | | | |

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances:

    Yes. All the projects and industrial facilities of Archean Chemicals follow the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder.

| Sr. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken if any |
|---|---|---|---|---|
| Not applicable | | | | |

## Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

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

   (i) Name of the area: Chennai

   (ii) Nature of operations: Corporate Office

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

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Water withdrawal by source **(in kilolitres)** | | |
| (i) Surface water | NA | NA |
| (ii) Groundwater | NA | NA |
| (iii) Third party water | 4,78,062 | 3,01,350 |
| (iv) Seawater / desalinated water | NA | NA |
| (v) Others | NA | NA |
| **Total volume of water withdrawal (in kilolitres)** | **4,78,062** | **3,01,350** |
| **Total volume of water consumption (in kilolitres)** | **4,78,062** | **3,01,350** |
| **Water intensity per rupee of turnover** (Water consumed / turnover) **kL / million INR** | 47.16 | 22.66 |
| Water intensity in terms of physical output **kL / MT of production** | 0.12 | 0.07 |
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) Into Surface water | | |
| No treatment | NA | NA |
| With treatment – please specify level of treatment | NA | NA |
| (ii) Into Groundwater | | |
| No treatment | NA | NA |
| With treatment – please specify level of treatment | NA | NA |
| (iii) Into Seawater | | |
| No treatment | NA | NA |
| With treatment – please specify level of treatment | NA | NA |
| (iv) Sent to third-parties | | |
| No treatment | 3,82,449 | 2,41,080 |
| With treatment – please specify level of treatment | NA | NA |
| (v) Others | | |
| No treatment | NA | NA |
| With treatment – please specify level of treatment | NA | NA |
| **Total water discharged (in kilolitres)** | **3,82,449** | **2,41,080** |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

| | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Total Scope 3 emissions ((Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | We have not currently quantified the Scope 3 emission details | |

| | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Total Scope 3 emissions per rupee of turnover | Metric tonnes of CO2 equivalent / million INR | We have not currently quantified the Scope 3 emission details | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

   Archean Chemicals Industries Limited monitors the water quality and air quality on a regular basis as per the environmental norms and regulations.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1. | Energy saving and emission reduction-<br><br>New process boiler -12 TPH, 12.5 kg/cm2 capacity was implemented instead of 45 TPH capacity with high pressure rating. | Boiler Optimization to Reduce GHG Emissions:<br><br>Before FY 2024-25, a high -pressure power boiler (up to 33 TPH) was used to meet internal steam requirements, with steam extraction temperatures exceeding 380˚C. The steam had to be de-superheated before usage which resulted in energy inefficiencies.<br><br>After a detailed study, in FY 2024-25 we commissioned two new 12 TPH process boilers (12.5 kg/cm$^{2}$, ~186˚C). | The installation of two TPH process boilers has delivered substantial operational and environmental benefits:<br><br>-Fuel Saving: 33 tonnes/day @ 6,500 = 2.7 Lakhs/Day<br><br>-Water Saving: 0.275 lakhs/Day.<br><br>-Ash handling cost reduction: 0.04 lakhs/day.<br><br>-Fuel handling cost reduction: 0.1 lakhs /day.<br><br>-Bed material saving: 0.18 lakhs/day.<br><br>-Manpower cost reduction: 0.88 lakhs/day.<br><br>-Auxiliary power saving: 0.3 lakhs/day.<br><br>Total savings: 4.4 lakhs per day. |

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

   Yes. The Company has implemented comprehensive Emergency Preparedness Plans at each project site to effectively manage potential emergency situations. These plans outline detailed response procedures aimed at preventing and mitigating hazards, risks, and environmental impacts, including provisions for administering first aid.

   In the event of an emergency, a thorough investigation is conducted to identify the root causes, and appropriate preventive measures are implemented to avoid recurrence. Roles and responsibilities of all personnel are clearly defined and communicated on a regular basis to ensure readiness and accountability. For further information, please refer to our https://www.archeanchemicals.com/investor-relations/admin/assets/products/4.%20ACIL-%20OSEP-UPDATED_Emergency%20Plan.pdf

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   We will conduct impact assessment over entity's value chain on a going forward basis.

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

   New vendors are assessed for environmental impacts during vendor on boarding. However, going forward, we would conduct assessment on our value chain partners on environmental impacts on a periodic basis.

8. How many Green Credits have been generated or procured:

   a. By the listed entity: Nil

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners: Nil

## Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

We endeavour to protect the interests of our business and stakeholders through active participation in industry associations, where we contribute fair, well-informed perspectives on regulatory policies.

Our engagement with relevant associations, forums, and chambers is grounded in our core values of commitment, integrity, and transparency. We remain focused on maintaining a balanced approach that considers the diverse needs of all stakeholders.

### SDG Linkages


## Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   Two

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1 | Export Inspection Council / Agency | Chennai and Bhuj |
| 2 | Andhra Chamber of Commerce | Chennai |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| | None | |

## Leadership Indicators

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

| Sr. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|---|---|---|---|---|---|
| | | | Nil | | |

## Principle 8: Businesses should promote inclusive growth and equitable development

As a responsible corporate citizen, we actively contribute to the growth and development of our communities through various CSR initiatives.

We ensure full compliance with Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility) Rules, 2014, aligning our CSR activities with the focus areas outlined in Schedule VII of the Companies Act, 2013. Additionally, we strive to prioritize initiatives that address the needs of under - developed communities near our business operations.

### SDG Linkages-

## Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA notification No. | Date of notification | Whether conducted by independent external agency (Yes/ No) | Results communicated in public domain (Yes/ No) | Relevant web link |
|---|---|---|---|---|---|
| Not applicable | | | | | |

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S No. | Name of project for which R&R is ongoing | State | District | No. of project affected families (PAFs) | % Of PAFs covered by R&R | Amounts paid to PAFs in the FY (In ₹) |
|---|---|---|---|---|---|---|
| Not applicable | | | | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

   External grievances policy is in place to receive and redress grievances of the community. Please refer the link for more details: https://www.archeanchemicals.com/investor-relations/admin/assets/products/External%20Grievance%20Policy.pdf

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

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 61.3% | 79.9% |
| Directly from within India | 100% | 88.1% |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

| Location | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Rural | 65 | 62 |
| Semi-urban | 24 | 26 |
| Urban | 9 | 10 |
| Metropolitan | 2 | 2 |

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

## Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|---|---|
| Not applicable | |

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

| Sr. No. | State | Aspirational District | Amount spent (In INR) |
|---|---|---|---|
| Not applicable | | | |

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

   As of now, we don't have a preferential procurement policy in place.

   (b) From which marginalized /vulnerable groups do you procure? Not applicable

   (c) What percentage of total procurement (by value) does it constitute? Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| Sr. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared | Basis of calculating benefit share |
|---|---|---|---|---|
| Not applicable | | | | |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| None | | |

6. Details of beneficiaries of CSR Projects

| Sr. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1 | Mobile Clinic Services in surrounding villages including basic medication | 1,200 Patients/ month | Total 10 villages covered every week in a month |

| Sr. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 2 | Drinking Water supply by tankers in Nara village/BSF Camp Area | 3,200 families | 60% of village population |
| 3 | Educating and maintaining Residential High School students at Bala Mandir Ramakrishna Mission, Sri Pratyaksha Charitable Trust, Thovalai Ilakia Madram Trust and United Education & Social Welfare Trust. (All resident students are provided with free education, food, and accommodation in the Home) | 350 | 100% |
| 4 | Promoting health care by providing required machinery for General Surgery and Ophthalmology at Sankar Nethralaya and aiding in construction of Building at VHS. | Community | |
| 5 | Healthcare to Specially Abled people at Amar Seva Sangam | Community | |
| 6 | Solar Energy Implementation & Pathology Slide Storage, Construction of Building at Adyar Cancer Institute | Community | |
| 7 | Food for students in association with Akshaya Patra Foundation | 1,667 students per school year | 100% |
| 8 | Providing clean water in association with Rotary Club (India) | Community | |
| 9 | Protection of National Heritage, Art and Culture in collaboration with Music Academy, World Telugu Federation and Utkarsh Global Foundation | Community | |
| 10 | Animal Welfare as part of Sands Foundation by aiding in Building Fencing, Raising fodder, Solar and Gobar plant for wellbeing of animal | Community | |
| 11 | Research and Development projects in the field of Science and Technology at IIT Bhubaneshwar | Community | |

## Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Our customers are our most valued stakeholders, and our operations are built on the foundation of trust, satisfaction and loyalty. We are committed to providing safe, high-quality products at competitive prices, ensuring that they meet the needs of our customers and end users. In full compliance with all relevant laws and regulations, we provide clear and accurate product information, avoiding any misleading claims and guideline violations. Additionally, we have robust grievance -handling mechanisms in place to effectively address customer concerns and feedback.

### SDG Linkages


## Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Company has an established mechanism to receive and respond to consumer complaints and feedback. The Company actively seeks customers feedback to address any concerns, and report complaints. The various mechanisms in place are:

   - Customer Service Department: The Company has a dedicated customer service department that serves as the primary point of contact for customers. Customers can reach out through various channels such as phone, email, or online contact forms, dedicated complaint submission portals on the Company's website to register their complaints or provide feedback.
   - Complaint Management System: The Company's complaint management system ensures that all customer complaints are properly recorded, tracked, and addressed. This system helps in streamlining the complaint handling process and ensures that no complaint goes unnoticed or unresolved.
   - Escalation Procedures: In cases where a customer complaint remains unresolved or the customer is dissatisfied with the initial response, the Company has escalation procedures in place. These procedures ensure that complaints are promptly escalated to higher-level management or specialized teams for further investigation and resolution.
   - Timely Response and Resolution: The Company strives to provide timely responses to customer complaints and feedback. Upon receiving a complaint, the customer service team initiates an investigation and works towards resolving the issue promptly. The Company aims to maintain transparent communication with customers throughout the resolution process.
   - Continuous Improvement: The Company views customer complaints and feedback as opportunities for improvement. Feedback received is analysed, and necessary actions are taken to address the underlying issues and prevent similar occurrences in the future. This commitment to continuous improvement helps in enhancing customer satisfaction and maintaining high service standards.

- Feedback Surveys: The Company may conduct customer feedback surveys periodically to gauge overall customer satisfaction and identify areas for improvement. These surveys provide customers with an opportunity to share their opinions and suggestions, allowing the Company to adapt its practices and policies accordingly.

  By implementing these mechanisms, the Company demonstrates its commitment to addressing customer concerns, resolving complaints effectively, and continuously improving its products and services to meet customer expectations.

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

| | As a % to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 100% |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | Not applicable |

3. Number of consumer complaints in respect of the following:

| | FY 2024-25 | | Remarks | FY 2023-24 | | Remarks |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | Nil | Nil | Nil | Nil | Nil | Nil |
| Advertising | Nil | Nil | Nil | Nil | Nil | Nil |
| Cyber-security | Nil | Nil | Nil | Nil | Nil | Nil |
| Delivery of essential services | Nil | Nil | Nil | Nil | Nil | Nil |
| Restrictive trade practices | Nil | Nil | Nil | Nil | Nil | Nil |
| Unfair trade practices | Nil | Nil | Nil | Nil | Nil | Nil |
| Other | 2 | Nil | Nil | Nil | Nil | Nil |

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

| | Number | Reasons for Recall |
|---|---|---|
| Voluntary Recalls | Nil | Nil |
| Forced Recalls | Nil | Nil |

5. Does the entity have a framework/policy on will security and risks related to data privacy? If available, provide a web link to the policy.

Yes, the Company has implemented a comprehensive Cyber Security Policy aimed at ensuring the security of our systems and data and mitigating risks associated with data privacy. Refer the link to Cyber Security Policy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/ services.

   No issues reported relating to advertising, and delivery of essential services, cyber security and data privacy of customers.

7. Provide the following information relating to data breaches:

| | | |
|---|---|---|
| a. | Number of instances of data breaches | Nil |
| b. | Percentage of data breaches involving personally identifiable information of customers | Not applicable |
| c. | Impact, if any, of the data breaches | Not applicable |

## Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   All the information on products and services are available on the website of the Company (www.archeanchemicals.com)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Weblink of MSDS sheets/ Company brochures is available in https://www.archeanchemicals.com/product.html

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   The products and services offered by the Company do not constitute in the category essential services and hence this disclosure is not applicable.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, product information as mandated is displayed on all our products. The Company has not carried out any consumer satisfaction survey relating to the major products/services of the entity.

# STANDALONE
# FINANCIAL STATEMENTS
# 2024-2025

# Independent Auditors' Report

**To the Members of Archean Chemical Industries Limited**

**Report on the Audit of the Standalone Financial Statements**

## Opinion

We have audited the accompanying standalone financial statements of Archean Chemical Industries Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2025, 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 material 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

| S. No | Key Audit Matter | Our Response |
|---|---|---|
| 1. | Revenue from sale of products is recognized on transfer of control to the Customer. Company is catering to clients in the Asia regions. Delivery to customers might take Extended time periods from the date of dispatch from the premises of Company. There is a risk of inherent misstatement of the financial statements related to transactions recorded close to the year end in the context of the terms of supply and the point of transfer of control and thus, the point of recognition as per IND AS (cut off risk). Contractual terms may also differ amongst various customers and recognition of revenue accordingly is also a key requirement. Considering magnitude and high volume of sales transactions carried out, revenue recognition is considered as a key audit matter | Our audit procedures included verification of existence, completeness, accuracy and cut-off for the sales transactions.<br>• Our tests included performance of an understanding and evaluation of the internal controls over the revenue recognition and a validation of relevant controls<br>• The tests further covered the proper recognition of revenue through testing of samples of sales transactions, obtaining appropriate supporting evidence including third party survey report for each despatch with specific attention to key contractual terms that regulate the various performance obligations.<br>• Our audit procedures included analytical review of sales transactions and accounting of revenue.<br>• It also extended to performing confirmation procedures over trade receivables with the objective of validating trade receivable balances, testing samples of credit notes and year-end accruals.<br>• Evaluating the disclosures made with requirements under the Accounting Standards and the Companies Act, 2013 |
| 2. | Inventory at the year end The Company's inventory, generally, is located at its plant at Kutch and its finished goods at the Jakhau and Mundra ports.<br>The Company has a policy of performing verification of its inventory at these locations.<br>The Company has conducted the physical verification of inventories across at Washery plant, Jakhau, and Mundra port between 15th April 2025 and 18th April 2025 by engaging specialists (management experts). | With respect to existence of inventories at the year end, we performed the following procedures:<br>➢ Understood and evaluated the Management's internal controls process to establish the existence of inventory such as:<br>(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,<br>(b) maintenance of stock records at all locations.<br>➢ Understood and evaluated the competence, independence and objectivity of the experts engaged by the Management. |

| S. No | Key Audit Matter | Our Response |
|---|---|---|
| | Considering the bulk nature and reliance of third Party technology for salt quantity determination, physical verification of inventories at year end is considered as key audit matter. | ➢ Participated in the stock count performed by the management expert–<br>➢ Checked roll back procedures from the date of the physical verification to the year end based on third party certified physical verification report to the book stock.<br>➢ On a sample basis, tested the quantity reconciliation from 1st April ,2024 to 31st March, 2025 of raw materials, and finished goods, that was prepared by the Management. |

**Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Board Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility and Sustainability Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management and Board of Directors for Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph (h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules,2014.

(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) specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3) (b) and paragraph (h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements – Refer Note 37 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025; and

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes 40A to the standalone financial statement no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 40H to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi. Relying on representations/explanations from the company and based on our examination which includes test checks on the software application the Company has used accounting software (ERP) for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

However, audit trail was not enabled to log any direct data changes at database level both in application layer and database layer of the accounting software.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

3. 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.

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

**S.Prasana Kumar**
Partner
Membership No. 212354
UDIN: 25212354BMJMWC8299
Place of Signature: Chennai
Date: 2nd May 2025

# 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 31 March 2024.**

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

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

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, 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) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties disclosed in the Standalone financial statements are held in the name of the Company as at Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company except that the factory original land lease with Government of Gujarat expired on July 31,2018 and the company is in the process of obtaining the lease renewal. (Refer Note 3 of the standalone financial statements.)

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

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In our opinion, the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on verification between the physical stocks and the book records are not 10% or more in the aggregate for each class of inventory.

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

(iii) (a) Based on our audit procedures and according to the information and explanation given to us, the Company has made investments in, provided guarantee and granted/invested loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties as follows:

| Particulars | Investments (₹ in lakhs) | Guarantees (₹ in lakhs) | Loans (₹ in lakhs) |
|---|---|---|---|
| Aggregate amount granted/invested during the year | | | |
| - Subsidiaries^ | NIL | 1,200 | 9,034.10 |
| - Others | 13,649.94 | NIL | 2,214.78 |
| Balance outstanding as at balance sheet date | | | |
| - Subsidiaries^ | 1,100 | 17,900 | 23,063.63 |
| - Accrued interest on loan to subsidiaries | Nill | NIL | 1,531.18^^ |
| - Others | 13,649.94 | Nill | 2,214.78 |

^Subsidiaries include step down subsidiaries

^^The repayment of accrued interest falls due from FY 26-27

(b) Based on our audit procedures and according to the information and explanation given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest.

(c) For the loans referred to in (a) above, the loans are not yet due for repayment of principal and interest based on the terms and conditions of the loan.

(d) In respect of aforesaid loan, the repayment falls due in a later year and hence there are no over dues as at 31st March 2025

(e) Based on our audit procedures and according to the information and explanation given to us, no loans or advances in the nature of loans granted have fallen due during the year and hence the question of the loan having been renewed or extended or fresh loans granted to settle the overdues of existing loan given to the same parties does not arise. Accordingly, paragraph 3(iii)(e) of the Order is not applicable.

(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 Act does not arise. Accordingly, paragraph 3(iii)(f) of the Order is not applicable.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under Sub-Section (1) of Section 148 of the Act in respect of the products/services of the Company. We have broadly reviewed the books of account maintained by the Company as specified under sub section (1) of section 148 of the Act, for maintenance of cost records in respect of the products manufactured/serviced by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as applicable with the appropriate authorities, though there has been a slight delay remittance of Provident Fund. 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 statutory dues were in arrears, as at 31 March 2025 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, there are no statutory dues referred to in sub-clause (a) as at 31 March 2025, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

| Name of the Statute | Nature of the Dues | Amount demanded (net of amount paid) (Rs In lakhs) | Amount paid (Rs In lakhs) | Period to which amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Central Sales Tax Act; Gujarat Value Added Tax Act | VAT,CST | 324.73 | 24.07 | FY 2015 – 16 | Joint Commissioner, Rajkot |
| Central Sales Tax Act;Gujarat Value Added Tax Act | VAT,CST | 273.92 | 28.76 | FY 2016 – 17 | Joint Commissioner, Rajkot |
| Central Sales Tax Act;Gujarat Value Added Tax Act | VAT,CST | 23.05 | 2.75 | FY 2017 – 18 | Joint Commissioner, Rajkot |
| Income Tax Act, 1961 | Income Tax | 5,005.30 | - | FY 2021 – 22 | Commissioner of Income Tax |

*Refer note no 37 to standalone financial statements

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

(ix) (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared willful defaulter by any bank or financial institution or government or government authority.

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

(d) According to the information and explanations given to us and the records of the Company examined by us, no funds raised on short term basis have been utilized for long term purposes.

(e) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary 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) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by secretarial auditor or by cost auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government of India for the period covered by our audit.

(c) As represented to us by the management, there are no whistle blower complaints received during the year by the Company.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable 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 of the Company issued till date for the period under audit.

(xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

(b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.

(c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on our audit procedures and according to the information and explanations given to us, the group does not have more than one Core Investment Company (CIC) as part of the group (basis definition of "Companies in the Group" as per Core Investment Companies

(Reserve Bank) Directions, 2016) as at the end of the reporting period.

(xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) In respect of ongoing projects, the Company has transferred unspent amount to a Special Account, within a period of 30 days from the end of the financial year in compliance with section 135(6) of the said Act.

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

**S.Prasana Kumar**
Partner
Membership No. 212354
UDIN: 25212354BMJMWC8299
Place of Signature: Chennai
Date: 2nd May 2025

# Annexure B

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

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

We have audited the internal financial controls with reference to financial statements of Archean Chemical Industries Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

**S.Prasana Kumar**
Partner
Membership No. 212354
UDIN: 25212354BMJMWC8299
Place of Signature: Chennai
Date: 2nd May 2025

## Standalone Balance Sheet as at March 31, 2025

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

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **A. ASSETS** | | | |
| **Non-Current Assets** | | | |
| (a) Property, plant and equipment | 2 | 1,02,216.02 | 1,05,818.56 |
| (b) Capital work in progress | 2 | 2,809.86 | 2,059.43 |
| (c) Right-of-use assets | 3 | 4,896.16 | 2,812.23 |
| (d) Intangible assets | 4 | 6.33 | 11.61 |
| (e) Financial assets: | | | |
| (i) Investments | 5A | 14,749.94 | 1,100.00 |
| (ii) Loans | 7 | 25,278.41 | 14,029.53 |
| (iii) Other financial assets | 6 | 3,407.68 | 1,904.57 |
| (f) Income tax assets (Net) | 18A | - | 539.87 |
| (g) Other non current assets | 8 | 6,336.44 | 659.42 |
| **Total non-current assets** | | **1,59,700.84** | **1,28,935.22** |
| **Current assets** | | | |
| (a) Inventories | 9 | 15,392.78 | 12,700.38 |
| (b) Financial assets: | | | |
| (i) Investments | 5B | 20,216.74 | 33,582.93 |
| (ii) Trade receivables | 10 | 17,195.40 | 15,585.32 |
| (iii) Cash and Cash equivalents | 11.1 | 3,592.65 | 4,387.00 |
| (iv) Bank balances other than (iii) above | 11.2 | 1,200.00 | - |
| (v) Loans | 7 | 55.80 | 43.21 |
| (vi) Other financial assets | 6 | 1,404.76 | 1,509.02 |
| (vii) Derivative Assets | 6.1 | 89.21 | |
| (c) Other current assets | 8 | 6,011.02 | 2,360.18 |
| **Total current assets** | | **65,158.36** | **70,168.04** |
| **TOTAL ASSETS** | | **2,24,859.20** | **1,99,103.26** |
| | | | |
| **B. EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 12 | 2,468.55 | 2,467.94 |
| (b) Other equity | 13 | 1,85,545.65 | 1,68,173.85 |
| **Total equity** | | **1,88,014.20** | **1,70,641.79** |
| **Liabilities** | | | |
| **Non-Current liabilities** | | | |
| (a) Financial liabilities: | | | |
| (i) Borrowings | 14 | 4,448.32 | 60.27 |
| (ii) Lease liabilities | 15 | 4,021.53 | 3,122.56 |

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| (iii) Other financial liabilities | 16 | - | - |
| (b) Other non-current liabilities | 17 | - | - |
| (c) Provisions | 20.1 | 1,507.20 | 506.82 |
| (d) Deferred tax liabilities (Net) | 19 | 12,325.50 | 12,378.13 |
| **Total non-current liabilities** | | **22,302.55** | **16,067.78** |
| **Current liabilities** | | | |
| (a) Financial liabilities: | | | |
| (i) Borrowings | 14 | 852.63 | 18.53 |
| (ii) Lease liabilities | 15 | 1,450.17 | 705.23 |
| (iii) Trade payables | | | |
| (A) total outstanding dues of micro and small enterprises | 21 | 1,225.80 | 1,264.75 |
| (B) total outstanding dues of creditors other than above | 21 | 9,548.33 | 8,634.84 |
| (iv) Other financial liabilities | 16 | 689.54 | 1,493.54 |
| (v) Derivative liabilities | 16.1 | - | 25.54 |
| (b) Other current liabilities | 17 | 300.54 | 187.07 |
| (c) Current Tax Liabilities | 18B | 402.34 | - |
| (d) Provisions | 20.2 | 73.10 | 64.19 |
| **Total current liabilities** | | **14,542.45** | **12,393.69** |
| | | | |
| **Total Liabilities** | | **36,845.00** | **28,461.47** |
| **TOTAL EQUITY AND LIABILITIES** | | **2,24,859.20** | **1,99,103.26** |
| Notes forming part of Standalone 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**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
Managing Director
DIN: 01952929

**R.Natarajan**
Chief Financial Officer

**Vijayaraghavan N E**
Company secretary & Compliance Officer
M.No. A 41671

## Standalone Statement of Profit And Loss for the Year ended March 31, 2025

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

| S. No. | Particulars | Note No. | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|---|
| I | Revenue from operations | 22 | 1,01,379.02 | 1,32,958.31 |
| II | Other income | 23 | 4,965.52 | 4,669.94 |
| III | **Total income (I+II)** | | **1,06,344.54** | **1,37,628.25** |
| | | | | |
| IV | **Expenses:** | | | |
| | Cost of materials consumed | 24 | 3,887.64 | 4,685.47 |
| | Purchases of Stock-in-Trade | | - | - |
| | Changes in inventories of finished goods and work-in-progress | 25 | (6,728.86) | 4,021.13 |
| | Employee benefits expense | 26 | 5,393.22 | 7,232.01 |
| | Finance costs | 27 | 911.45 | 966.75 |
| | Depreciation and amortisation expenses | 28 | 7,305.74 | 6,999.66 |
| | Other expenses | 29 | 66,580.40 | 70,586.91 |
| | **Total expenses (IV)** | | **77,349.59** | **94,491.93** |
| | | | | |
| V | **Profit before exceptional items and tax (III-IV)** | | **28,994.95** | **43,136.32** |
| | | | | |
| VI | **Exceptional items** | | **(4,018.27)** | **-** |
| | | | | |
| VII | Profit before tax (V+VI) | | **24,976.68** | **43,136.32** |
| | | | | |
| VIII | **Income tax expense:** | | | |
| | - Current tax | 30 | 6,531.62 | 10,063.31 |
| | - (Excess) provision for tax relating to prior years | | - | (4.64) |
| | - Deferred Tax | 30 | (47.28) | 843.09 |
| | **Total Income tax expenses (VIII)** | | **6,484.34** | **10,901.76** |
| IX | **Profit after tax (VII-VIII)** | | **18,492.34** | **32,234.56** |
| X | **Other Comprehensive Income** | | | |
| | Items that will not be reclassified to Profit or Loss | | | |
| | Remeasurements of the defined benefit plans | | (21.20) | (41.41) |
| | Income tax expenses relating to the above | | 5.34 | 10.42 |
| | **Total other comprehensive income for the year, net of tax (X)** | | **(15.86)** | **(30.99)** |
| XI | **Total comprehensive income for the year (IX+X)** | | **18,476.48** | **32,203.57** |
| | **Earnings per share ( Face value of Rs. 2 each)** | | | |
| | Basic earnings per share (In Rs.) | 32 | 14.98 | 26.17 |
| | Diluted earnings per share (In Rs.) | 32 | 14.97 | 26.14 |
| | Notes forming part of Standalone 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**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
Managing Director
DIN: 01952929

**R.Natarajan**
Chief Financial Officer

**Vijayaraghavan N E**
Company secretary & Compliance Officer
M.No. A 41671

# Standalone Statement of Cash Flow for the Year ended March 31, 2025

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

| Particulars | For the Year ended March 31, 2025 | | For the Year ended March 31, 2024 | |
|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | |
| Profit / (loss) before income tax | | 24,976.68 | | 43,136.32 |
| **Adjustments for :** | | | | |
| Depreciation and amortisation expenses | 7,305.74 | | 6,999.66 | |
| Finance costs recognised in profit or loss | 911.45 | | 966.75 | |
| Profit on sale of Mutual funds and changes in fair value | (2,264.13) | | (2,293.31) | |
| Gain on conversion of CCD | - | | - | |
| Interest income from fixed deposit and loans | (1,592.18) | | (567.41) | |
| (Profit)/Loss on sale of asset | 42.42 | | 3.58 | |
| Issue of Employee stock options | 129.92 | | 871.05 | |
| Provision no longer required | - | | - | |
| Provision for Contingencies | 1,000.00 | | 500.00 | |
| Provision for doubtful receivables / advances | (462.98) | | (148.86) | |
| Write back of Lease Liabilities | - | | (595.28) | |
| Unrealised net foreign exchange (gain) / loss | (470.51) | | (512.26) | |
| | | | | |
| **Operating profit before working capital changes** | | **4,599.73** | | **5,223.92** |
| **Movements in working capital :** | | | | |
| (Increase) / decrease in trade receivables | (750.23) | | (3,122.88) | |
| (Increase) / decrease in inventories | (2,692.40) | | 4,075.99 | |
| (Increase) / decrease in other assets | (3,794.78) | | 2,470.46 | |
| Increase / (decrease) in trade payables | 893.16 | | 337.08 | |
| Increase / (decrease) in provisions | (6.57) | | 40.52 | |
| Increase / (decrease) in other liabilities | (716.07) | | (2,316.61) | |
| | | **(7,066.89)** | | **1,484.56** |
| Cash generated from operations | | 22,509.52 | | 49,844.80 |
| Income Tax paid (Net of Refund) | | (5,594.76) | | (10,897.62) |
| **Net cash generated from operating activities** | | **16,914.76** | | **38,947.18** |
| | | | | |
| **B. Cash flow from investing activities** | | | | |
| Interest received | 234.84 | | 567.41 | |
| Investment in / Proceeds from sale of Mutual funds | 15,630.32 | | (10,281.89) | |
| Loan given | (11,223.80) | | (12,624.47) | |
| Investment made | (13,649.94) | | (600.00) | |
| Investment in / maturity of bank deposits, net | (1,200.00) | | 1,430.30 | |
| Acquisition of property, plant and equipment and capital advances | (9,479.47) | | (4,534.76) | |
| Proceeds from sale of property, plant and equipment | 100.47 | | 89.50 | |
| **Net cash used in investing activities** | | **(19,587.58)** | | **(25,953.91)** |

| | | | | |
|---|---|---|---|---|
| **C. Cash flow from financing activities** | | | | |
| Fresh Issue of Equity Shares | 0.61 | | 6.88 | |
| Proceeds from borrowings | 5,240.67 | | - | |
| Payment of Dividend | (1,233.97) | | (5,541.80) | |
| Repayment of Other borrowings | (18.52) | | (2,070.41) | |
| Repayment towards lease liabilities | (1,872.30) | | (1,252.69) | |
| Interest paid - Borrowings | (9.43) | | (103.99) | |
| Interest paid - Others | (228.59) | | (171.46) | |
| **Net cash used in financing activities** | | **1,878.47** | | **(9,133.47)** |
| | | | | |
| **Net increase/ (decrease) in cash and cash equivalents** | | **(794.35)** | | **3,859.80** |
| Cash and cash equivalents as at the beginning of the year | | 4,387.00 | | 527.20 |
| **Cash and Cash equivalents as at the end of the year** | | **3,592.65** | | **4,387.00** |

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

**Refer Note 14(b) for Debt reconciliation**

Notes forming part of Standalone 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**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
Managing Director
DIN: 01952929

**R.Natarajan**
Chief Financial Officer

**Vijayaraghavan N E**
Company secretary &
Compliance Officer
M.No. A 41671

## Standalone Statement of Changes in Equity

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

### (a) Equity share capital

| Particulars | No of shares | Rs in lakhs |
|---|---|---|
| **Balance as at March 31, 2023** | **12,30,52,989** | **2,461.06** |
| Changes in equity share capital during the year | **3,43,980** | **6.88** |
| **Restated balance as at March 31, 2024** | **12,33,96,969** | **2,467.94** |
| Changes in equity share capital during the year | 30,713 | 0.61 |
| **Balance as at March 31, 2025** | **12,34,27,682** | **2,468.55** |

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

**S. Prasana Kumar**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
Managing Director
DIN: 01952929

**R.Natarajan**
Chief Financial Officer

**Vijayaraghavan N E**
Company secretary &
Compliance Officer
M.No. A 41671

# Standalone Statement of Changes in Equity

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

**(b)**

| Particulars | Reserves & Surplus | | | | Items of other comprehensive income | ESOP Outstanding Account | Total |
|---|---|---|---|---|---|---|---|
| | Securities Premium | Retained earnings | Equity component of compound financial instrument | Debenture Redemption Reserve | Actuarial Gain / (Loss) | | |
| **a.Balance as at March 31, 2023** | **92,837.63** | **47,202.27** | - | - | **(6.82)** | **757.77** | **1,40,790.85** |
| b. Changes in accounting policy/ prior period errors | - | - | - | | - | | - |
| c. Restated balance at the beginning of the current reporting year (a+b) | **92,837.63** | **47,202.27** | - | - | **(6.82)** | **757.77** | **1,40,790.85** |
| d. Other comprehensive income for the current year | - | - | - | - | (30.99) | - | (30.99) |
| e. profit for the FY 2023-24 | - | 32,234.56 | - | | - | - | 32,234.56 |
| f. Transfer to retained earnings | - | - | - | - | - | - | - |
| g. Adjustment of Share issue expenses | (149.82) | - | - | - | - | - | (149.82) |
| h. Dividend paid for FY 22-23 | - | (3,076.32) | - | - | - | - | (3,076.32) |
| i. First Interim Dividend paid for FY 23-24 | - | (1,231.51) | - | - | - | - | (1,231.51) |
| j. Second Interim Dividend paid for FY 23-24 | - | (1,233.97) | - | - | - | - | (1,233.97) |
| k. Transfer to Securities Premium | 1,393.12 | - | - | - | - | (1,393.12) | - |
| l. Transfer to ESOP Outstanding Account | - | - | - | - | - | 871.05 | 871.05 |
| **m.Balance as at March 31, 2024** | **94,080.93** | **73,895.03** | - | - | **(37.81)** | **235.70** | **1,68,173.85** |
| n. Changes in accounting policy/ prior period errors | - | - | - | | - | | - |
| o. Restated balance at the beginning of the current reporting year (m+n) | **94,080.93** | **73,895.03** | - | - | **(37.81)** | **235.70** | **1,68,173.85** |
| p. Other comprehensive income for the current year | - | - | - | - | (15.86) | - | (15.86) |

## Standalone Statement of Changes in Equity

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

| Particulars | Reserves & Surplus | | | | Items of other comprehensive income | ESOP Outstanding Account | Total |
|---|---|---|---|---|---|---|---|
| | Securities Premium | Retained earnings | Equity component of compound financial instrument | Debenture Redemption Reserve | Actuarial Gain / (Loss) | | |
| q. profit for the FY 2024-25 | - | 18,492.34 | - | | - | - | 18,492.34 |
| r. Transfer to retained earnings | - | - | - | - | - | - | - |
| s. Adjustment of Share issue expenses | (0.63) | - | - | - | - | - | (0.63) |
| t. Final Dividend paid for FY 23-24 | - | (1,233.97) | - | - | - | - | (1,233.97) |
| u. First Interim Dividend paid for FY 24-25 | - | - | - | - | - | - | - |
| v. Second Interim Dividend paid for FY 24-25 | - | - | - | - | - | - | - |
| w. Transfer to Securities Premium | 124.39 | - | - | - | - | (124.39) | - |
| x. Transfer to ESOP Outstanding Account | - | - | - | - | - | 129.92 | 129.92 |
| **y.Balance as at March 31, 2025** | **94,204.69** | **91,153.40** | **-** | **-** | **(53.67)** | **241.23** | **1,85,545.65** |

Notes forming part of Standalone 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**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
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DIN: 01952929

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Chief Financial Officer

**Vijayaraghavan N E**
Company secretary & Compliance Officer
M.No. A 41671

(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 in Gujarat State.The equity shares of the Company were listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange of India limited ("BSE") on November 21,2022.

### Summary of Material accounting policies

### 1.1 Statement of compliances

The financial statements have been prepared and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 ("as amended") and other relevant provisions of the Companies Act, 2013. The material accounting policies have been applied consistently to all the periods presented in the financial statements, unless otherwise indicated.

### 1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability take place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

Fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Quantitative disclosures of fair value measurement hierarchy (Refer Note 34)

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Note 1.22 operating cycle. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities, except for salt at crystalizers for which the operating cycle is 24 months.

The Company is confident of getting its land lease renewed as mentioned in Note 3 (a). Hence the financial statements have been prepared on going concern basis.

### 1.3 Changes in Accounting Standards with effect from 01.04.2024

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rule as issued from time to time. MCA has notified Ind AS - 117 Insurance Contracts & consequential amendments to the other standards and amendments to Ind AS 116 - leases, relating to sale and leaseback transactions, applicable to the company w.e.f. April 1, 2024.

The company has reviewed this new pronouncement and based on its evaluation has determined that it does not have any significant impact in its financial statements.

### 1.4 Changes in Accounting Standards that may affect the Company after 31.03. 2025

New Accounting Standards/Amendments notified but not yet effective.

MCA has not notified any new standards or amendments to the existing standards applicable to the company during the year ended March 31,2025.

### 1.5 Property, plant and equipment

Property, Plant and equipments (PPE) 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.

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

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

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

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

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

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

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

Upon transition to the Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment as at April 01, 2017 ( transition date) measured as per the previous GAAP, as its deemed cost.

### 1.6 Intangible assets other than goodwill

Intangible assets with finite useful life are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of the purchase price, including any import duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts, tax credits and rebates.

The intangible assets are amortised over their respective estimated useful life on a straight-line basis, commencing from the date the asset is available to the Company for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

**Derecognition of intangible assets:**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss.

**Useful lives of intangible assets:**

Estimated useful lives of the intangible assets are as follows:

Software licenses - 5 Years

**Deemed cost on transition to Ind AS**

Upon transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets as at April 1, 2017 (transition date) measured as per the previous GAAP, as its deemed cost.

### 1.7 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 Right to use assets

The Company has adopted Indian Accounting Standards (“Ind AS”) 116 "Leases" to all its lease contracts existing on April 1, 2019 adopting modified prospective method. Consequently the Company recorded the lease liability calculated at present value of remaining lease payments discounted at the incremental borrowing rate. Right to use asset has been recognised to this extent .

### 1.9 Investments in subsidiary

Investment in subsidiary is carried at cost less impairment losses, if any. Where an indication of impairment exists, the carrying amount of investments is assessed and impairment provision is recognised, if required, immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

### 1.10 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.

## 1.11 Inventories

Inventories are valued at the lower of cost on moving weighted average basis or estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition, including transportation cost, transit insurance and any other charges. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

## 1.12 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.

## 1.13 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.

## 1.14 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.

## 1.15 Revenue recognition

Revenues are derived primarily from sale of Industrial Salt, Liquid Bromine and other marine chemicals. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of products or services to customers for an amount that reflects the probable consideration expected to be received in exchange. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/ pricing incentives varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/ pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

Revenue from services has been recognised as and when the service has been performed.

## 1.16 Employee benefits

**Defined contribution plans**

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

**Defined benefit plans**

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

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

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

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

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

The Company has an employees ' gratuity fund managed by the Life Insurance Corporation of India.

**Short - term and other long - term employee benefits**

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

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

**Share based payments**

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based

Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated

fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis

over the vesting period of options, with a corresponding increase in equity.

## 1.17 Provisions and contingencies

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

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

Contingent liability is disclosed for (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (ii) Present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

### 1.18 Taxes on income

Curremt 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.

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

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

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

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

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

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

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

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

### 1.19 Financial Instruments

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

**Initial Recognition**

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

**Subsequent Measurement**

**Financial assets**

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

**Classification of financial assets**

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

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

b) those measured at amortized cost

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

**(a) Amortised Cost**

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

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

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

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

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

**Impairment of financial assets**

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

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

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

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

If the Company has already measured loss allowance for the financial instruments at life time expected credit loss model in the previous period and determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality, then the Company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual rights to receive cash or other financial assets that results from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to life time expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward – looking information.

**Derecognition of financial assets**

A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

**Financial liabilities and equity instruments-:**

**Classification as equity or financial liability**

Equity and Debt instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

#### Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as FVTPL, are measured at amortized cost at the end of the reporting period. The carrying amounts of financial liabilities that are measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs'.

#### Financial liabilities at FVTPL

Liabilities that do not meet the criteria for amortized cost are measured at 'fair value through profit or loss' (FVTPL). A gain or loss on these assets that is subsequently measured at 'fair value through profit or loss' (FVTPL) is recognized in the statement of profit and loss.

#### Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

#### Derivative financial instruments

#### Initial recognition

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

#### Subsequent measurement

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

### 1.20 Earnings Per Share

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

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

### 1.21 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets & contingent liabilities at the date of financials statements, income and expenses during the year. 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

j. Estimation of washing loss

### 1.22 Operating Cycle

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

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

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Carrying amounts of:** | | |
| Salt works | 23,351.40 | 23,454.79 |
| Buildings | 24,566.61 | 25,434.35 |
| Plant and equipment | 52,625.69 | 54,958.82 |
| Furniture and fixtures | 124.93 | 136.24 |
| Office equipments | 45.26 | 60.12 |
| Computers | 72.56 | 87.41 |
| Vehicles | 1,429.57 | 1,686.83 |
| **Total** | **1,02,216.02** | **1,05,818.56** |
| | | |
| **Capital Work-in-progress** | **2,809.86** | **2,059.43** |

**Capital Work-in-progress balance as at March 31, 2025**

| Particulars | Amount in CWIP as at March 31, 2025 | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects in progress | 2,512.10 | 144.35 | 153.41 | - | 2,809.86 |
| Projects temporarily suspended | - | - | - | - | - |

**Capital Work-in-progress balance as at March 31, 2024**

| Particulars | Amount in CWIP as at March 31, 2024 | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects in progress | 1,876.02 | 183.41 | - | - | 2,059.43 |
| Projects temporarily suspended | - | - | - | - | - |

## Notes forming part of Standalone financial statements (Contd.)

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

| Gross block | Salt Works | Buildings | Plant and equipment | Furniture & fixtures | Office equipments | Computers | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as at March 31, 2023** | **32,380.85** | **30,348.87** | **73,079.50** | **363.88** | **125.52** | **345.29** | **2,699.34** | **1,39,343.25** |
| Additions | 55.88 | 1,724.03 | 3,844.62 | 0.55 | 15.20 | 27.07 | 127.68 | 5,795.03 |
| Disposals | - | - | - | - | - | - | (165.41) | (165.41) |
| **Balance as at March 31, 2024** | **32,436.73** | **32,072.90** | **76,924.12** | **364.43** | **140.72** | **372.36** | **2,661.61** | **1,44,972.87** |
| Additions | 1,005.54 | 33.92 | 1,763.79 | 33.45 | 5.46 | 16.95 | 192.92 | 3,052.03 |
| Disposals | - | - | - | - | - | - | (376.40) | (376.40) |
| **Balance as at March 31, 2025** | **33,442.27** | **32,106.82** | **78,687.91** | **397.88** | **146.18** | **389.31** | **2,478.13** | **1,47,648.50** |

| Accumulated depreciation and impairment | Salt Works | Buildings | Plant and equipment | Furniture & fixtures | Office equipments | Computers | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as at March 31, 2023** | **7,909.52** | **5,762.39** | **17,988.99** | **176.06** | **55.45** | **237.48** | **732.50** | **32,862.39** |
| Depreciation expense | 1,072.42 | 876.16 | 3,976.31 | 52.13 | 25.15 | 47.47 | 314.61 | 6,364.25 |
| Disposals | - | - | | - | - | - | (72.33) | (72.33) |
| **Balance as at March 31, 2024** | **8,981.94** | **6,638.55** | **21,965.30** | **228.19** | **80.60** | **284.95** | **974.78** | **39,154.31** |
| Depreciation expense | 1,108.93 | 901.66 | 4,096.92 | 44.76 | 20.32 | 31.80 | 307.29 | 6,511.68 |
| Disposals | - | - | | - | - | - | (233.51) | (233.51) |
| **Balance as at March 31, 2025** | **10,090.87** | **7,540.21** | **26,062.22** | **272.95** | **100.92** | **316.75** | **1,048.56** | **45,432.48** |
| | | | | | | | | |
| **Carrying amount as at March 31, 2024** | **23,454.79** | **25,434.35** | **54,958.82** | **136.24** | **60.12** | **87.41** | **1,686.83** | **1,05,818.56** |
| **Carrying amount as at March 31, 2025** | **23,351.40** | **24,566.61** | **52,625.69** | **124.93** | **45.26** | **72.56** | **1,429.57** | **1,02,216.02** |

**Note:**

(a) Contractual obligations : Refer Note 37 for disclosure of contractual commitments for the acquisition of Property, plant and equipment.

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

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

### Note 3: Right-of-use assets

| Gross carrying value | Land and Building | Vehicles | ISO tanks | Total |
|---|---|---|---|---|
| **Balance as at March 31, 2023** | **1,531.41** | | **4,677.47** | **6,208.88** |
| Additions | 192.36 | | - | 192.36 |
| Deletions | - | | (1,301.49) | (1,301.49) |
| **Balance as at March 31, 2024** | **1,723.77** | **-** | **3,375.98** | **5,099.75** |
| Additions | 15.05 | 2,857.66 | - | 2,872.71 |
| Deletions | - | | - | - |
| **Balance as at March 31, 2025** | **1,738.82** | **2,857.66** | **3,375.98** | **7,972.46** |

| Accumulated depreciation and impairment | Land and Building | Vehicles | ISO tanks | Total |
|---|---|---|---|---|
| **Balance as at March 31, 2023** | **305.57** | - | **2,653.72** | **2,959.29** |
| Depreciation for the year | 89.17 | - | 540.55 | 629.72 |
| Deletions | | | (1,301.49) | (1,301.49) |
| **Balance as at March 31, 2024** | **394.74** | | **1,892.78** | **2,287.52** |
| Depreciation for the year | 140.06 | 143.73 | 504.99 | 788.79 |
| Deletions | | | - | - |
| **Balance as at March 31, 2025** | **534.80** | **143.73** | **2,397.77** | **3,076.30** |
| | | | | |
| **Net Carrying amount as at March 31, 2024** | **1,329.03** | **-** | **1,483.20** | **2,812.23** |
| **Net Carrying amount as at March 31, 2025** | **1,204.02** | **2,713.93** | **978.21** | **4,896.16** |

**Note:**

(a) The Company entered into Memorandum of Undertaking ( MOU) dated August 10,2010, with Government of Gujarat (GOG) for the Land lease which expired on July 31, 2018 and the Company had made an application for renewal on December 28, 2017. As per the MOU with GOG, the lease term can be further extended for a duration and conditions as mutually agreed at that time. There is also a GOG circular no 1597/1372/ख dated October 9, 2017 which states that such leases can be extended for a period of thirty years. The company has also been receiving demand note annually for the revised lease rents as per GoG circular and the company has been meeting this payment.

Management made an assessment of the facts disclosed above and taking into consideration of similar experiences during renewal in group company, is confident of obtaining the renewal of land lease. The Useful life of PPE and ROU assets have been determined by the management considering that the lease would be extended. The entire production facility is located on this leased land.

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

| Assets | Net Block as at March 31, 2025 | Net Block as at March 31, 2024 |
|---|---|---|
| Buildings | 24,471.87 | 25,372.41 |
| Plant and Machinery | 52,614.14 | 54,946.06 |
| Furniture & Fixtures | 58.42 | 35.06 |
| Computers | 39.73 | 49.75 |
| Office Equipment | 27.02 | 34.23 |
| Salt Works | 23,351.40 | 23,454.79 |
| RoU - Land and Building | 1,038 .00 | 1,081.64 |
| **Total** | **1,01,600.58** | **1,04,973.94** |

## Note 4 Intangible assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Carrying amounts of:** | | |
| Software | 6.33 | 11.61 |
| **Total** | **6.33** | **11.61** |

| Particulars | Software |
|---|---|
| **Balance as at March 31, 2023** | **60.54** |
| Additions | **-** |
| **Balance as at March 31, 2024** | **60.54** |
| Additions | **-** |
| **Balance as at March 31, 2025** | **60.54** |
| | |
| **Accumulated depreciation and impairment** | |
| **Balance as at March 31, 2023** | **43.24** |
| Amortisation expense | **5.69** |
| **Balance as at March 31, 2024** | **48.93** |
| Amortisation expense | **5.28** |
| **Balance as at March 31, 2025** | **54.21** |
| | |
| **Carrying amount as at March 31, 2024** | **11.61** |
| **Carrying amount as at March 31, 2025** | **6.33** |

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

## Note 5A Non current investments

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | No of shares / units | Rs in lakhs | No of shares / units | Rs in lakhs |
| **A. Investment in Equity Instruments - Unqouted Subsidiary (at cost)** | | | | |
| Acume chemicals private limited | 50,00,000 | 500.00 | 50,00,000 | 500.00 |
| (equity shares of Rs. 10 each fully paid up) | | | | |
| | | | | |
| Idealis chemicals private limited | 30,00,000 | 300.00 | 30,00,000 | 300.00 |
| (equity shares of Rs. 10 each fully paid up) | | | | |
| | | | | |
| Neun Infra private limited | 30,00,000 | 300.00 | 30,00,000 | 300.00 |
| (equity shares of Rs. 10 each fully paid up) | | | | |
| | | | | |
| **Total** | | **1,100.00** | | **1,100.00** |
| | | | | |
| **B. Investments others at fair value** | | | | |
| Investment in Clas-Sic wafer fab | 23,14,815 | 13,649.94 | - | - |
| (equity shares of GBP 0.01 each fully paid up @ GBP 5.40 per share) | | | | |
| | | | | |
| **Total Non current investments** | | **14,749.94** | | **1,100.00** |
| | | | | |
| Aggregate amount of quoted investments | | - | | - |
| Aggregate amount of Unquoted investments | | 14,749.94 | | 1,100.00 |
| Aggregate amount of impairement in value of investments | | - | | - |

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

### Note 5B Current investments

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| | Rs in lakhs | Rs in lakhs |
| **Mutual Funds (FVTPL) - Unquoted** | | |
| Investment in Mutual Funds | 20,216.74 | 33,582.93 |
| **Total Investments** | **20,216.74** | **33,582.93** |

(March 2025 - 10,04,991.37 units, March 2024- 74,35,174.29 Units)

### Note 6. Other financial assets

| Particulars | Non current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **(Unsecured, considered good)** | | | | |
| a) Security deposits measured at amortised cost | | | | |
| With related Party | - | - | 900.00 | 900.00 |
| With Others | 432.76 | 163.23 | 352.58 | 329.00 |
| b) Interest accrued on deposits | | | | |
| With related Party | 1,531.17 | 444.58 | - | - |
| With Others | 115.38 | 57.07 | 45.46 | 34.83 |
| c) Export benefits receivable | - | - | 106.72 | - |
| d) Others | - | - | - | 245.19 |
| e) Bank Deposits with more than 12 months maturity* | 1,328.37 | 1,239.69 | - | - |
| | **3,407.68** | **1,904.57** | **1,404.76** | **1,509.02** |

*represents guarantee given in favour of National Stock Exchange of India Limited (FY 23-24)

** Includes Rs. 58.30 Lakhs with the option to convert to loan as per the loan agreement

### Note 6.1 Derivative Assets

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Fair value of forward contract | - | - | 89.21 | - |
| | **-** | **-** | **89.21** | **-** |

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

## Note 7. Loans

| Particulars | Non current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **(Unsecured, considered good)** | | | | |
| **Loan to Related Parties** | | | | |
| Loans to Acume Chemicals Private Limited (Wholly owned subsidiary) | 9,616.71 | 6,593.53 | - | - |
| Loans to Idealis Chemicals Private Limited (Wholly owned subsidiary) | 8,374.99 | 7,436.00 | - | - |
| Loans to Idealis Mudchemie Private Limited (Wholly owned subsidiary) | 361.43 | | | |
| Loans to Neun Infra Private Limited (Wholly owned subsidiary) | 4,710.50 | - | | |
| **Loan to Others** | | | | |
| Loans to Clas Sic Wafer Fab Limited | 2,214.78 | - | | |
| Loans to employees | - | - | 55.80 | 43.21 |
| **Total** | **25,278.41** | **14,029.53** | **55.80** | **43.21** |

**Note:**

a) Loan to Acume : The Loan is repayable over a period of five years as per the loan agreement at an interest rate of 7.50%p.a. and repayment starts from the financial year 2026-27 onwards.

b) Loan to Idealis Chemicals Private Limited : The Loan is repayable over a period of five years as per the loan agreement at an interest rate of 7.50%p.a. and repayment starts from the financial year 2029-30 onwards

c) Loan to Idealis Mudchemie Private Limited: The loan is repayable over a period of five years as per the loan agreement at an interest rate of 7.50%p.a. and repayment starts from the financial year 2029-30 onwards

d) Loan to Neun Infra Private Limited: The loan is repayable over a period of 5 years as per the loan agreement at an interest rate of 7.50% p.a. and repayment starts from the financial year 2029-30 onwards

e) Loan to Clas-Sic Wafer Fab Limited repayable over a period of 4 years as per the loan agreement with an interest at base rate of Bank of England plus 200 basis points

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

## Note 8. Other assets

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **(Unsecured, considered good)** | | | | |
| a) Capital advances | 6,124.00 | 446.98 | - | - |
| b) Balances with statutory authorities | 212.44 | 212.44 | 2,636.54 | 673.66 |
| c) Others | - | - | 126.22 | 126.96 |
| d) Prepaid expenses | - | - | 602.89 | 212.68 |
| e) Advance to suppliers other than for capital asset | - | - | | |
| (i) Advance to related parties | | | 1,064.84 | 705.15 |
| (ii) Other Advances | | | 1,560.09 | 626.27 |
| f) Earned Leave - Fund Balance | - | - | 20.44 | 15.46 |
| **(Unsecured, considered doubtful)** | | | | |
| g) Advance to suppliers other than for capital asset | - | - | 329.09 | 359.09 |
| Less: Provision for Advance | - | - | (329.09) | (359.09) |
| | **6,336.44** | **659.42** | **6,011.02** | **2,360.18** |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| a) Raw materials and components | 356.93 | 317.03 |
| b) Work-in-progress | 9,966.23 | 7,079.24 |
| c) Stores & spares | 1,536.35 | 1,594.44 |
| d) Finished goods | 3,533.27 | 3,636.16 |
| e) Finished goods in transit | - | 73.51 |
| **Total** | **15,392.78** | **12,700.38** |

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

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

### Note 10. Trade receivables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | 17,195.40 | 15,585.32 |
| Trade Receivables which have significant increase in Credit Risk | 255.00 | 350.45 |
| Trade Receivables - credit impaired | 2,342.84 | 1,784.40 |
| **Total** | **19,793.24** | **17,720.17** |
| Allowance for doubtful debts (expected credit loss allowance) | | |
| - towards receivables that are credit impaired | (2,342.84) | (1,784.40) |
| - towards receivables which have significant increase in Credit Risk | (255.00) | (350.45) |
| **Total** | **17,195.40** | **15,585.32** |

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables by adopting a simplified approach by using provision matrix which is based on historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due, the rates as given in the provision matrix and other factors. The range of provision created as a percentage of outstanding under various age groups below 180 days past due comes to 0% - 30%. The Company as a policy provides for 100% for outstanding above 180 days past due taking into account other factors.

| Movement in expected credit loss allowance | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance at beginning of the year | (2,134.85) | (2,283.72) |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | (462.99) | 148.87 |
| Balance at end of the year | **(2,597.84)** | **(2,134.85)** |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Trade Receivables (At Amortised Cost)** | | |
| (i) Undisputed Trade Receivables – considered good | | |
| - Less than 6 months | 17,195.40 | 15,585.32 |
| - 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 | 205.00 | 300.45 |
| - 6 months - 1 year | - | - |
| - 1-2 years | - | - |
| - 2-3 years | - | - |
| - More than 3 years | 50.00 | 50.00 |
| (iii) Undisputed Trade Receivables – credit impaired | | |
| - Less than 6 months | - | - |
| - 6 months - 1 year | 99.92 | 30.06 |
| - 1-2 years | 110.79 | 80.03 |
| - 2-3 years | 3.63 | 141.41 |
| - More than 3 years | 2,128.50 | 1,532.90 |
| (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 | - | - |

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

| | | |
|---|---|---|
| (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 | (2,597.84) | (2,134.85) |
| Net receivables | **17,195.40** | **15,585.32** |

* Ageing has been computed based on transaction date.

## Note 11

### Note 11.1 Cash and cash equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (a) Balances with banks in current accounts and deposit accounts | | |
| (i) In Current account | 182.33 | 103.42 |
| (ii) In term deposits with banks (original maturities less than 3 months) | 3,400.00 | 4,280.00 |
| (b) Cash on hand | 10.32 | 3.58 |
| **Total Cash and cash equivalents** | **3,592.65** | **4,387.00** |

### 11.2 Other bank balances

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance with banks held as margin money and guarantees | - | - |
| Deposits due to mature after three months but before twelve months from the reporting date* | 1,200.00 | - |
| **Total other bank balances** | **1,200.00** | **-** |
| **Total Cash and bank balances** | **4,792.65** | **4,387.00** |

**represents Fixed deposit made for Acume Chemicals Private limited to avail LC facility.

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

## Note 12 Equity share capital

| Particulars | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| | No. of Shares | | Rs in lakhs | |
| **AUTHORISED :** | | | | |
| Equity shares: | | | | |
| Equity shares of Rs.2 each | 16,00,00,000 | 16,00,00,000 | 3,200.00 | 3,200.00 |
| | | | | |
| **ISSUED :** | | | | |
| Equity shares of Rs.2 each | 12,34,27,682 | 12,33,96,969 | 2,468.55 | 2,467.94 |
| | | | | |
| **SUBSCRIBED AND FULLY PAID UP :** | | | | |
| Equity shares of Rs.2 each | 12,34,27,682 | 12,33,96,969 | 2,468.55 | 2,467.94 |

The Company has completed the Initial Public Offer (IPO) of 3,59,28,869 Equity shares of face value of Rs. 2 each at an issue price of Rs. 407 per equity share comprising offer for sale of 1,61,50,000 equity shares by selling shareholders and fresh issue of 1,97,78,869 shares. The equity shares of the Company were listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange of India limited ("BSE") on November 21,2022.

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committe on October 07,2022 the Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Company in accordance with Archean Chemical -Employee Stock Option Plan 2022. The Vesting Period of ESOP is between 12 months to 60 months. The first lot of shares (3,43,980) were exercised and allotted on November 03,2023 and December 02, 2023. The second lot of shares (30,713) shares were exercised and allotted on October 16, 2024.

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

### 12.1 Reconciliation of number of shares

| Particulars | Year ended 2024-25 | | Year ended 2023-24 | |
|---|---|---|---|---|
| | No. of Shares | Amount (Rs. In lakhs) | No. of Shares | Amount (Rs. In lakhs) |
| **Balance at the beginning of the year** | 12,33,96,969 | 2,467.94 | 12,30,52,989 | 2,461.06 |
| Conversion of CCD | - | - | - | - |
| Fresh issue of shares - IPO & adjustement for OFS | - | - | - | - |
| ESOP Exercised during the year | 30,713 | 0.61 | 3,43,980 | 6.88 |
| **Balance at the end of the year** | **12,34,27,682** | **2,468.55** | **12,33,96,969** | **2,467.94** |

### 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, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | No of shares held | % | No of shares held | % |
| Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP) | 3,76,93,219 | 30.54% | 3,76,93,219 | 30.55% |
| Mr. P. Ranjit | 2,82,65,965 | 22.90% | 2,82,65,965 | 22.91% |
| SBI Small cap Fund | 4,400,000 | 3.56% | 95,65,772 | 7.75% |
| India Resurgence Fund Scheme - II | - | 0.00% | 76,46,141 | 6.20% |

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

**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, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | 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 | - | 0.00% | 0.00% | - | 0.00% | -100.00% |
| Mr. P. Ranjit | 2,82,65,965 | 22.90% | -0.01% | 2,82,65,965 | 22.91% | 5.77% |
| Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP) | 3,76,93,219 | 30.54% | -0.01% | 3,76,93,219 | 30.55% | -0.26% |

Note - The change in percentage (0.01%) in the Promotor's holding is due to allotemet of ESOP shares.

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

**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, 2025 and March 31, 2024.

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

| Name of the shareholder | Unsecured loan | Issue price per share (Rs.) | No. of shares | Amount credited to securities premium |
|---|---|---|---|---|
| Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP) | 1,884.00 | 48.41 | 38,91,758 | 1,494.82 |
| P. Ranjit | 2,602.00 | 48.41 | 53,74,923 | 2,064.51 |
| **Total** | **4,486.00** | | **92,66,681** | **3,559.33** |

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

### Note 13 Other equity

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| a Securities premium | 94,204.69 | 94,080.93 |
| b Retained earnings (Net of other comprehensive income) | 91,099.73 | 73,857.22 |
| c Share Options Outstanding Account | 241.23 | 235.70 |
| **Total** | **1,85,545.65** | **1,68,173.85** |

### Details to other equity

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| | | |
| **(a) Securities premium** | | |
| Balance at the beginning of the year | 94,080.93 | 92,837.63 |
| Add : Premium on shares issued during the year | - | - |
| Add : Transfer from ESOP Outstanding Account | 124.39 | 1,393.12 |
| Less: Adjustment of Share Issue Expenses | (0.63) | (149.82) |
| Balance at the end of the year | **94,204.69** | **94,080.93** |
| | | |
| **(b) Retained earnings** | | |
| Balance at the beginning of the year | 73,857.22 | 47,195.45 |
| Total Comprehensive Income attributable to the owners of the company | 18,476.48 | 32,203.57 |
| First Interim Dividend Paid for FY 23-24 | - | (1,231.51) |
| Second Interim Dividend Paid for FY 23-24 | - | (1,233.97) |
| Final Dividend Paid for FY 23-24 | (1,233.97) | - |
| Dividend Paid for FY 22-23 | - | (3,076.32) |
| Balance at the end of the year | **91,099.73** | **73,857.22** |
| | | |

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

| | | |
|---|---|---|
| **(c) Share Options Outstanding Account** | | |
| Balance at the beginning of the year | 235.70 | 757.77 |
| Transferred during the year | 129.92 | 871.05 |
| Options exercised during the year | (124.39) | (1,393.12) |
| Balance at the end of the year | **241.23** | **235.70** |
| | | |
| **Total Other equity** | **1,85,545.65** | **1,68,173.85** |

### Nature and purpose of other reserves

**(a) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

**(b) Retained earnings**

Retained earnings represents company's cumulative earnings since its formation less the dividends/ Capitalisation, if any.

**(c) Debenture Redemption Reserve**

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

**(d) Share Options Outstanding Account**

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committe on October 07,2022 the Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Company in accordance with Archean Chemical -Employee Stock Option Plan 2022. The amount of options(difference between fair value and exercise price) granted under the ESOP scheme has been recognized in the share options outstanding account.

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

### Note 14 Borrowings

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **Secured** | | | | |
| Term Loans | | | | |
| - from Banks | 4,448.32 | 60.27 | 852.63 | 18.53 |
| **Total** | **4,448.32** | **60.27** | **852.63** | **18.53** |

**Summary of borrowing arrangements**

**Note:**

**(a) Terms of Secured Loan from Banks -**

| Particulars | Hypothecation details | Term of loan | Rate |
|---|---|---|---|
| - ICICI Bank | 1 vehicle | 5 Years | 8.90% |
| - ICICI Bank - RTL | Whole of moveable properties except current assets, including plant & machinery, machinery spares, tools and accessories, non trade receivables and other movables | 69 Months (Moratorium of 3 Months) | (I-MCLR-1Y) 9.65% p.a |
| - ICICI Bank - RTL 1 | | 57 Months (Moratorium of 3 Months) | (I-MCLR-1Y) 9.65% p.a |

**(b) Debt reconcilation**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Cash and Cash Equivalents | - | - |
| Lease Liabilities | 5,471.70 | 3,827.79 |
| Current Borrowing (Working Capital Loan) | - | - |
| Non - Current Borrowing (Including the Interest accrued and not due on borrowings -non current ) | 5,300.95 | 78.80 |
| **Total** | **10,772.65** | **3,906.59** |

Note: The company has obtained saction working capital limits of Rs. 11500 Lakhs from ICICI bank and Rs. 5000 Lakhs from HDFC bank. The working capital loan will be repayable on demand and secured by first paripassu charge on the current assts of the company, second paripassu charge on the movable fixed assets of the company.

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

| Particulars | Liabilities from Financing Activities | | | Total |
|---|---|---|---|---|
| | Current Borrowing (Working Capital Loan) | Non - Current Borrowing plus current maturity of long term debt | Lease Liabilities | |
| **Debt as at April 01, 2024** | **-** | **78.80** | **3,827.79** | **3,906.59** |
| Cash Flows | | | | |
| -Proceeds | - | 5,240.67 | - | 5,240.67 |
| -Repayments | - | (18.52) | (1,872.29) | (1,890.81) |
| Additions | - | - | 2,802.72 | 2,802.72 |
| Forex | - | - | 40.05 | 40.05 |
| Interest expense | - | 9.43 | 673.43 | 682.86 |
| Interest paid | - | (9.43) | - | (9.43) |
| **Debt as at March 31, 2025** | **-** | **5,300.95** | **5,471.70** | **10,772.65** |

## Note 15 Lease liabilities

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Liability on right to use assets under IND As 116 - Refer note 36 | 4,021.53 | 3,122.56 | 1,450.17 | 705.23 |
| **Total** | **4,021.53** | **3,122.56** | **1,450.17** | **705.23** |

## Note 16 Other financial liabilities

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| a. MD Commission Payable | - | - | 283.04 | 1,266.56 |
| b. Payable towards procurement of capital assets | - | - | 285.97 | 127.52 |
| c. Employee benefits payable | - | - | 87.39 | 87.69 |
| d. Unpaid dividends | | | 1.28 | 1.29 |
| e. Retention money | - | - | 31.86 | 10.48 |
| **Total** | **-** | **-** | **689.54** | **1,493.54** |

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

### Note 16.1 Derivative liabilities

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| | | | | |
| Fair value of futures contract | - | - | - | 25.54 |
| **Total** | **-** | **-** | **-** | **25.54** |

### Note 17 Other Liabilities

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| a Customer advances | - | - | 39.37 | 88.38 |
| b Statutory remittances | - | - | 261.17 | 98.69 |
| | **-** | **-** | **300.54** | **187.07** |

### Note 18A Income Tax Asset (Net)

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Advance Tax and Tax Deducted at Source | - | 12,976.87 | | |
| Less: Provision for Taxation | - | (12,437.00) | | |
| Total | **-** | **539.87** | **-** | |

### Note 18B Current Tax Liabilities (Net)

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Provision for Taxation | - | - | 16,602.34 | - |
| Less: Advance Tax and Tax Deducted at source | - | - | (16,200.00) | - |
| Total | **-** | **-** | **402.34** | **-** |

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

## Note 19 Deferred tax balances

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Deferred tax assets | 1,298.73 | 1,042.81 |
| Deferred tax liabilities | (13,624.23) | (13,420.94) |
| **Net Deferred Tax Asset / (Liability)** | **(12,325.50)** | **(12,378.13)** |

| 2024-25 | 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 | (13,130.99) | (401.13) | - | (13,532.12) |
| Investments (Current Investments - MF- FVTPL) | (289.95) | 197.84 | - | (92.11) |
| **Deferred tax assets:** | | | | |
| Carried forward loss | - | - | - | - |
| Provision for Employee benefits | - | 5.34 | (5.34) | - |
| Disallowance u/s 43(b) | 33.63 | (5.98) | - | 39.61 |
| Provision for Doubtful Debts / Advances | 627.72 | (108.99) | - | 736.71 |
| Provision for Contingencies | 125.85 | (251.70) | | 377.55 |
| DTA on timing differences on ROU assets and liabilities | 255.61 | 110.75 | | 144.86 |
| **Net Deferred Tax Asset / (Liability)** | **(12,378.13)** | **47.28** | **(5.34)** | **(12,325.50)** |

| 2023-24 | 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 | (12,468.31) | (662.68) | - | (13,130.99) |
| Investments (Current Investments - MF- FVTPL) | - | (289.95) | | (289.95) |
| **Deferred tax assets:** | | | | |
| Carried forward loss | - | - | - | - |
| Provision for Employee benefits | - | 10.42 | (10.42) | - |
| Disallowance u/s 43(b) | 23.01 | (10.62) | | 33.63 |
| Provision for Doubtful Debts / Advances | 627.14 | (0.58) | - | 627.72 |
| Provision for Contingencies | - | (125.85) | | 125.85 |
| DTA on timing differences on ROU assets and liabilities | 272.70 | 17.09 | - | 255.61 |
| **Net Deferred Tax Asset / (Liability)** | **(11,545.46)** | **(843.09)** | **(10.42)** | **(12,378.13)** |

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

### Note 20.1 Provisions - Non Current

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Provision for Contingencies | 1,500.00 | 500.00 |
| Provision for Sick Leave | 7.20 | 6.82 |
| **Total** | **1,507.20** | **506.82** |

### Note 20.2 Provisions - Current

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Provision for Sick Leave | 2.83 | 2.85 |
| Provision for Gratuity | 70.27 | 61.34 |
| **Total** | **73.10** | **64.19** |

### Note 21 Trade Payables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Amount dues to micro enterprises and small enterprises - Refer Note 38 | 1,225.80 | 1,264.75 |
| Dues of creditors other than micro enterprises and small enterprises | 9,548.33 | 8,634.84 |
| **Total** | **10,774.13** | **9,899.59** |

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

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

**Outstanding as at March 31, 2025**

| Particulars | Outstanding for following periods | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro and Small Enterprises | 1,225.80 | | | | 1,225.80 |
| Others | 9,418.42 | 68.69 | 6.55 | 54.67 | 9,548.33 |
| Disputed Micro and Small Enterprises | | | | | - |
| Disputed dues others | | | | | - |

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

**Outstanding as at March 31, 2024**

| Particulars | Outstanding for following periods | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro and Small Enterprises | 1,264.75 | - | | | 1,264.75 |
| others | 7,338.97 | 995.78 | 200.17 | 99.92 | 8,634.84 |
| Disputed Micro and Small Enterprises | - | - | - | - | - |
| Disputed dues others | - | - | - | - | - |

## Note 22 Revenue from operations

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| (a) Sales of Products | | |
| Domestic sales | 22,809.74 | 34,400.17 |
| Export sales | 78,442.44 | 95,944.46 |
| (b) Other operating revenues | | |
| Export Incentives | 106.72 | - |
| Scrap sales | 20.12 | 2,613.68 |
| **Total** | **1,01,379.02** | **1,32,958.31** |

## Note 22.1 Disaggregation of Revenue information

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point of time by geography and offerings of the Company.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Revenue by Geography** | | |
| India | 22,936.58 | 37,013.85 |
| Rest of the world | 78,442.44 | 95,944.46 |
| **Total revenue from contracts with customers** | **1,01,379.02** | **1,32,958.31** |
| **Revenue by offerings** | | |
| Manufactured goods | | |
| (a) Marine chemicals | | |
| Salt | 65,948.10 | 84,006.21 |
| Bromine | 35,313.85 | 42,742.81 |
| Sulphate of Potash | 96.95 | 3,595.61 |
| (b) Others | 20.12 | 2,613.68 |
| **Total revenue from contracts with customers** | **1,01,379.02** | **1,32,958.31** |

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

### Note 22.2 Trade receivables

The Company classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized upon transfer of control of products or services to customers for an amount that reflects the probable consideration expected to be received in exchange.

Trade receivable are presented net of impairment in the Balance Sheet.

### Note 23 Other income

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Interest income on bank deposits | 245.47 | 194.04 |
| Interest income on loan to other entity | 58.30 | - |
| Interest income on loan to related party | 1,288.41 | 373.37 |
| Income on mutual funds investments - FVTPL | 2,264.13 | 2,293.31 |
| Insurance Claim Received | 14.98 | 301.62 |
| Miscellaneous income | 41.75 | 569.03 |
| Provision no longer required | 30.00 | 148.86 |
| Net gain on exchange fluctuation | 1,022.48 | 789.71 |
| **Total** | **4,965.52** | **4,669.94** |

### Note 24 Cost of materials consumed

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Opening Stock of Raw Materials | 317.03 | 335.06 |
| Add: Purchases | 3,927.54 | 4,667.44 |
| Less: Closing Stock of Raw Materials | 356.93 | 317.03 |
| **Consumption of raw materials** | **3,887.64** | **4,685.47** |

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

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Opening Stock:** | | |
| Work-in-progress | 7,079.24 | 6,104.30 |
| Finished goods | 3,709.67 | 8,705.74 |
| **Closing Stock:** | | |
| Work-in-progress | 9,966.23 | 7,079.24 |
| Finished goods | 3,533.27 | 3,709.67 |
| (Increase)/Decrease in Stocks | (2,710.59) | 4,021.13 |
| Exceptional loss during the year due to cyclone* | (4,018.27 | - |
| **Total (Increase)/Decrease in Stocks** | **(6,728.86)** | **4,021.13** |

* Exceptional item is due to Asna cyclone impact resulting in loss of Industrial salt stock amounting to Rs. 4018.27 lakhs (4.72 Lakhs MT) in Gujarat during August 24 / September 24. The Company has filed the claim with the insurance company.

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

### Note 26 Employee benefits expense

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Salaries, wages and bonus | 4,945.79 | 6,125.88 |
| Share based payments to employees | 129.92 | 871.05 |
| Staff welfare | 117.37 | 32.77 |
| Contribution to provident and other funds | 200.14 | 202.31 |
| **Total** | **5,393.22** | **7,232.01** |

### Note 27 Finance costs

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Interest on working capital borrowings & Term Loans | 9.43 | 103.99 |
| Interest on finance lease | 673.43 | 675.59 |
| Bank charges | 138.75 | 170.62 |
| Interest on delayed payment of taxes | 89.84 | 16.55 |
| **Total** | **911.45** | **966.75** |

### Note 28 Depreciation and amortisation expense

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Depreciation on Property, plant and equipment and Right on Usage of assets pertaining to continuing operations | 7,300.56 | 6,993.97 |
| Amortisation of intangible assets | 5.18 | 5.69 |
| **Total** | **7,305.74** | **6,999.66** |

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

## Note 29 Other expenses

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Consumption of stores and spares | 1,802.94 | 2,467.98 |
| Power and fuel | 9,728.66 | 9,869.73 |
| Rent expense | 654.97 | 188.73 |
| Travelling and conveyance | 704.01 | 631.51 |
| Repairs and maintenance | | |
| - Buildings | 131.29 | 206.58 |
| - Plant and Machinery | 892.66 | 1,203.36 |
| - Others | 370.45 | 1,045.37 |
| Insurance | 1,062.48 | 1,136.11 |
| Rates and taxes, excluding taxes on income | 428.53 | 172.57 |
| Packing, Despatching and Freight | 40,416.56 | 44,785.98 |
| Loading charges | 3,844.13 | 4,192.75 |
| Hire charges - equipment | 701.59 | 925.03 |
| Printing and stationery | 10.75 | 21.17 |
| Communication expenses | 36.35 | 51.50 |
| CSR expenses (Refer Note 29.2) | 587.24 | 571.11 |
| Auditor's remuneration (Refer Note 29.1) | 64.01 | 58.90 |
| Legal and professional charges | 1,608.20 | 854.65 |
| Selling and distribution expenses | 1,776.33 | 1,352.35 |
| Loss on sale of Fixed Assets | 42.42 | 3.58 |
| Provision for doubtful debts and advances | 462.98 | - |
| Provision for Contingencies | 1,000.00 | 500.00 |
| Administration expenses | 253.85 | 347.95 |
| **Total** | **66,580.40** | **70,586.91** |

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

### 29.1 Payment to statutory auditors

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Statutory auditor's: | | |
| (a) For services as auditors | 45.60 | 40.30 |
| (b) Tax audit | 9.60 | 9.55 |
| (c) For other services | 8.18 | 8.45 |
| (d) For reimbursement of expenses | 0.63 | 0.60 |
| **Total** | **64.01** | **58.90** |

### 29.2 Expenditure incurred for Corporate social responsibility

| CSR Expenditure | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Amount required to be spent under section 135 of the Companies Act, 2013 | 782.00 | 571.11 |
| **Amount spent during the year on:** | | |
| i) Construction/acquisition of an asset | - | - |
| ii) Purposes other than (i) above | 587.24 | 559.96 |

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

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Balance Excess Spent carried forward to current financial Year | 10.80 | 21.95 |
| Amount Spent during the year | 587.24 | 559.96 |
| Amount required to be Spent during the year | 782.00 | 571.11 |
| Balance Unspent / Excess Spent as on last day of current financial Year | (183.96) | 10.80 |

Balance unspent amount during the year FY 24-25 was transferred to Unspent CSR account amouting to Rs.190 lakhs with in due date of 30th April 2025 for the project related to Medical research foundation.

for FY 23-24: Of the total Amount of Rs. 581.91 lakhs, Rs.117.97 is paid to Archean Foundation for CSR Activities

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

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

## Note 30 Income tax expense

### Note 30.1 Income tax recognised in Profit or Loss

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Income tax expense | | |
| **Current tax** | | |
| - Current tax | 6,531.62 | 10,063.31 |
| - (Excess) provision for tax relating to prior years | - | (4.64) |
| **Deferred tax** | | |
| In respect of the current period/year | (47.28) | 843.09 |
| **Total income tax expense** | **6,484.34** | **10,901.76** |

### Note 30.2 Income tax recognised in other comprehensive income

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Deferred tax** | | |
| **Arising on income and expenses recognised in other comprehensive income:** | | |
| Remeasurement of defined benefit obligation | 5.34 | 10.42 |
| **Total income tax recognised in other comprehensive income** | **5.34** | **10.42** |
| **Bifurcation of the income tax recognised in other comprehensive income into:** | | |
| Items that will not be reclassified to profit or loss | 5.34 | 10.42 |
| Items that may be reclassified to profit or loss | - | - |
| **Total income tax recognised in other comprehensive income** | **5.34** | **10.42** |

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

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

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Profit / (Loss) before tax** | **24,976.68** | **43,136.32** |
| Income tax expense calculated at 25.17% | 6,286.63 | 10,857.41 |
| Tax adjustment: | | |
| (a) other impacts due to permanent allowances / disallowances as per IT Act | 154.53 | 151.63 |
| (b) Effect of other adjustments / disallowances | 43.18 | (107.28) |
| **Income tax expense recognised in profit or loss** | **6,484.34** | **10,901.76** |
| **Effective Tax Rate** | **25.96%** | **25.27%** |

### Note 31 Segment Reporting

The Company is engaged in the activities related to manufacture of marine chemicals. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole. For purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely Marine Chemicals. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

### Note 31.1 Geographical information

The Company's revenue from external customers by location of operations and information about its non current assets** by location of operations are detailed below. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India

| Particulars | Revenue from external customers | | Non - current assets as at ** | |
|---|---|---|---|---|
| | Year ended March 31, 2025 | Year ended March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| India | 22,936.58 | 37,013.85 | 1,59,700.84 | 1,28,935.22 |
| Rest of the world | 78,442.44 | 95,944.46 | - | - |
| **Total** | **1,01,379.02** | **1,32,958.31** | **1,59,700.84** | **1,28,935.22** |

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

### Note 31.2 Information about revenue from major customers

Two external customer contributed more than 10% of total revenues of the Company. The share of the revenue for the year ended March 31, 2025 is 38.99% (FY 24-25 38.2%.)

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

## Note 32 Basic and Diluted earnings per share

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Basic Earnings per share | 14.98 | 26.17 |
| Diluted Earnings per share | 14.97 | 26.14 |
| Face value per equity share | 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, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Profit for the year after tax | 18,492.34 | 32,234.56 |
| Profit for the year attributable to owners of the Company | 18,492.34 | 32,234.56 |

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, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Weighted average number of equity shares used in the calculation of basic earnings per share | 12,34,11,021 | 12,31,74,496 |
| Adjustment: | - | - |
| Weighted average number of equity shares used in the calculation of basic earnings per share | 12,34,11,021 | 12,31,74,496 |
| Adjustment: | | |
| Employee Stock Options | 91,684 | 1,22,246 |
| Weighted average number of equity shares used in the calculation of diluted earnings per share | 12,35,02,705 | 12,32,96,743 |

## Note 33 Employee benefit plans

### A. Defined contribution plans

The Company makes Provident fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 190.87 lakhs (Previous year ended March 31, 2024 - Rs. 178.87 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the plans by the Company are at rates specified in the rules of the schemes.

### B. Defined benefit plans

**Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance Corporation of India(LIC). The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

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

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Longevity risk:** The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

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

| Particulars | Gratuity (Funded) | |
|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 |
| **Present Value of obligations at the beginning of the year** | 228.47 | 208.16 |
| Current service cost | 29.02 | 21.51 |
| Interest Cost | 16.31 | 14.99 |
| Re-measurement (gains)/losses: | | |
| - Actuarial gains and losses arising from experience adjustment | 21.51 | 40.53 |
| Benefits paid | (37.68) | (56.72) |
| Liabilities assumed / (transferred) | - | - |
| **Present Value of obligations at the end of the year** | **257.63** | **228.47** |
| **Changes in the fair value of planned assets** | | |
| **Fair value of plan assets at beginning of year** | 167.13 | 182.49 |
| Interest Income | 11.93 | 13.14 |
| Expected Return on plan assets | 0.31 | (0.88) |
| Contributions from the employer | 45.68 | 29.10 |
| Benefits Paid | (37.68) | (56.72) |
| Actuarial gain/ (loss) on plan assets | - | - |
| **Fair Value of plan assets at the end of the year** | **187.37** | **167.13** |

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Amounts recognized in the Balance Sheet** | | |
| Present value of projected benefit obligation at the end of the year | (257.63) | (228.47) |
| Fair value of plan assets at end of the year | 187.37 | 167.13 |
| **Funded status of the plans – Liability recognised in the balance sheet** | **(70.26)** | **(61.34)** |
| **Provision for Gratuity - Non current liability** | **-** | **-** |
| **Provision for Gratuity - current liability** | **(70.26)** | **(61.34)** |

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

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Components of defined benefit cost recognised in profit or loss** | | |
| Current service cost | 29.02 | 21.51 |
| Net Interest Expense | 16.31 | 14.99 |
| Interest Income | (11.93) | (13.14) |
| **Net Cost in Profit or Loss** | **33.40** | **23.36** |
| **Components of defined benefit cost recognised in Other Comprehensive income** | | |
| Remeasurement on the net defined benefit liability: | | |
| - Actuarial gains and losses arising from experience adjustment | 21.51 | 40.53 |
| Return on plan assets | (0.31) | 0.88 |
| **Net Cost in Other Comprehensive Income** | **21.20** | **41.41** |

| Assumptions | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Discount rate | 6.54% | 7.14% |
| Expected rate of salary increases | 13.00% | 13.00% |
| Expected rate of attrition | 30.00% | 31.00% |
| Mortality rate during employement | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |
| Average Expected Future service | 2 years | 2 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.

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

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, 2025 | Year ended March 31, 2024 |
| Discount rate | | |
| - 1% increase (+100 BP) | (6.63) | (5.56) |
| - 1% decrease (-100 BP) | 7.08 | 5.92 |
| Salary growth rate | | |
| - 1% increase (+100 BP) | 5.75 | 4.97 |
| - 1% decrease (-100 BP) | (5.58) | (4.85) |
| Attrition rate | | |
| - 1% increase (+100 BP) | (2.39) | (2.17) |
| - 1% decrease (-100 BP) | 2.50 | 2.27 |

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. 59.14 lakhs (2023-2024: Rs. 58.95 lakhs).

**C. Long Term Compensated Absence**

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

| Assumptions | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Discount rate | 6.54% | 7.14% |
| Expected rate of salary increases | 13.00% | 13.00% |
| Expected rate of attrition | 30.00% | 31.00% |

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

### D. Share Based Payments

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committe on October 07,2022 the Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Company in accordance with Archean Chemical -Employee Stock Option Plan 2022. The Vesting Period of ESOP is between 12 months to 60 months.

**Movements in Share Options during the Year**

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Options outstanding at the beginning of the year | 1,22,850.00 | 4,91,400.00 |
| Granted during the year | - | - |
| Forfeited/Expired during the year | - | (24,570.00) |
| Exercised during the year | (30,713.00) | (3,43,980.00) |
| Options outstanding at the end of the year | 92,137.00 | 1,22,850.00 |

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

An amount of Rs. 129.92 lakhs (871.05 lakhs) has been recognized as employee stock options expenses in statement of profit or loss.

## Note 34 Financial Instruments

### 34.1 Capital management

The company manages it's capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of net debt (borrowings as detailed in note 14)

The Company during the year has put in place the risk management policy and the same is being reviewed periodically post implementation.

#### 34.1.1 Gearing ratio

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Debt | 5,300.95 | 78.80 |
| Cash and bank balances | 4,792.65 | 4,387.00 |
| **Net debt** | **508.30** | **(4,308.20)** |
| Equity | 1,88,014.20 | 1,70,641.79 |
| **Total Equity** | **1,88,014.20** | **1,70,641.79** |
| Net debt to equity ratio (in times) | **0.00** | **(0.03)** |

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

### 34.2 Categories of financial instruments

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Financial assets** | | |
| **Measured at fair value through profit or loss (FVTPL)** | | |
| a) Financial assets measured at fair value - Mutual fund investments | 20,216.74 | 33,582.93 |
| b) Financial assets measured at fair value - other entity investments | 13,649.94 | - |
| c) Financial assets measured at fair value - Derivative Assets | 89.21 | - |
| **Measured at amortised cost** | | |
| a) Cash and bank balances | 4,792.65 | 4,387.00 |
| b) Loan to related party | 23,063.63 | 14,029.53 |
| c) Loan to other entity | 2,214.78 | - |
| d) Investments in subsidiaries | 1,100.00 | 1,100.00 |
| e) Other financial assets at amortised cost | 22,063.64 | 19,042.12 |
| **Financial liabilities** | | |
| a) Measured at amortised cost | 16,764.62 | 11,471.93 |
| b) Measured at FVTPL | 5,471.70 | 3,853.33 |

### 34.3 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company has implemented a hedging policy during the period /year, to minimise the effects of foreign exchange fluctuations.

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

### 34.4 Market Risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

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

### 34.5 Foreign Currency risk management

The Company is exposed to foreign exchange risk arising from foreign currency transactions on account of sale / purchase of goods. Foreign exchange risk arises from recognised assets denominated in a currency that is not the Company's functional currency (Rs). The risk is measured through a forecast of foreign currency cash flows that would arise due to the underlying assets and liabilities held. The Company has entered into futures contracts to manage a portion of foreign currency risk arising out of realisation of foreign currency receivables. The strategy followed by the Company is tracking the foreign currency exchange rates and settlement of the payables at the time when the exchange rates are favourable.

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

| Currency | Liabilities as at | | | |
|---|---|---|---|---|
| | March 31, 2025 | March 31, 2025 | March 31, 2024 | March 31, 2024 |
| | FC | INR | FC | INR |
| EUR | 15.50 | 1,431.03 | 0.88 | 79.27 |
| GBP | - | - | - | - |
| SGD | - | - | - | - |
| USD | 16.93 | 1,448.89 | 11.33 | 944.37 |
| **Total** | | **2,879.92** | | **1,023.64** |

| Currency | Assets as at | | | |
|---|---|---|---|---|
| | March 31, 2025 | March 31, 2025 | March 31, 2024 | March 31, 2024 |
| | FC | INR | FC | INR |
| EUR | 1.06 | 97.86 | 3.05 | 274.76 |
| GBP | 20.00 | 2,214.78 | - | - |
| USD | 164.42 | 14,071.29 | 131.42 | 10,957.28 |
| **Total** | | **16,383.93** | | **11,232.04** |

#### 34.5.1 Foreign currency sensitivity analysis

The company is mainly exposed to the currency of USD and EURO.

The following table details the company's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where the rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency, there would be a comparable impact on the profit.

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

| Particulars | Impact on profit or loss for the year | |
|---|---|---|
| | Year ended March 31, 2025 | Year ended March 31, 2024 |
| **Financial Assets (A)** | | |
| USD | 703.56 | 547.86 |
| GBP | 110.74 | - |
| EUR | 4.89 | 13.74 |
| **Financial Liabilities (B)** | | |
| USD | 72.44 | 47.22 |
| EUR | 71.55 | 3.96 |
| **Total (A) - (B)** | **675.20** | **510.42** |

### Note 34.6 Interest rate risk management

The long term borrowings appearing in the balance sheet carries a fixed rate of interest and hence the company is not exposed to interest rate variability.

### Note 34.7 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the Company's 'Profit for the year ended March 31, 2025 would not have any significant impact as there are no liabilities with floating rate as at March 31, 2025. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

### Note 34.8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with 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 .

The Company does not have significant credit exposure to any single customer. Concentration of Credit Risk to single customer did not exceed 10% of receivables in FY 2024-254 except for three customers whose outstanding balance was Rs.8114.16 Lakhs. (FY 2023-24 - 8601.62 Lakhs).

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

### Note 34.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Note 34.9.1 Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2025**

| 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 | | 10,774.13 | - | - | - | 10,774.13 | 10,774.13 |
| Others | | 689.54 | - | - | - | 689.54 | 689.54 |
| Finance lease liability | | 2,069.81 | 3,223.24 | 733.64 | 7,543.60 | 13,570.28 | 5,471.70 |
| Fixed interest rate instruments | 8.9% - 9.65% | 1,346.26 | 3,019.28 | 2,915.06 | 698.38 | 7,978.98 | 5,300.95 |

**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, 2024**

| Particulars | Weighted average effective Interest rate (%) | Less than 1 year | Upto 3 years | More than 3 and upto 5 years | More than 5 years | Total contractual cash flows | Carrying amount |
|---|---|---|---|---|---|---|---|
| Accounts payable and acceptances | - | 9,899.59 | - | - | - | 9,899.59 | 9,899.59 |
| Others | - | 1,519.08 | - | - | - | 1,519.08 | 1,519.08 |
| Finance lease liability | - | 1,232.85 | 1,860.32 | 1,087.32 | 7,670.76 | 11,851.26 | 3,827.79 |
| Fixed interest rate instruments | 8.90% | 18.53 | 42.35 | 17.92 | - | 78.80 | 78.80 |

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

**The carrying amounts of the above are as follows:**

**Rs in Lakhs**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Non-interest bearing | 11,463.67 | 11,418.67 |
| Finance lease liability | 5,471.70 | 3,827.79 |
| Fixed interest rate instruments | 5,300.95 | 78.80 |
| | **22,236.32** | **15,325.26** |

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.

**Rs in Lakhs**

| Particulars | Less than 1 year | 1-3 year | 3 - 5 year | More than 5 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2025** | | | | | |
| Investments | 20,216.74 | - | - | 14,749.94 | **34,966.68** |
| Security Deposits | 1,252.58 | - | - | 432.76 | **1,685.34** |
| Trade Receivables | 17,195.40 | - | - | - | **17,195.40** |
| Total Cash and bank balances | 4,792.65 | - | - | - | **4,792.65** |
| Bank Deposits | - | 1,328.37 | - | - | **1,328.37** |
| Others | 241.39 | 1,646.55 | - | - | **1,887.94** |
| Loans | 55.80 | 3,846.68 | 13,363.57 | 8,068.15 | **25,334.21** |
| **As at March 31, 2024** | | | | | |
| Investments | 33,582.93 | - | - | 1,100.00 | **34,682.93** |
| Security Deposits | 1,229.00 | - | - | 163.23 | **1,392.23** |
| Trade Receivables | 15,585.32 | - | - | - | **15,585.32** |
| Others | 280.02 | 501.65 | - | - | **781.67** |
| Loans | 43.21 | 14,029.53 | - | - | **14,072.74** |
| Bank Deposits | | 1,239.69 | | | **1,239.69** |
| Cash and Cash Equivalents | 4,387.00 | - | - | - | **4,387.00** |

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

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

### 34.10 Fair value measurements

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

### 34.10.1 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.

| Particulars | Fair Value hierarchy | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|---|
| | | 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 | 20,216.74 | 20,216.74 | 33,582.93 | 33,582.93 |
| Financial assets measured at fair value - Derivative Instruments | Level 1 | 89.21 | 89.21 | - | - |
| Financial assets measured at fair value - investment in other entities | Level 3 | 13,649.94 | 13,649.94 | - | - |
| **Financial liabilities** | | | | | |
| Lease Liabilities measured at FVTPL | Level 3 | 5,471.70 | 5,471.70 | 3,827.79 | 3,827.79 |
| Derivative Instruments measured at FVTPL | Level 3 | - | - | 25.54 | 25.54 |

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

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

## Note 35 Related party transaction

### 35.1 Names of Related Parties & Nature of Related parties relationship

| | |
|---|---|
| i. Entities or persons having significant influence | Chemikas Speciality LLP (Formerly known as Goodearth Fertilisers Company LLP) |
| ii. Subsidiary companies | Acume Chemicals Private Limited |
| | Neun Infra Private Limited |
| | Idealis Chemicals Private Limited |
| iii. Step down Subsidiary | Sicsem Private Limited |
| | Idealis Mudchemie Private Limited |
| iii. Enterprise over which Key management personnel exercise significant influence. | Goodearth Maritime Private Limited |
| | Jakhau Salt Company Private Limited |
| | Bharath Salt Refineries Limited |
| | Archean Industries Private Limited |
| | Cloudgen Digital Private Limited |
| | Sea Salt Holdings Pte Limited |
| | Bahuvidhaah Holdings Private Limited |
| | Archean Foundation |
| | KGF Granites Private Limited |
| | Archean Salt Holdings Private Limited |
| iv. Key management personnel and other directors | Mr. P Ranjit - Managing Director |
| | Mr. P Ravi - Non - Executive Director |
| | Mr. Subrahmanyam Meenakshisundaram - Non - Executive Director |
| | Mr. Kandheri Munaswamy Mohandass - Independent Director |
| | Mr. Chitoor Ghatambu Sethuram - Independent Director |
| | Ms. Padma Chandrasekaran - Independent Director |
| | Mr. N R Kannan - Executive Director (ED with effect from 2 Aug 2024) |
| | Mr. R.Natarajan - CFO (CFO with effect from 21 Jan 2025) |
| | Mr. R.Raghunathan - CFO (CFO with appointed with effect from 1 June 2022 and resigned with effect from 20 Jan 2025) |
| | Mr Vijayaraghavan N E - Company Secretary (with effect from 07 Feb 2025) |
| | Mr Ravi Prakash Mundra - Company Secretary (with effect from 02 Aug 2024 and resigned with effect from 7 Aug 2024) |
| | Mr. Arunmozhi - Company Secretary (resigned with effect from 11 Aug 2023) |
| | Mr. S Balasundharam - Company Secretary (resigned with effect from 01 Jun 2024) |

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

### 35.2 Transactions with related parties

| Particulars | Transaction Value | | Amount Outstanding Receivable / (Payable) | |
|---|---|---|---|---|
| | Year ended March 31, 2025 | Year ended March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **Jakhau Salt Company Private Limited** | | | | |
| - Reimbursement of Jetty Expenses | 464.17 | 507.36 | (101.91) | (89.23) |
| - Reimbursement of Expenses | - | | | |
| **Bharath Salt Refineries Limited** | | | | |
| - Reimbursement of Expenses | - | - | - | - |
| - Purchase of traded goods | - | - | | |
| **P. Ranjit** | | | | |
| - Payment of Dividend | 282.66 | 1,271.97 | | |
| - Office Rent | 52.46 | 45.95 | (4.38) | (4.14) |
| - MD remuneration payable | - | - | (283.04) | (1,266.56) |
| **Goodearth Maritime Private Limited** | | | | |
| - Receivable Bromine | - | - | 50.00 | 50.00 |
| - Expenses towards jetty services | 2,347.39 | 2,565.82 | 1,296.24 | 1,153.44 |
| - Shipment Management fee expenses | 377.06 | 538.57 | | |
| - Reimbursement of expenses | 759.49 | 834.95 | | |
| - Barge Transportation Cost | 324.71 | - | | |
| **Archean Industries Private Limited** | | | | |
| - Reimbursement of Expenses | - | 2.25 | 12.15 | 12.15 |
| **Sea Salt Holdings Pte Limited** | | | | |
| - Receivable | - | - | - | |
| '- Despatch Income | | 22.87 | - | - |
| - Reversal of provision for doubtful receivables | - | - | - | - |
| - Reimbursement of expenses | 366.68 | - | - | - |
| - Sale of salt | 2,974.38 | 4,829.28 | - | - |
| **Cloudgen Digital Private Limited** | | | | |
| - Others | - | - | 0.30 | 0.30 |
| **Archean Foundation** | | | | |
| Towards CSR expenses | - | 117.97 | - | - |
| **KGF Granites Private Limited** | | | | |
| - Reimbursement of Expenses | - | - | 1.20 | 1.20 |
| **Idealis Chemicals Private Limited** | | | | |
| -Loans given | 938.99 | 7,436.00 | 8,374.99 | 7,436.00 |
| - Interest income | 589.27 | 108.09 | 627.63 | 97.28 |

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

| | | | | |
|---|---|---|---|---|
| **Chemikas Speciality LLP** | | | | |
| - Payment of Dividend | 376.93 | 1,696.19 | - | - |
| - Payment of Rent | 11.00 | - | | |
| **Acume Chemicals Private Limited** | | | | |
| -Loans given | 3,023.18 | 5,188.47 | 9,616.71 | 6,940.83 |
| -Sale of Bromine | 1,772.50 | 0.80 | 2,025.26 | 45.19 |
| -Corporate Guarantee Given | 0 | 16,700.00 | 16,700.00 | 16,700.00 |
| - Deposit placed with bank to avail banking facilities by Acume | 1,200.00 | - | 1,200.00 | - |
| - Interest income | 562.74 | 265.27 | 853.76 | |
| **Neun Infra Private Limited** | | | | |
| -Loans given | 4710.5 | | 4710.5 | |
| -Interest income | 51.26 | | 46.14 | |
| **IDEALIS MUDCHEMIE PRIVATE LIMITED** | | | | |
| -Loans given | 361.43 | - | 361.43 | - |
| -Interest income | 4.05 | - | 3.65 | - |
| **SiCSem Private Limited** | | | | |
| -Loans given | 2,100.00 | - | - | - |
| -Loan repaid | (2,100.00) | - | - | - |
| -Interest income | 81.08 | | | |

### 35.3 Compensation of Key management personnel

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

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Employee benefits expense** | | |
| Mr. P Ranjit | 2,015.36 | 1,917.69 |
| Sitting Fees paid to directors | 53.50 | 25.50 |
| Commission to directors | 60.00 | 75.00 |
| Mr. S Meenakshi Sundaram | - | 995.09 |
| Mr. N R Kannan (From 2nd Aug 2024) | 80.62 | |
| Mr.R Raghunathan (Till 20th Jan 2025) | 86.27 | 100.03 |
| Mr.G Arunmozhi | - | 9.65 |
| Mr.S Balasundharam (Till 1st June 2024) | 5.32 | 18.60 |
| Mr. Natarajan Ramamurthy (From 21st Jan 2025) | 17.34 | - |
| Mr. Vijayaraghavan N E | 4.95 | - |

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

## Note 36 Lease arrangements

**Lease liabilities**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Maturity analysis - contractual undiscounted cash flows | | |
| - Less than one year | 2,069.81 | 1,232.85 |
| - One to five years | 3,956.88 | 2,947.64 |
| - More than five years | 7,543.60 | 7,670.76 |
| **Total undiscounted lease liabilities** | **13,570.29** | **11,851.25** |
| | | |
| Lease liabilities included in the financial statement as at | | |
| - Current | 1,450.17 | 705.23 |
| - Non Current | 4,021.53 | 3,122.56 |

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Amounts recognised in profit or loss** | | |
| - Interest on lease liabilities | 673.43 | 675.59 |
| - Expenses relating to short-term leases | 654.97 | 188.73 |

**Movement of lease liabilities**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balance at the beginning of the year** | 3,827.79 | 4,789.32 |
| Additions | 2,802.72 | 192.36 |
| Accretion of interest | 673.43 | 675.59 |
| Payments | (1,872.29) | (1,252.68) |
| Forex | 40.05 | 18.48 |
| Others | - | (595.28) |
| **Balance at the end of the year** | **5,471.70** | **3,827.79** |

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

## Note 37: Additional information to the financial statements

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Contingent liabilities** | | |
| a. Disputed Service tax, Sales tax and Income tax dues under appeal (refer Note 37.1 (a)) | 5,627.00 | 5,679.10 |
| b. Corporate Guarantee / Fixed Deposit on behalf of Acume Chemicals Private Limited (WOS) | 17,900.00 | 16700.00 |
| c. Capital Commitments | 39.78 | 504.36 |
| d. Minimum demand charges payable to PGVCL* | 156.86 | 156.86 |
| **Total** | **23,723.64** | **23,040.32** |

* Appeal has been filed against the demand raised by PGVCL. An amount of Rs. 156.86 lakhs has been paid under protest.

### 37.1 (a) Details of disputed statutory dues

| Name of Statute | Period to which amounts relates | Forum where dispute is pending | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| Sales tax and Gujarat VAT matters in respect of which Company is in appeal. | FY 2015-16 | Joint Commissioner, Rajkot | 324.73 | 324.73 |
| | FY 2016-17 | | 273.92 | 273.92 |
| | FY 2017-18 | | 23.05 | 23.05 |
| Income tax matters in respect of which Company is in appeal# | FY 2021-22 | CIT (Appeals) | 5,005.30 | 5,005.30 |
| TDS Matters in Respet of which Company is in appeal | FY 2021-22 | CIT (Appeals) | - | 22.95 |
| | FY 2022-23 | CIT (Appeals) | - | 29.15 |
| **Total** | | | **5,627.00** | **5,679.10** |

Note: Closing balance of amount paid under protest Rs. 55.58 Lakhs (March 31, 2024: Rs. 55.08)

** Company opted for VSV scheme and accordingly matters pending with CIT (Appeals) for the FY 2021-22 & 22-23 are settled & paid after waiver of 75% interest by the Department.

# Compay has not paid any tax amount under Protest against the demand. In addition to that we have received High Pitched Scrutiny Assessment communication from the department.

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

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

### Note 38 : Dues to Micro, Small and Medium Enterprises:

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2025 and March 31, 2024 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, 2025 | As at March 31, 2024 |
|---|---|---|
| The principal amount remaining unpaid to any supplier at the end of each accounting year; | 1,225.80 | 1,264.75 |
| The interest due thereon remaining unpaid to any supplier at the end of each accounting year; | - | - |
| 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 | - | - |
| 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 | - | - |

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

### Note 39. Events after the reporting date

Nil

### Note 40. Others

A. Except as disclosed in the table below :

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).

| Lending Company | Year of Transaction | Intermediary | Relation between Lending Company and Intermediary | Amount | Type of Transaction |
|---|---|---|---|---|---|
| Archean Chemical Industries Limited | FY 2023-24 | Idealis Chemicals Private Limited | Holding – Subsidiary | 7,390.74 | Loan |
| Archean Chemical Industries Limited | FY 2023-24 | Idealis Chemicals Private Limited | Holding – Subsidiary | 300.00 | Investment in Share Capital |
| Archean Chemical Industries Limited | FY 2023-24 | NeunInfra Private Limited | Holding – Subsidiary | 300.00 | Investment in Share Capital |
| Archean Chemical Industries Limited | FY 2024-25 | NeunInfra Private Limited | Holding – Subsidiary | 4,663.50 | Loan |

| Intermediary Company | Year of Transaction | Ultimate Beneficiary | Relation between Intermediary and Ultimate Beneficiary | Amount | Type of Transaction |
|---|---|---|---|---|---|
| Idealis Chemicals Private Limited | FY 2024-25 | Idealis Mudchemie Private Limited | Holding – Subsidiary | 7,190.74 | Loan |
| Idealis Chemicals Private Limited | FY 2024-25 | Idealis Mudchemie Private Limited | Holding – Subsidiary | 500.00 | Investment in Share Capital |
| NeunInfra Private Limited | FY 2023-24 | Sicsem Private Limited | Holding – Subsidiary | 3.50 | Investment in Share Capital |
| NeunInfra Private Limited | FY 2024-25 | Sicsem Private Limited | Holding - Subsidiary | 4,960.00 | Loan |

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.

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

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

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

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

F. 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.)

G. Relationship with Struck-off Companies: The Company has searched for transactions with Struck-off companies by comparing company's counter parties with publicly available database of struck-off companies through a manual name search. Based on such a manual search, there are no transactions with the struck off comapnies for the FY 2024-25.

H. Dividend of Re. 3 per equity share amounting to Rs. 3,702.83 Lakhs for the Financial Year 2024-25 recommended by Board of Directors which is subject to approval of shareholders at the ensuing Annaul General Meeting is not recognized as liability at the Balance Sheet date.

### Note 41. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 02, 2025

**Note 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.

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

## Notes forming part of Standalone financial statements (Contd.)

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

**44 Ratios**

| Ratio | % / times | Numerator | Denominator | As at March 31, 2025 | As at March 31, 2024 | % of variance | Reason for variance* |
|---|---|---|---|---|---|---|---|
| a) Current ratio | Times | Current Assets | Current liabilities | 4.48 | 5.66 | -20.9% | |
| b) Debt-Equity ratio | Times | Long-term borrowings (including current maturities) + Short-term borrowings + interest accrued on borrowings+ Liability portion of CCD (included in other financial liabilities) | Total Equity [Equity Share Capital+Other Equity] | 0.03 | 0.00 | 6005.5% | Due to increase in borrowings. |
| c) Debt service coverage ratio | Times | Profit before tax + Interest on term loans, working capital, Interest on finance lease+ Depreciation | Interest on term loans, working capital & Interest on finance lease + Finance cost capitalised + Loans repaid + Reduction in lease liability | 17.31 | 14.86 | 16.5% | |
| d) Return on equity ratio | Percentage | Profit after tax | Average Shareholder's Equity | 10.31% | 20.54% | -49.8% | Due to decrease in profit and increase in Average Shareholder's Equity. |
| e) Inventory turnover ratio | Times | Revenue from operations | Average inventory | 7.22 | 9.02 | -20.0% | - |
| f) Trade receivables turnover ratio | Times | Revenue from operations | Average accounts receivable | 6.19 | 9.72 | -36.4% | Due to increase in average Trade Receivables |
| g) Trade payables turnover ratio | Times | Cost of goods sold | Average trade payables | 4.94 | 7.32 | -32.5% | Due to increase in average Trade payable days. |
| h) Net capital turnover ratio | Times | Revenue from operations | Working capital<br>Current assets - Current liabilities | 2.00 | 2.30 | -13.0% | |
| i) Net profit ratio | Percentage | Profit after tax | Revenue from operations | 18.24% | 24.24% | -24.8% | |
| j) Return on capital employed | Percentage | Profit Before Interest and Tax | Total Assets - Intangible assets - Total liabilities + Debt<br><br>Debt : Long-term borrowings (including current maturities) + Short-term borrowings + interest accrued on borrowings+ Liability portion of CCD (included in other financial liabilities) | 12.48% | 24.09% | -48.2% | Due to decrease in absolute value.of profit in the current year compared to previous year. |
| k) Return on investment (On mutual funds and bank deposits) | Percentage | Interest income on mutual funds and bank deposits | Average of mutual funds and bank deposits | 7.84% | 7.62% | 2.8% | |

** for Variances above 25% only*

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

**S. Prasana Kumar**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
Managing Director
DIN: 01952929

**R.Natarajan**
Chief Financial Officer

**Vijayaraghavan N E**
Company secretary & Compliance Officer
M.No. A 41671

# CONSOLIDATED

# FINANCIAL STATEMENTS

# 2024-2025

# Independent Auditors' Report

## To the Members of Archean Chemical Industries Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Archean Chemical Industries Limited (hereinafter referred to as the 'Holding Company") and five subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2025, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries as were audited by other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2025, and their consolidated profit, consolidated other comprehensive income, their consolidated changes in equity and consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the *Code of Ethics* issued by the Institute of Chartered Accountants of India ("ICAI"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the considerations of evidence obtained by other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| S. No | Key Audit Matter | Our Response |
|---|---|---|
| 1 | Revenue from sale of products is recognized on transfer of control to the Customer.<br><br>The Holding Company is catering to clients in the Asia regions. Delivery to customers might takeextended time periods from the date ofdispatch from the premises of Company. | Our audit procedures included verification of existence, completeness, accuracy and cut-off for the sales transactions.<br><br>• Our tests included performance of an understanding and evaluation of the internal controls over the revenue recognition and a validation of relevant controls. |

| | | |
|---|---|---|
| | There is a risk of inherent misstatement of the consolidate financial statements related to transactions recorded close to the year end in the context of the terms of supply and the point of transfer of control and thus, the point of recognition as per IND AS (cut off risk).<br><br>Contractual terms may also differ amongst various customers and recognition of revenue accordingly is also a key requirement<br><br>Considering magnitude and high volume of sales transactions carried out, revenue recognition is considered as a key audit matter | • The tests further covered the proper recognition of revenue through testing of samples of sales transactions, obtaining appropriate supporting evidence including third party survey report for each despatch with specific attention to key contractual terms that regulate the various performance obligations.<br><br>• Our audit procedures included analytical review of sales transactions and accounting of revenue.<br><br>• It also extended to performing confirmation procedures over trade receivables with the objective of validating trade receivable balances, testing samples of credit notes and year-end accruals.<br><br>• Evaluating the disclosures made with requirements under the Accounting Standards and the Companies Act, 2013 |
| **2.** | Inventory at the year end<br><br>The Holding Company's inventory, generally, is located at its plant at Kutch and its finished goods at the Jakhau and Mundra ports.<br><br>The Holding Company has a policy of performing verification of its inventory at these locations.<br><br>The Holding Company has conducted the physical verification of inventories across at Washery plant, Jakhau, and Mundra port between 15th April 2025 and18th April 2025 by engaging specialists (management experts).<br><br>Considering the bulk nature and reliance of third Party technology for salt quantity determination, physical verification of inventories at year end is considered as key audit matter. | With respect to existence of inventories at the year end, we performed the following procedures:<br><br>• Understood and evaluated the Management's internal controls process to establish the existence of inventory such as:<br>(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,<br>(b) maintenance of stock records at all locations.<br><br>• Understood and evaluated the competence, independence and objectivity of the experts engaged by the Management.<br><br>• Participated in the stock count performed by the management/management expert<br><br>• Checked roll back procedures from the date of the physical verification to the year end based on third party certified physical verification report to the book stock.<br><br>• On a sample basis, tested the quantity reconciliation from 1st April ,2024 to 31st March, 2025 of raw materials, and finished goods, that was prepared by the Management. |

## Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Directors report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Management and Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, and its subsidiary companies, which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

### Other Matters

We did not audit the Standalone financial statements of three subsidiaries whose Standalone financial statements reflect total assets (before consolidation adjustments) of Rs.40,260.94 lakhs as at 31 March 2025, total revenues (before consolidation adjustments) of Rs.3906.66 lakhs and net cash flows (before consolidation adjustments) amounting to Rs.165.70 lakhs for the year ended on that date, as considered in the consolidated financial statements. These Standalone financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us are stated in our Responsibility.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, as noted in the 'Other matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matter stated in the paragraph (h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive

Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company and two subsidiaries audited by us as on 31 March 2025 taken on record by the respective Board of Directors of the Company and based on the reports of the statutory auditors of three subsidiary companies, none of the directors of the Group companies, is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to adequacy of the internal financial controls over Consolidated financial statements of the Holding Company, and its subsidiary companies, the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group,– Refer Note 37 to the consolidated financial statements.

ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

iv. (a) The respective managements of Holding Company, and its subsidiary companies has represented that, to the best of their knowledge and belief other than as disclosed in the notes 40A to the consolidated financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, and its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective managements of the Holding Company, and its subsidiary companies has represented that to the best of it's knowledge and belief other than as disclosed in the notes 40A to the consolidated financial statement, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, and its subsidiary companies shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, performed by us and that performed by the auditors of the subsidiary companies, whose standalone financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (a) and (b) above contain any material mis-statement.

v. The dividend paid during the year by the Holding Company in respect of interim dividend are in compliance with section 123 of the Act to the extent applies to payment of dividend.

As stated in Note 40H to the Consolidated financial statements, The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

No dividend has been declared/paid by the subsidiary companies during the financial year and hence reporting on compliance with the provisions of section 123 of the Act is not applicable to that extent.

vi. Relying on representations/ explanations from the company based on our examination which includes test checks on the software application the Holding Company and two subsidiary companies audited by us and based on the report of other auditors of three subsidiary companies whose books are audited by another auditor, has used accounting softwares (ERP) for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

However, audit trail was not enabled to log any direct data changes at database level both in application layer and database layer of the accounting software used by the Holding Company and three subsidiaries.

Additionally, the audit trail where available, have been preserved by the Group as per the statutory requirements for record retention.

3. As required by Section 197(16) of the Act, In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, companies incorporated in India which were not audited by us, we report that the remuneration paid by the Holding Company, and its subsidiary companies, incorporated in India to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

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

**S.Prasana Kumar**
Partner
Membership No. 212354
UDIN: 25212354BMJMWD1208
Place of Signature: Chennai
Date: 2nd May 2025

## 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 Holding Company") on the consolidated financial statements as of and for the year ended 31 March 2025.**

(i) As required by Paragraph (xxi) of Companies (Auditor's Report) Order (CARO), there have been no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies incorporated in India included in the consolidated financial statements except:

| Sr. No. | Name | CIN | Holding Company/ Subsidiary | Clause number of the CARO report which is qualified or adverse |
|---|---|---|---|---|
| 1 | Archean Chemical Industries Limited | L24298TN2009PLC072270 | Holding | (i) (c) |
| 2 | Archean Chemical Industries Limited | L24298TN2009PLC072270 | Holding | (vii) (b) |
| 3 | Acume Chemicals Private Limited | U24290TN2021PTC148007 | Subsidiary | (xvii) |
| 4 | Idealis Chemicals Private Limited | U20299TN2023PTC164103 | Subsidiary | (iii)(a)(A), (ix)(e), (xvii) |
| 5 | Idealis Mudchemie Private Limited (formerly Oren Hydrochemicals Private Limited) | U73100TN1990PTC019419 | Subsidiary of Idealis Chemicals Private Limited | (xvii) |
| 6 | Sicsem Private Limited | U46521TN2023PTC166415 | Subsidiary of Neun Infra Private Limited | (xvii) |
| 7 | Neun Infra Private Limited | U20299TN2023PTC164041 | Subsidiary | (iii)(a)(A), (ix)(e) |

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

**S.Prasana Kumar**
Partner
Membership No. 212354
UDIN: 25212354BMJMWD1208

Place of Signature: Chennai
Date: 2nd May 2025

# Annexure B

**Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of Archean Chemical Industries Limited**

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Archean Chemical Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls over financial reporting of the Holding Company and two subsidiaries and other auditors have audited three subsidiary companies, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit of the Holding Company and two subsidiary companies, and three subsidiary companies whose books are audited by other auditors, which are companies incorporated in India. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, and its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the other auditors as mentioned in the Other Matter paragraph below, the Holding Company, and its subsidiary companies, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

**S.Prasana Kumar**
Partner
Membership No. 212354
UDIN: 25212354BMJMWD1208

Place of Signature: Chennai
Date: 2nd May 2025

## Consolidated Balance Sheet as at March 31, 2025

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

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **A. ASSETS** | | | |
| **Non-Current Assets** | | | |
| (a) Property, plant and equipment | 2 | 1,28,545.84 | 1,11,802.15 |
| (b) Capital work in progress | 2 | 6,482.90 | 4,618.12 |
| (c) Right-of-use assets | 3 | 9,254.37 | 4,158.20 |
| (d) Intangible assets | 4 | 6.33 | 11.61 |
| (e) Intangible assets under development | 4.1 | 450.00 | 200.00 |
| (f) Financial assets: | | | |
| (i) Investments | 5A | 13,649.94 | - |
| (i) Loans | 7 | 2,214.78 | - |
| (ii) Other financial assets | 6 | 2,007.27 | 1,553.84 |
| (g) Income tax assets (Net) | 18A | 40.52 | 539.38 |
| (h) Deferred tax assets (Net) | 19 | 440.11 | 112.11 |
| (i) Other non current assets | 8 | 7,112.33 | 9,975.07 |
| **Total non-current assets** | | **1,70,204.40** | **1,32,970.48** |
| **Current assets** | | | |
| (a) Inventories | 9 | 16,812.89 | 12,729.34 |
| (b) Financial assets: | | | |
| (i) Investments | 5B | 20,217.28 | 34,987.02 |
| (ii) Trade receivables | 10 | 16,456.91 | 15,637.88 |
| (iii) Cash and Cash equivalents | 11.1 | 4,054.05 | 4,548.28 |
| (iii) Loans | 11 | | |
| (iv) Bank balances other than (iii) above | 11.2 | 1,230.00 | - |
| (v) Loans | 7 | 55.80 | 42.75 |
| (vi) Other financial assets | 6 | 2,019.43 | 1,463.83 |
| (vii) Derivative assets | 6.1 | 89.21 | - |
| (c) Other current assets | 8 | 8,203.43 | 3,206.85 |
| **Total current assets** | | **69,139.00** | **72,615.95** |
| **TOTAL ASSETS** | | **2,39,343.40** | **2,05,586.43** |
| | | | |
| **B. EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 12 | 2,468.55 | 2,467.94 |
| (b) Other equity | 13 | 1,83,932.77 | 1,67,687.11 |
| **Equity Attributable to Owners of the Company** | | **1,86,401.32** | **1,70,155.05** |
| Non Controlling Interest | | 0.43 | 0.82 |

| | | | |
|---|---|---|---|
| **Liabilities** | | | |
| **Non-Current liabilities** | | | |
| (a) Financial liabilities: | | | |
| (i) Borrowings | 14 | 15,159.89 | 5,935.93 |
| (ii) Lease liabilities | 15 | 4,200.96 | 3,122.56 |
| (iii) Other financial liabilities | 16 | 0.01 | - |
| (b) Other non-current liabilities | 17 | 17.73 | - |
| (c) Provisions | 20.1 | 1,509.76 | 506.82 |
| (d) Deferred tax liabilities (Net) | 19 | 12,325.50 | 12,378.12 |
| **Total non-current liabilities** | | **33,213.85** | **21,943.43** |
| **Current liabilities** | | | |
| (a) Financial liabilities: | | | |
| (i) Borrowings | 14 | 2,646.50 | 18.53 |
| (ii) Lease liabilities | 15 | 1,450.17 | 705.23 |
| (iii) Trade payables | | | |
| (A) total outstanding dues of micro and small enterprises | 21 | 1,227.15 | 1,287.48 |
| (B) total outstanding dues of creditors other than above | 21 | 9,278.05 | 8,693.59 |
| (iv) Other financial liabilities | 16 | 4,211.52 | 2,409.98 |
| (v) Derivative liabilities | 16.1 | - | 25.54 |
| (b) Other current liabilities | 17 | 334.99 | 282.59 |
| (c) Current tax liabilities (Net) | 18B | 477.95 | - |
| (d) Provisions | 20.2 | 101.47 | 64.19 |
| **Total current liabilities** | | **19,727.80** | **13,487.13** |
| | | | |
| **Total Liabilities** | | **52,941.65** | **35,430.56** |
| **TOTAL EQUITY AND LIABILITIES** | | **2,39,343.40** | **2,05,586.43** |
| | | | |
| Notes forming part of Consolidated 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**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
Managing Director
DIN: 01952929

**R.Natarajan**
Chief Financial Officer

**Vijayaraghavan N E**
Company secretary & Compliance Officer
M.No. A 41671

## Consolidated Statement of Profit and Loss for the Year ended March 31, 2025

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

| S. No. | Particulars | Note No. | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|---|
| I | Revenue from operations | 22 | 1,04,101.79 | 1,33,008.95 |
| II | Other income | 23 | 3,728.30 | 4,332.37 |
| **III** | **Total income (I+II)** | | **1,07,830.09** | **1,37,341.32** |
| | | | | |
| **IV** | **Expenses:** | | | |
| | Cost of materials consumed | 24 | 6,293.79 | 4,758.47 |
| | Purchases of Stock-in-Trade | | - | - |
| | Changes in inventories of finished goods and work-in-progress | 25 | (7,073.19) | 4,008.95 |
| | Employee benefits expense | 26 | 6,105.36 | 7,242.81 |
| | Finance costs | 27 | 810.33 | 846.15 |
| | Depreciation and amortisation expenses | 28 | 7,938.45 | 7,033.71 |
| | Other expenses | 29 | 67,360.39 | 70,732.82 |
| | **Total expenses (IV)** | | **81,435.13** | **94,622.91** |
| | | | | |
| **V** | **Profit before exceptional items and tax (III-IV)** | | **26,394.96** | **42,718.41** |
| | | | | |
| **VI** | **Exceptional items** | 25 | **(4,018.27)** | **-** |
| | | | | |
| **VII** | Profit before tax (V+VI) | | **22,376.69** | **42,718.41** |
| | | | | |
| **VIII** | **Income tax expense:** | | | |
| | - Current tax | 30 | 6,537.55 | 10,064.20 |
| | - (Excess) provision for tax relating to prior years | | - | (4.64) |
| | - Deferred Tax | 30 | (375.35) | 761.78 |
| | **Total Income tax expenses (VIII)** | | **6,162.20** | **10,821.34** |
| **IX** | **Profit after tax (VII-VIII)** | | **16,214.49** | **31,897.07** |
| **X** | **Other Comprehensive Income** | | | |
| | Items that will not be reclassified to Profit or Loss | | | |
| | Remeasurements of the defined benefit plans | | (21.20) | (41.41) |
| | Income tax expenses relating to the above | | 5.34 | 10.42 |
| | **Total other comprehensive income for the year, net of tax (X)** | | **(15.86)** | **(30.99)** |
| **XI** | **Total comprehensive income for the year (IX+X)** | | **16,198.63** | **31,866.08** |
| | | | | |
| | Profit for the year attributable to | | | |
| | - Owners of the Company | | **16,214.87** | **31,897.75** |
| | - Non Controlling Interest | | **(0.38)** | **(0.68)** |

| | | | |
|---|---|---|---|
| Other Comprehensive Income for the year attributable to | | | |
| - Owners of the Company | | **(15.86)** | **(30.99)** |
| - Non Controlling Interest | | **-** | **-** |
| | | | |
| Total Comprehensive Income for the year attributable to | | | |
| - Owners of the Company | | **16,199.01** | **31,866.76** |
| - Non Controlling Interest | | **(0.38)** | **(0.68)** |
| | | | |
| **Earnings per share ( Face value of Rs. 2 each)** | | | |
| Basic earnings per share (In Rs.) | 32 | 13.13 | 25.90 |
| Diluted earnings per share (In Rs.) | 32 | 13.12 | 25.87 |
| Notes forming part of Consolidated 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**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
Managing Director
DIN: 01952929

**R.Natarajan**
Chief Financial Officer

**Vijayaraghavan N E**
Company secretary & Compliance Officer
M.No. A 41671

## Consolidated Statement of Cash Flow for the Year ended March 31, 2025

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

| Particulars | For the Year ended March 31, 2025 | | For the Year ended March 31, 2024 | |
|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | |
| Profit / (loss) before income tax | | 22,376.69 | | 42,718.41 |
| **Adjustments for :** | | | | |
| Depreciation and amortisation expenses | 7,938.45 | | 7,033.71 | |
| Finance costs recognised in profit or loss | 810.33 | | 846.15 | |
| Profit on sale of Mutual funds | (2,286.29) | | (2,311.08) | |
| Gain on conversion of CCD | - | | - | |
| Interest income from fixed deposit | (235.22) | | (212.07) | |
| (Profit)/Loss on sale of asset | 42.68 | | 3.58 | |
| Issue of Employee Stock Options | 129.92 | | 871.05 | |
| Provision for Contingencies | 1,000.00 | | 500.00 | |
| Provision for doubtful receivables / advances | (462.98) | | (148.86) | |
| Write back of Lease Liabilities | - | | (595.28) | |
| Unrealised net foreign exchange (gain) / loss | (471.36) | | (513.00) | |
| | | | | |
| **Operating profit before working capital changes** | | **6,465.53** | | **5,474.20** |
| **Movements in working capital :** | | | | |
| (Increase) / decrease in trade receivables | 42.63 | | (3,150.88) | |
| (Increase) / decrease in inventories | (4,236.01) | | 4,023.21 | |
| (Increase) / decrease in other assets | (4,682.90) | | 600.44 | |
| Increase / (decrease) in trade payables | 546.89 | | 417.08 | |
| Increase / (decrease) in provisions | 24.36 | | 223.00 | |
| Increase / (decrease) in other liabilities | 2,550.58 | | (1,472.65) | |
| | | **(5,754.45)** | | **640.20** |
| Cash generated from operations | | 23,087.77 | | 48,832.81 |
| Income Tax paid | | (5,464.40) | | (10,897.62) |
| **Net cash generated from operating activities** | | **17,623.37** | | **37,935.19** |
| | | | | |
| **B. Cash flow from investing activities** | | | | |
| Interest received /(Paid) | (1,053.17) | | 210.14 | |
| Investment in / Proceeds from sale of Mutual funds | 17,056.03 | | (11,668.21) | |
| Loan given | - | | - | |
| Investment made | (13,649.94) | | - | |
| Investment in / maturity of bank deposits, net | (1,230.00) | | 1,430.30 | |
| Advance towards procurement of capital asset | - | | (7,690.74) | |
| Acquisition of property, plant and equipment | (26,357.21) | | (13,098.30) | |
| Proceeds from sale of property, plant and equipment | 611.72 | | 89.50 | |
| **Net cash used in investing activities** | | **(24,622.57)** | | **(30,727.31)** |

| | | | | |
|---|---|---|---|---|
| **C. Cash flow from financing activities** | | | | |
| Fresh Issue of Equity Shares | 0.61 | | 8.38 | |
| Proceeds from borrowings | 9,680.75 | | 5,875.66 | |
| Repayment of NCD | - | | - | |
| Payment of Dividend | (1,233.97) | | (5,541.80) | |
| Repayment of Other borrowings | (18.52) | | (2,070.41) | |
| Repayment towards lease liabilities | (1,692.87) | | (1,252.69) | |
| Interest paid - Borrowings | (238.01) | | (103.99) | |
| Interest paid - Others | - | | (172.01) | |
| **Net cash used in financing activities** | | **6,497.99** | | **(3,256.86)** |
| | | | | |
| **Net increase/ (decrease) in cash and cash equivalents** | | **(501.21)** | | **3,951.02** |
| Cash and cash equivalents as at the beginning of the year* | | 4,555.26 | | 597.26 |
| **Cash and Cash equivalents as at the end of the year** | | **4,054.05** | | **4,548.28** |

*Cash and cash equivalents as at the beginning of the period/ year includes Idealis Mudchemie Private Limited cash and cash equivalents of previous period.

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

**Refer Note 14(b) for Debt reconciliation**

Notes forming part of Consolidated 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**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
Managing Director
DIN: 01952929

**R.Natarajan**
Chief Financial Officer

**Vijayaraghavan N E**
Company secretary & Compliance Officer
M.No. A 41671

## Consolidated 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, 2023** | **12,30,52,989** | **2,461.06** |
| **Restated balance as at March 31, 2023** | **12,30,52,989** | **2,461.06** |
| Changes in equity share capital during the year | 3,43,980 | 6.88 |
| **Balance as at March 31, 2024** | **12,33,96,969** | **2,467.94** |
| **Restated balance as at March 31, 2024** | **12,33,96,969** | **2,467.94** |
| Changes in equity share capital during the period | 30,713 | 0.61 |
| **Balance as at March 31, 2025** | **12,34,27,682** | **2,468.55** |

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

**S. Prasana Kumar**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
Managing Director
DIN: 01952929

**R.Natarajan**
Chief Financial Officer

**Vijayaraghavan N E**
Company secretary &
Compliance Officer
M.No. A 41671

(b)

| Particulars | Reserves & Surplus | | | | | Items of other comprehensive income | ESOP Outstanding Account | Total | Non Controlling Interest |
|---|---|---|---|---|---|---|---|---|---|
| | Securities Premium | Retained earnings | Equity component of compound financial instrument | Capital Reserve | Debenture Redemption Reserve | Actuarial Gain / (Loss) | | | |
| **a. Balance as at March 31, 2023** | **92,837.63** | **47,052.34** | **-** | **-** | **-** | **(6.82)** | **757.77** | **1,40,640.92** | **-** |
| b. Changes in accounting policy/ prior period errors | - | - | - | | - | - | - | - | - |
| **c. Restated balance at the beginning of the current reporting period (a+b)** | **92,837.63** | **47,052.34** | **-** | **-** | **-** | **(6.82)** | **757.77** | **1,40,640.92** | **-** |
| d. Other comprehensive income for the current year | - | - | - | | - | (30.99) | - | (30.99) | - |
| e. Profit for FY 2023-24 | | 31,897.75 | | | | | | 31,897.75 | **(0.68)** |
| f. Transfer to retained earnings | | | | | | | | - | - |
| g. Conversion to Equity Shares | | | | | | | | - | - |
| h. Premium on fresh issue of Shares | | | | | | | | - | - |
| i. Premium on Conversion of CCD | | | | | | | | - | - |
| j. Adjustment of Share issue expenses | (149.82) | | | | | | | (149.82) | - |
| k. Share Capital of Non Controlling Interest | | | | | | | | - | 1.50 |
| l. Dividend payout for FY 22-23 | | (3,076.32) | | | | | | (3,076.32) | - |
| m. First Interim Dividend payout for FY 23-24 | | (1,231.51) | | | | | | (1,231.51) | - |
| n. Second Interim Dividend payout for FY 23-24 | | (1,233.97) | | | | | | (1,233.97) | - |
| o. Transfer to Securties premium | 1,393.12 | | | | | | (1,393.12) | - | - |
| p. Transfer to ESOP Outstanding Account | | | | | | | 871.05 | 871.05 | - |
| **q. Balance as at March 31, 2024** | **94,080.93** | **73,408.29** | **-** | **-** | **-** | **(37.81)** | **235.70** | **1,67,687.11** | **0.82** |
| r. Changes in accounting policy/ prior period errors | - | - | - | | - | - | - | - | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **s. Restated balance at the beginning of the current reporting period (q+r)** | **94,080.93** | **73,408.29** | **-** | **-** | **-** | **(37.81)** | **235.70** | **1,67,687.11** | **0.82** |
| t. Other comprehensive income for the current year | - | - | - | | - | (15.86) | - | (15.86) | - |
| u. Profit for FY 2024-25 | - | 16,214.87 | - | | - | - | - | 16,214.87 | (0.39) |
| v. Transfer to retained earnings | - | - | - | | - | - | - | - | - |
| w. Conversion to Equity Shares | - | - | - | | - | - | - | - | - |
| x. Adjustment of Share issue expenses | (0.63) | - | - | | - | - | - | (0.63) | - |
| y. Share Capital of Non Controlling Interest | - | - | - | | - | - | - | - | |
| z. Dividend payout for FY 23-24 | - | (1,233.97) | - | | - | - | - | (1,233.97) | - |
| aa. First Interim Dividend payout for FY 24-25 | - | - | - | | - | - | - | - | - |
| ab. Second Interim Dividend payout for FY 24-25 | - | - | - | | - | - | - | - | - |
| ac. Transfer to Securties premium | 124.39 | - | - | | - | - | (124.39) | - | - |
| ad. Transfer to ESOP Outstanding Account | - | - | - | | - | - | 129.92 | 129.92 | - |
| ae. Idealis Mudchemie | | | | 1,302.35 | | | | 1,302.35 | |
| af. Others | | (151.02) | | | | | | (151.02) | |
| **ag. Balance as at March 31, 2025** | **94,204.69** | **88,238.17** | **-** | **1,302.35** | **-** | **(53.67)** | **241.23** | **1,83,932.77** | **0.43** |

Notes forming part of Consolidated 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**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
Managing Director
DIN: 01952929

**R.Natarajan**
Chief Financial Officer

**Vijayaraghavan N E**
Company secretary & Compliance Officer
M.No. A 41671

## 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 in Gujarat State.The equity shares of the Company were listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange of India limited ("BSE") on November 21,2022.

### Summary of Material accounting policies

### 1.1 Statement of compliances

The financial statements have been prepared and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 ("as amended") and other relevant provisions of the Companies Act, 2013. The material accounting policies have been applied consistently to all the periods presented in the financial statements, unless otherwise indicated.

### 1.2 (a) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period, as explained in the accounting policies below:

The financial information relate to Archean Chemical Industries Limited (referred as “the Holding Company”) and its subsidiary Company (Collectively referred to as “the group”).

The financial information of the Subsidiaries used in the consolidation is drawn up to the same reporting date as that of the holding Company i.e. 31 March 2025.

Acume chemicals private limited, wholly owned subsidiary of the holding company incorporated on November 18, 2021.Neun Infra Privated Limited and Idealis Chemicals Private Limited, wholly owned subsidiary of the company was incorporated on 3rd October and 5th October, 2023.Sicsem Private Limited, Step down Subsidiary of the company was incorporated on 3rd December, 2023. Effective from July 10, 2024 Idealis Mudchemie Private Limited (Formerly known as Oren Hydrocarbons Private Limited) is an Step down Subsidiary of Archean chemicals Industries Limited, which was acquired through NCLT order.

'Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability take place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Quantitative disclosures of fair value measurement hierarchy (Refer Note 34)

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Note 1.21 operating Cycle. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. except for salt at crystalizers for which the operating cycle considered being 24 months.

The Holding company is confident of getting its land lease renewed as mentioned in Note 3 (b). Hence the financial statements have been prepared on going concern basis.

### 1.2 (b) Basis of consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 1.3 Changes in Accounting Standards with effect from 01.04.2024

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rule as issued from time to time. MCA has notified Ind AS - 117 Insurance Contracts & consequential amendments to the other standards and amendments to Ind AS 116 - leases, relating to sale and leaseback transactions, applicable to the company w.e.f. April 1, 2024.

The Group has reviewed this new pronouncement and based on its evaluation has determined that it does not have any significant impact in its financial statements.

### 1.4 Changes in Accounting Standards that may affect the Company after 31.03.2025

New Accounting Standards/Amendments notified but not yet effective.

MCA has not notified any new standards or amendments to the existing standards applicable to the company during the year ended March 31,2025.

### 1.5 Property, plant and equipment and Land

Land held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost.

Property, plant and equipments (PPE) 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.

PPE 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.

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

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

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

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

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

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

For transition to the Ind AS, the Group has decided to continue with the carrying value of all of its Property, Plant and Equipment as at April 01, 2017 ( transition date) measured as per the previous GAAP as its deemed cost as of transition date.

## 1.6 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 Group for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

### Useful lives of intangible assets:

Estimated useful lives of the intangible assets are as follows:

Software licenses- 5 Years

### Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 1.7 Impairment of property, plant and equipment & intangible assets

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

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

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

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

### 1.8 Right to use assets

The Group has adopted Indian Accounting Standards (“Ind AS”) 116 "Leases" to all its lease contracts existing on April 1, 2019 adopting modified prospective method. Consequently the Group recorded the lease liability calculated at present value of remaining lease payments discounted at the incremental borrowing rate. Right to use asset has been recognised to this extent .

### 1.9 Leases

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

- the contract involves the use of an identified asset -this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Group has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

  a) the Group has the right to operate the asset; or

  b) the Group designed the asset in a way that predetermines how and for what purpose it will be used.

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

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

**Short-term leases and leases of low-value assets**

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

## 1.10 Inventories

Inventories are valued at the lower of cost on moving weighted average basis or estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition, including transportation cost, transit insurance and any other charges. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

## 1.11 Cash & Cash Equivalents

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

## 1.12 Foreign currency transactions and translations

### (i) Functional and presentation currency

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

### (ii) Transactions and balances

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

### 1.13 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 Group derives revenues primarily from sale of salt and other marine chemicals. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/ pricing incentives varies with increases in levels of revenue transactions, the Group recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognizes changes in the estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

Revenue from services has been recognised as and when the service has been performed.

### 1.15 Employee benefits

#### Defined contribution plans

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

#### Defined benefit plans

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

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

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

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

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

The company has an employees ' gratuity fund managed by the Life Insurance Corporation of India.

**Short - term and other long - term employee benefits**

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

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

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

**Share based payments**

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based

Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated

fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis

over the vesting period of options, with a corresponding increase in equity.

### 1.16 Provisions and contingencies

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

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

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

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

### 1.17 Taxes on income

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.

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

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

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

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

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

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

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

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

## 1.18 Financial Instruments

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

### Initial Recognition

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

### Subsequent Measurement

### Financial assets

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

### Classification of financial assets

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

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

b) those measured at amortized cost

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

### (a) Amortised Cost

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

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

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

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

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

### Impairment of financial assets

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

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

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

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

If the Group measured loss allowance for the financial instruments at life time expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual rights to receive cash or other financial assets that results from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to life time expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward – looking information.

### Derecognition of financial assets

A financial asset is derecognized only when the Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

### Financial liabilities and equity instruments-:

### Classification as equity or financial liability

Equity and Debt instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

### Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

### Financial liabilities at FVTPL

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

### Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### Derivative financial instruments

### Initial recognition

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

### Subsequent measurement

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

### 1.19 Earnings Per Share

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

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

### 1.20 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**The areas involving critical estimates or judgments are :**

a. Estimation of useful life of Property, plant and equipment and intangible asset

b. Estimation of fair value of unlisted securities

c. Impairment of trade receivables: Expected credit loss

d. Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources

e. Measurement of defined benefit obligation: key actuarial assumptions

f. Lease: Whether an contract contains a lease

g.Write down in value of Inventories

h. Estimation for litigations

i. Impairment of Non Financial Asset

j. Estimation of washing loss

### 1.21 Operating Cycle

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

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

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Carrying amounts of:** | | |
| Land | 5,591.01 | - |
| Salt works | 23,351.40 | 23,454.79 |
| Buildings | 35,478.03 | 28,730.59 |
| Plant and equipment | 61,477.46 | 57,624.05 |
| Furniture and fixtures | 309.68 | 140.36 |
| Office equipments | 763.41 | 68.59 |
| Computers | 89.88 | 96.94 |
| Vehicles | 1,484.97 | 1,686.83 |
| **Total** | **1,28,545.84** | **1,11,802.15** |
| | | |
| **Capital Work-in-progress** | **6,482.90** | **4,618.12** |

**Capital Work-in-progress balance as at March 31, 2025**

| Particulars | Amount in CWIP as at March 31, 2025 | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects in progress | 6,185.14 | 144.35 | 153.41 | - | 6,482.90 |
| Projects temporarily suspended | - | - | - | - | - |

**Capital Work-in-progress balance as at March 31, 2024**

| Particulars | Amount in CWIP as at March 31, 2024 | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects in progress | 4,434.71 | 183.41 | - | - | 4,618.12 |
| Projects temporarily suspended | - | - | - | - | - |

## Notes forming part of Consolidated financial statements (Contd.)

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

| Gross block | Land | Salt Works | Buildings | Plant and equipment | Furniture & fixtures | Office equipments | Computers | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at March 31, 2023** | **-** | **32,380.85** | **30,348.87** | **73,082.38** | **366.09** | **125.52** | **348.85** | **2,699.34** | **1,39,351.90** |
| Additions | | 55.88 | 5,024.83 | 6,516.01 | 2.90 | 25.61 | 36.17 | 127.68 | 11,789.08 |
| Disposals | | - | - | - | - | - | - | (165.41) | (165.41) |
| **Balance as at March 31, 2024** | **-** | **32,436.73** | **35,373.70** | **79,598.39** | **368.99** | **151.13** | **385.02** | **2,661.61** | **1,50,975.57** |
| Additions | 5,591.01 | 1,005.54 | 7,850.18 | 8,292.61 | 224.06 | 751.24 | 26.14 | 256.97 | 23,997.75 |
| Disposals | | - | - | - | - | - | - | (376.40) | (376.40) |
| **Balance as at March 31, 2025** | **5,591.01** | **33,442.27** | **43,223.88** | **87,891.00** | **593.05** | **902.37** | **411.16** | **2,542.33** | **1,74,596.92** |

| Accumulated depreciation and impairment | Land | Salt Works | Buildings | Plant and equipment | Furniture & fixtures | Office equipments | Computers | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at March 31, 2023** | **-** | **7,909.52** | **5,762.39** | **17,989.04** | **176.16** | **55.45** | **238.19** | **732.50** | **32,863.25** |
| Depreciation expense | | 1,072.42 | 880.72 | 3,985.30 | 52.47 | 27.09 | 49.89 | 314.61 | 6,382.50 |
| Other Adjustments | | - | - | | - | - | - | - | - |
| Disposals | | - | - | - | - | - | - | (72.33) | (72.33) |
| **Balance as at March 31, 2024** | **-** | **8,981.94** | **6,643.11** | **21,974.34** | **228.63** | **82.54** | **288.08** | **974.78** | **39,173.42** |
| Depreciation expense | - | 1,108.93 | 1,102.74 | 4,439.21 | 54.74 | 56.42 | 33.20 | 316.41 | 7,111.64 |
| Disposals | | | | | | | | (233.98) | (233.98) |
| **Balance as at March 31, 2025** | **-** | **10,090.87** | **7,745.85** | **26,413.55** | **283.37** | **138.96** | **321.28** | **1,057.21** | **46,051.08** |
| | | | | | | | | | |
| **Carrying amount as at March 31, 2024** | **-** | **23,454.79** | **28,730.59** | **57,624.05** | **140.36** | **68.59** | **96.94** | **1,686.83** | **1,11,802.15** |
| **Carrying amount as at March 31, 2025** | **5,591.01** | **23,351.40** | **35,478.03** | **61,477.46** | **309.68** | **763.41** | **89.88** | **1,484.97** | **1,28,545.84** |

**Note:**

(a) Contractual obligations : Refer Note 37 for disclosure of contractual commitments for the acquisition of Property, plant and equipment.

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

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

### Note 3: Right-of-use assets

| Gross carrying value | Land and Building | Vehicle | ISO tanks | Total |
|---|---|---|---|---|
| **Balance as at March 31, 2023** | **2,795.76** | **-** | **4,677.47** | **7,473.23** |
| Additions | 301.37 | | - | 301.37 |
| Deletions | - | | (1,301.49) | (1,301.49) |
| **Balance as at March 31, 2024** | **3,097.13** | **-** | **3,375.98** | **6,473.11** |
| Additions | 3,060.14 | 2,857.66 | - | 5,917.80 |
| Deletions | - | | - | - |
| **Balance as at March 31, 2025** | **6,157.27** | **2,857.66** | **3,375.98** | **12,390.91** |

| Accumulated depreciation and impairment | Land and Building | Vehicle | ISO tanks | Total |
|---|---|---|---|---|
| **Balance as at March 31, 2023** | **317.16** | | **2,653.72** | **2,970.88** |
| Depreciation for the year | 104.97 | | 540.55 | 645.52 |
| Deletions | - | | (1,301.49) | (1,301.49) |
| **Balance as at March 31, 2024** | **422.13** | **-** | **1,892.78** | **2,314.91** |
| Depreciation for the year | 172.91 | 143.73 | 505.00 | 821.63 |
| Deletions | - | | | - |
| **Balance as at March 31, 2025** | **595.04** | | **2,397.78** | **3,136.54** |
| | | | | |
| **Net Carrying amount as at March 31, 2024** | **2,675.00** | | **1,483.20** | **4,158.20** |
| **Net Carrying amount as at March 31, 2025** | **5,562.23** | | **978.20** | **9,254.37** |

**Note:**

(a) The Holding Company entered into Memorandum of Undertaking ( MOU) dated August 10,2010, with Government of Gujarat (GOG) for the Land lease which expired on July 31, 2018 and the Holding Company had made an application for renewal on December 28, 2017. As per the MOU with GOG, the lease term can be further extended for a duration and conditions as mutually agreed at that time. There is also a GOG circular no 1597/1372/ख dated October 9, 2017 which states that such leases can be extended for a period of thirty years. The Holding Company has also been receiving demand note annually for the revised lease rents as per GoG circular and the company has been meeting this payment.

Management made an assessment of the facts disclosed above and taking into consideration of similar experiences during renewal in group company, is confident of obtaining the renewal of land lease. The Useful life of PPE and ROU assets have been determined by the management considering that the lease would be extended. The entire production facility is located on this leased land.

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

| Assets | Net Block as at March 31, 2025 | Net Block as at March 31, 2024 |
|---|---|---|
| Buildings | 24,471.87 | 25,372.41 |
| Plant and Machinery | 52,614.14 | 54,946.06 |
| Furniture & Fixtures | 58.42 | 35.06 |
| Computers | 39.73 | 49.75 |
| Office Equipment | 27.02 | 34.23 |
| Salt Works | 23,351.40 | 23,454.79 |
| RoU - Land and Building | 1,038.00 | 1,081.64 |
| **Total** | **1,01,600.58** | **1,04,973.94** |

## Note 4 Intangible assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Carrying amounts of:** | | |
| Software | 6.33 | 11.61 |
| **Total** | **6.33** | **11.61** |

| Particulars | Software |
|---|---|
| **Balance as at March 31, 2023** | **60.54** |
| Additions | **-** |
| **Balance as at March 31, 2024** | **60.54** |
| Additions | **-** |
| **Balance as at March 31, 2025** | **60.54** |
| | |
| **Accumulated depreciation and impairment** | |
| **Balance as at March 31, 2023** | **43.24** |
| Amortisation expense | **5.69** |
| **Balance as at March 31, 2024** | **48.93** |
| Amortisation expense | **5.18** |
| **Balance as at March 31, 2025** | **54.11** |
| | |
| **Carrying amount as at March 31, 2024** | **11.61** |
| **Carrying amount as at March 31, 2025** | **6.33** |

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

## Note 4.1 Intangible assets under development

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Intangible assets under development | 450.00 | 200.00 |

| Intangible assets under development Ageing schedule | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Particulars** | | |
| **Projects in progress** | | |
| Less than 1 year | 250.00 | 200.00 |
| 1-2 years | 200.00 | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| **Total** | **450.00** | **200.00** |
| **Projects temporarily suspended** | - | - |

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

## Note 5A Non current investments

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | No of shares / units | Rs in lakhs | No of shares / units | Rs in lakhs |
| **A. Investments others at fair value:** | | - | | |
| Clas-Sic wafer fab | 23,14,815 | 13,649.94 | | |
| (equity shares of GBP 0.01 each fully paid up @ GBP 5.40 per share) | | | | |
| **Total** | | **13,649.94** | | **-** |
| | | | | |
| **Total Non current investments** | | **13,649.94** | | **-** |
| Aggregate amount of unquoted investments | | 13,649.94 | | - |
| Aggregate amount of impairment in value of investments | | - | | - |

## Note 5B Current investments

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| | Rs in lakhs | Rs in lakhs |
| **Mutual Funds (FVTPL) - Unquoted** | | |
| Investment in Mutual Funds | 20,217.28 | 34,987.02 |
| Market value | | |
| **Total Investments** | **20,217.28** | **34,987.02** |

(March 2025 10,05,134.28- units, March 2024- 76,86,021.18 Units)

(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, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **(Unsecured, considered good)** | | | | |
| a) Security deposits measured at amortised cost | | | | |
| With related Party | - | - | 900.00 | 900.00 |
| With Others | 473.99 | 257.08 | 352.58 | 329.00 |
| | | | | |
| b) Interest accrued on Loan/Deposit | | | | |
| With related Party | - | | | |
| With Others** | 204.91 | 57.07 | 46.33 | 34.83 |
| c) Deposits against appeals to statutory authorities | - | - | - | - |
| d) Balance with statutory authorities | | | 15.88 | |
| e) Export benefits receivable | - | - | 106.72 | - |
| f) Others | | - | 597.92 | 200.00 |
| | | | | |
| g) Bank Deposits with more than 12 months maturity* | 1,328.37 | 1,239.69 | - | - |
| | **2,007.27** | **1,553.84** | **2,019.43** | **1,463.83** |

*represents guarantee given in favour of National Stock Exchange of India Limited (FY 23-24)
** Includes Rs. 58.30 Lakhs with the option to convert to loan as per the loan agreement.

### Note 6.1 Derivative assets

| Particulars | Non current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Fair value of forward contract | - | - | 89.21 | - |

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

### Note 7. Loans

| Particulars | Non current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **(Unsecured, considered good)** | | | | |
| Loans to Clas-Sic Wafer Fab Limited | 2,214.78 | - | | |
| Loans to employees | - | - | 55.80 | 42.75 |
| **Total** | **2,214.78** | **-** | **55.80** | **42.75** |

Note : Loan to Clas-Sic Wafer Fab Limited repayable over a period of 4 years as per the loan agreement with an interest at base rate of Bank of England plus 200 basis points

### Note 8. Other assets

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **(Unsecured, considered good)** | | | | |
| a) Capital advances | 6,899.89 | 9,762.63 | - | - |
| b) Balances with statutory authorities | 212.44 | 212.44 | 4,721.24 | 1,364.10 |
| c) Others | - | - | 126.22 | 126.96 |
| d) Prepaid expenses | - | - | 605.26 | 347.25 |
| e) Advance to suppliers other than for capital asset | | | | |
| (i) Advance to related parties | | | 1,064.84 | 705.15 |
| (ii) Other Advances | | | 1,665.43 | 647.93 |
| f) Leave Encashment - Fund Balance | - | - | 20.44 | 15.46 |
| **(Unsecured, considered doubtful)** | | | | |
| g) Advance to suppliers other than for capital asset | - | - | 329.09 | 359.09 |
| Less: Provision for Advance | - | - | (329.09) | (359.09) |
| | **7,112.33** | **9,975.07** | **8,203.43** | **3,206.85** |

## Notes forming part of Consolidated financial statements (Contd.)

(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, 2025 | As at March 31, 2024 |
|---|---|---|
| a Raw materials and components | 1,308.97 | 333.28 |
| b Work-in-progress | 10,053.25 | 7,079.24 |
| c Stores & spares | 1,647.91 | 1,594.97 |
| d Finished goods | 3,802.76 | 3,648.34 |
| e. Finished goods in transit | - | 73.51 |
| **Total** | **16,812.89** | **12,729.34** |

**Note :**

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

### Note 10.Trade receivables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | 16,456.91 | 15,637.88 |
| Trade Receivables which have significant increase in Credit Risk | 255.00 | 350.45 |
| Trade Receivables - credit impaired | 2,342.84 | 1,784.40 |
| **Total** | **19,054.75** | **17,772.73** |
| Allowance for doubtful debts (expected credit loss allowance) | | |
| - towards receivables that are credit impaired | (2,342.84) | (1,784.40) |
| - towards receivables which have significant increase in Credit Risk | (255.00) | (350.45) |
| **Total** | **16,456.91** | **15,637.88** |

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables by adopting a simplified approach by using provision matrix which is based on historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due, the rates as given in the provision matrix and other factors. The range of provision created as a percentage of outstanding under various age groups below 180 days past due comes to 0% - 30%. The Company as a policy provides for 100% for outstanding above 180 days past due taking into account other factors.

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

| Movement in expected credit loss allowance | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance at beginning of the year | (2,134.85) | (2,283.72) |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | (462.99) | 148.87 |
| Balance at end of the year | **(2,597.84)** | **(2,134.85)** |

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Trade Receivables (At Amortised Cost)** | | |
| (i) Undisputed Trade Receivables – considered good | | |
| - Less than 6 months | 16,456.91 | 15,637.88 |
| - 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 | 205.00 | 300.45 |
| - 6 months - 1 year | - | - |
| - 1-2 years | - | - |
| - 2-3 years | - | - |
| - More than 3 years | 50.00 | 50.00 |
| (iii) Undisputed Trade Receivables – credit impaired | | |
| - Less than 6 months | - | - |
| - 6 months - 1 year | 99.92 | 30.07 |
| - 1-2 years | 110.79 | 80.02 |
| - 2-3 years | 3.63 | 141.41 |
| - More than 3 years | 2,128.50 | 1,532.90 |
| (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 | (2,597.84) | (2,134.85) |
| Net receivables | **16,456.91** | **15,637.89** |

* Ageing has been computed based on transaction date.

### Note 11 Cash and cash equivalents

### 11.1 Cash & cash equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (a) Balances with banks in current accounts and deposit accounts | | |
| (i) In Current account | 628.72 | 264.70 |
| (ii) In term deposits with banks (original maturities less than 3 months) | 3,415.00 | 4,280.00 |
| (b) Cash on hand | 10.33 | 3.58 |
| **Total Cash and cash equivalents** | **4,054.05** | **4,548.28** |

### 11.2 Other bank balances

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance with banks held as margin money and guarantees* | - | - |
| Deposits due to mature after three months but before twelve months from the reporting date | 1,230.00 | - |
| **Total other bank balances** | **1,230.00** | **-** |
| **Total Cash and bank balances** | **5,284.05** | **4,548.28** |

*Rs.1,200 Lakh represents Fixed deposit made for Acume Chemicals Private limited by ACIL to avail LC facility.

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

## Note 12 Equity share capital

| Particulars | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| | No. of Shares | | Rs in lakhs | |
| **AUTHORISED :** | | | | |
| Equity shares: | | | | |
| Equity shares of Rs.2 each | 16,00,00,000 | 16,00,00,000 | 3,200.00 | 3,200.00 |
| | | | | |
| **ISSUED :** | | | | |
| Equity shares of Rs.2 each | 12,34,27,682 | 12,33,96,969 | 2,468.55 | 2,467.94 |
| | | | | |
| **SUBSCRIBED AND FULLY PAID UP:** | | | | |
| Equity shares of Rs.2 each | 12,34,27,682 | 12,33,96,969 | 2,468.55 | 2,467.94 |

The Holding Company has completed the Initial Public Offer (IPO) of 3,59,28,869 Equity shares of face value of Rs.2 each at an issue price of Rs.407 per equity share comprising offer for sale of 1,61,50,000 equity shares by selling shareholders and fresh issue of 1,97,78,869 shares. The equity shares of the Holding Company were listed on National Stock Exchange of India Limited (“NSE”) and Bombay Stock Exchange of India limited (“BSE”) on November 21,2022.

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committe on October 07,2022 the Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP’s) to the eligible employees of the Company in accordance with Archean Chemical -Employee Stock Option Plan 2022. The Vesting Period of ESOP is between 12 months to 60 months. The first lot of shares (3,43,980) were exercised and allotted on November 03,2023 and December 02, 2023. The second lot of shares (30,713) shares were exercised and allotted on October 16, 2024.

## Notes forming part of Consolidated financial statements (Contd.)

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

### 12.1 Reconciliation of number of shares

| Particulars | Year ended 2024-25 | | Year ended 2023-24 | |
|---|---|---|---|---|
| | No. of Shares | Amount (Rs. In lakhs) | No. of Shares | Amount (Rs. In lakhs) |
| **Balance at the beginning of the year** | 12,33,96,969 | 2,467.94 | 12,30,52,989 | 2,461.06 |
| Conversion of CCD | - | - | - | - |
| Fresh issue of shares - IPO & adjustement for OFS | - | - | - | - |
| ESOP Exercised during the year | 30,713 | 0.61 | 3,43,980 | 6.88 |
| **Balance at the end of the year** | **12,34,27,682** | **2,468.55** | **12,33,96,969** | **2,467.94** |

### 12.2 Terms / Rights attached to Equity Shares

The Holding Company has only one class of Equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the holding 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, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | No of shares held | % | No of shares held | % |
| Mr. P. Ranjit | 2,82,65,965 | 22.90% | 2,82,65,965 | 22.91% |
| Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP) | 3,76,93,219 | 30.54% | 3,76,93,219 | 30.55% |
| SBI Small cap Fund | 44,00,000 | 3.56% | 95,65,772 | 7.75% |
| India Resurgence Fund Scheme - II | - | 0.00% | 76,46,141 | 6.20% |

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

**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, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | 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 | - | 0.00% | 0.00% | - | 0.00% | -100.00% |
| Mr. P. Ranjit | 2,82,65,965 | 22.90% | -0.01% | 2,82,65,965 | 22.91% | 5.77% |
| Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP) | 3,76,93,219 | 30.54% | -0.01% | 3,76,93,219 | 30.55% | -0.26% |

Note: The change in percentage (0.01%) in the Promoter's holding is due to allotment of ESOP shares

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

**12.5** The Group does not have any bonus share issued and shares bought back during the period of five years immediately preceding the reporting date March 31, 2025.

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

| Name of the shareholder | Unsecured loan | Issue price per share (Rs.) | No. of shares | Amount credited to securities premium |
|---|---|---|---|---|
| Chemikas Speciality LLP (formerly known as Goodearth Fertilisers Company LLP) | 1,884.00 | 48.41 | 38,91,758 | 1,494.82 |
| P. Ranjit | 2,602.00 | 48.41 | 53,74,923 | 2,064.51 |
| **Total** | **4,486.00** | | **92,66,681** | **3,559.33** |

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

### Note 13 Other equity

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| a Securities premium | 94,204.69 | 94,080.93 |
| b Retained earnings | 88,184.50 | 73,370.48 |
| c Shares Option Outstanding Account | 241.23 | 235.70 |
| d Capital Reserve | 1,302.35 | - |
| **Total** | **1,83,932.77** | **1,67,687.11** |

### Details to other equity

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **(a) Securities premium** | | |
| Balance at the beginning of the year | 94,080.93 | 92,837.63 |
| Add : Premium on shares issued during the year | - | - |
| Add : Transfer from ESOP Outstanding Account | 124.39 | 1,393.12 |
| Less: Adjustment of Share Issue Expenses | (0.63) | (149.82) |
| Balance at the end of the year | **94,204.69** | **94,080.93** |
| | | |
| **(b) Retained earnings** | | |
| Balance at the beginning of the year | 73,370.48 | 47,045.52 |
| Total comprehensive income attributable to the owners of the company | 16,199.01 | 31,866.76 |
| Others | (151.02) | - |
| Dividend Payout for FY 22-23 | (1,233.97) | (3,076.32) |
| First Interim Dividend Payout for FY 23-24 | - | (1,231.51) |
| Second Interim Dividend Payout for FY 23-24 | - | (1,233.97) |
| Balance at the end of the year | **88,184.50** | **73,370.48** |
| | | |

| | | |
|---|---|---|
| **(c) ESOP Outstanding Account** | | |
| Balance at the beginning of the year | 235.70 | 757.77 |
| Transferred during the year | 129.92 | 871.05 |
| Options exercised during the year | (124.39) | (1,393.12) |
| Balance at the end of the year | **241.23** | **235.70** |
| | | |
| **(d) Capital Reserve** | | |
| Balance at the beginning of the year | - | |
| Transferred during the year (Refer D and Note 41) | 1,302.35 | |
| Balance at the end of the year | **1,302.35** | **-** |
| | | |
| **Total Other equity** | **1,83,932.77** | **1,67,687.11** |

**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) Share Options Outstanding Account**

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committe on October 07,2022 the Holding Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Holding Company in accordance with Archean Chemical -Employee Stock Option Plan 2022. The amount of options(difference between fair value and exercise price) granted under the ESOP scheme has been recognized in the share options outstanding account.

**(d) Capital Reserve**

Effective from July 10, 2024 Idealis Mudchemie Private Limited (Formerly known as Oren Hydrocarbons Private Limited) is an wholly owned step down Subsidiary of Archean chemicals Industries Limited, which was acquired through NCLT order. As per IND AS 103, the company has fair valued the the assets acquired in the books of Idealis MudchemiePrivate Limited of Rs 8,993.09 Lakhs as against the consideration paid of Rs 7,690.74 in Lakhs and accounted the difference as to the Capital reserve (Refer note 41).

(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, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **Secured** | | | | |
| Non convertible debentures | - | - | - | - |
| Term Loans | | | | |
| - from Banks | 15,159.89 | 5,935.93 | 2,646.50 | 18.53 |
| **Total** | **15,159.89** | **5,935.93** | **2,646.50** | **18.53** |

**Summary of borrowing arrangements**
**Note:**
**(a) Terms of Secured Loan from Banks -**

| Particulars | Hypothecation details | Term of loan | Rate |
|---|---|---|---|
| - ICICI Bank - Vehilce loan | 1 vehicle | 5 Years | 8.90% |
| - ICICI Bank - RTL | Whole of moveable properties except current assets including plant & machinery, machinery spares, tools and accessories, non trade receivables and other movables | 69 Months (Moratorium of 3 Months) | (I-MCLR-1Y) 9.65% p.a |
| - ICICI Bank - RTL 1 | | 57 Months (Moratorium of 3 Months) | (I-MCLR-1Y) 9.65% p.a |
| **Wholly owned Subsidiary - Acume Chemicals Private Limited** | | | |
| - ICICI Bank | First Pari Passu charge on current asset both present and future, movable and immovable fixed asset of the company both present and future. | 24 Quarters (inclueding moratorium period of 6 Quarters) | (I-MCLR-1Y) 10.4%p.a |
| - YES Bank | | 24 Quarters (inclueding moratorium period of 6 Quarters) | (I-MCLR-1Y) 10.4%p.a |

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

### (b) Debt reconcilation

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Lease Liabilities | 5,651.13 | 3,827.79 |
| Current Borrowing (Working Capital Loan)* | - | - |
| 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 ) | 17,806.38 | 5,954.46 |
| **Total** | **23,457.52** | **9,782.25** |

*The Archean Chemical Industries Limited has obtained sanction working capital limits of Rs. 11500 Lakhs from ICICI bank and Rs. 5000 lakhs from HDFC bank. The working capital loan will be repayable on demand and secured by first paripassu charge on the current assets of the company, second paripassu charge on the movable fixed assets of the Company.

| Particulars | Liabilities from Financing Activities | | | Total |
|---|---|---|---|---|
| | Current Borrowing (Working Capital Loan) | Non - Current Borrowing plus current maturity of long term debt | Lease Liabilities | |
| **Debt as at April 01, 2024** | **-** | **5,954.46** | **3,827.79** | **9,782.25** |
| Cash Flows | | | | |
| -Proceeds | | 11,870.44 | - | **11,870.44** |
| -Repayments | - | (18.51) | (1,692.87) | **(2,870.20)** |
| Addition | - | - | 2,998.93 | **3,997.80** |
| Forex | - | - | 40.05 | **40.05** |
| Interest expense | - | 448.24 | 477.23 | **1,125.47** |
| Interest paid | - | (448.24) | - | **(448.24)** |
| **Debt as at March 31, 2025** | **-** | **17,806.39** | **5,651.13** | **23,457.52** |

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

### Note 15 Lease liabilities

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Liability on right to use assets under IND As 116 - Refer note 36 | 4,200.96 | 3,122.56 | 1,450.17 | 705.23 |
| **Total** | **4,200.96** | **3,122.56** | **1,450.17** | **705.23** |

### Note 16 Other financial liabilities

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| a. MD Commission Payable | - | - | 283.04 | 1,266.56 |
| b. Payable towards procurement of capital assets | - | - | 3,243.56 | 657.49 |
| c. Employee benefits payable | - | - | 99.72 | 88.11 |
| d. Unpaid dividends | | | 1.28 | 1.29 |
| f. Retention money | 0.01 | - | 583.92 | 396.53 |
| **Total** | **0.01** | **-** | **4,211.52** | **2,409.98** |

### Note 16.1 Derivative liabilities

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Fair value of futures contract | - | - | - | 25.54 |
| **Total** | **-** | **-** | **-** | **25.54** |

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

### Note 17 Other Liabilities

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| a Customer advances | - | - | 40.19 | 88.38 |
| b Statutory remittances | 17.73 | - | 294.80 | 194.21 |
| | **17.73** | **-** | **334.99** | **282.59** |

### Note 18A Income Tax Asset (Net)

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Advance Tax and Tax Deducted at source | (5.93) | 12,977.27 | - | - |
| Less: Provision for taxation | 46.45 | (12,437.89) | - | - |
| Total | **40.52** | **539.38** | **-** | **-** |

### Note 18B Current Tax Liabilities (Net)

| Particulars | Non-Current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Provision for Taxation | - | - | 16,677.95 | - |
| Less: Advance Tax and Tax Deducted at source | - | - | (16,200.00) | - |
| Total | **-** | **-** | **477.95** | **-** |

### Note 19 Deferred tax balances

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Deferred tax assets | 440.11 | 112.11 |
| Deferred tax liabilities | (12,325.50) | (12,378.12) |
| **Net Deferred Tax Asset / (Liability)** | **(11,885.39)** | **(12,266.01)** |

**Note:** Includes DTA of Rs.440.11 lakhs (Rs.112.11 lakhs for fy 23-24) belonging to subsidiary Company

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

| 2024-25 | 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 | (13,191.44) | (393.70) | - | (13,585.21) |
| Investments (Current Investments - MF- FVTPL) | (289.95) | 197.84 | | (92.11) |
| | | | | |
| **Deferred tax assets:** | | | | |
| Carried forward loss | 172.57 | (312.84) | - | 485.41 |
| Provision for Employee benefits | - | (2.45) | (5.34) | 7.79 |
| Disallowance u/s 40(a) | - | - | | - |
| Disallowance u/s 43(b) | 33.63 | (5.98) | - | 39.61 |
| Provision for Doubtful Debts / Advances | 627.72 | (108.99) | - | 736.71 |
| Provision for Contingencies | 125.85 | (251.70) | | 377.55 |
| DTA on timing differences on ROU assets and liabilities | 255.61 | 110.75 | | 144.86 |
| **Net Deferred Tax Asset / (Liability)** | **(12,266.01)** | **375.35** | **(5.34)** | **(11,885.39)** |

| 2023-24 | Opening balance | Recognised in profit or loss | Recognised in other comprehensive | Closing balance |
|---|---|---|---|---|
| **Deferred tax asset / (liabilities) in relation to :** | | | | |
| Deferred tax liabilities: | (12,468.42) | (723.02) | - | (13,191.44) |
| Investments (Current Investments - MF- FVTPL) | | (289.95) | | (289.95) |
| **Property plant and equipment** | | | | - |
| **Deferred tax assets:** | | | | |
| Carried forward loss | 30.92 | (141.65) | - | 172.57 |
| Provision for Employee benefits | - | 10.42 | (10.42) | - |
| Disallowance u/s 40(a) | - | - | | - |
| Disallowance u/s 43(b) | 23.01 | (10.62) | - | 33.63 |
| Provision for Doubtful Debts / Advances | 627.14 | (0.58) | - | 627.72 |
| Provision for Contingencies | | (125.85) | | 125.85 |
| DTA on timing differences on ROU assets and liabilities | 272.70 | 17.09 | | 255.61 |
| **Net Deferred Tax Asset / (Liability)** | **(11,514.65)** | **(761.78)** | **(10.42)** | **(12,266.01)** |

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

### Note 20.1 Provisions - Non Current

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Provision for Contingencies | 1,500.00 | 500.00 |
| Provision for Sick leave | 9.76 | 6.82 |
| **Total** | **1,509.76** | **506.82** |

### Note 20.2 Provisions - Current

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Provision for Sick leave | 3.07 | 2.85 |
| Provision for Gratuity | 77.12 | 61.34 |
| Others | 21.28 | |
| **Total** | **101.47** | **64.19** |

### Note 21 Trade Payables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Amount dues to micro enterprises and small enterprises - Refer Note 38 | 1,227.15 | 1,287.48 |
| Dues of creditors other than micro enterprises and small enterprises | 9,278.05 | 8,693.59 |
| **Total** | **10,505.20** | **9,981.07** |

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

**Note 21.2** The Group has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms.

**Outstanding as at March 31, 2025**

| Particulars | Outstanding for following periods | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro and Small Enterprises | 1,227.15 | - | - | - | 1,227.15 |
| others | 9,148.14 | 68.69 | 6.55 | 54.67 | 9,278.05 |
| Disputed Micro and Small Enterprises | | | | | - |
| Disputed dues others | | | | | - |

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

**Outstanding as at March 31, 2024**

| Particulars | Outstanding for following periods | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro and Small Enterprises | 1,287.48 | - | - | - | 1,287.48 |
| others | 7,397.72 | 995.78 | 200.17 | 99.92 | 8,693.59 |
| Disputed Micro and Small Enterprises | - | - | - | - | - |
| Disputed dues others | - | - | - | - | - |

## Note 22 Revenue from operations

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| (a) Sales of Products | | |
| Domestic sales | 24,679.19 | 34,406.82 |
| Export sales | 79,264.88 | 95,988.45 |
| (b) Other operating revenues | | |
| Export Incentives | 121.48 | - |
| Scrap sales | 36.24 | 2,613.68 |
| **Total** | **1,04,101.79** | **1,33,008.95** |

## Note 22.1 Disaggregation of Revenue information

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point of time by geography and offerings of the Group.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

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

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Revenue by Geography** | | |
| India | 24,836.91 | 37,020.50 |
| Rest of the world | 79,264.88 | 95,988.45 |
| **Total revenue from contracts with customers** | **1,04,101.79** | **1,33,008.95** |
| | | |
| **Revenue by offerings** | | |
| Manufactured goods | | |
| (a) Marine chemicals | | |
| Salt | 65,948.10 | 84,006.21 |
| Bromine | 35,313.85 | 42,742.01 |
| Sulphate of Potash | 96.95 | 3,595.61 |
| (b) Bromine Derivatives | 2,691.89 | 51.44 |
| (b) Others | 51.00 | 2,613.68 |
| **Total revenue from contracts with customers** | **1,04,101.79** | **1,33,008.95** |

### 22.2 Trade receivables

The Group classifies the right to consideration in exchange for deliverables as receivable.

Holding Company - A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized upon transfer of control of products or services to customers for an amount that reflects the probable consideration expected to be received in exchange.

Acume - A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

## Note 23 Other income

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Interest income on bank deposits | 252.99 | 212.07 |
| Interest income on Related Party | 58.30 | |
| Profit on sale from mutual funds - FVTPL | 2,286.29 | 2,310.23 |
| Insurance Claim received | 14.98 | 301.62 |
| Miscellaneous income | 41.32 | 569.14 |
| Write back of payables | | - |
| Provision no longer required | 30.00 | 148.86 |
| Profit on sale of fixed assets | | - |
| Net gain on exchange fluctuation | 1,044.42 | 790.45 |
| **Total** | **3,728.30** | **4,332.37** |

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

## Note 24 Cost of materials consumed

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Opening Stock of Raw Materials | 333.28 | 335.06 |
| Add: Purchases | 7,269.48 | 4,756.69 |
| Less: Closing Stock of Raw Materials | 1,308.97 | 333.28 |
| **Consumption of raw materials** | **6,293.79** | **4,758.47** |

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

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Opening Stock:** | | |
| Work-in-progress | 7,079.24 | 6,104.30 |
| Finished goods | 3,721.85 | 8,705.74 |
| | | |
| **Closing Stock:** | | |
| Work-in-progress | 10,053.25 | 7,079.24 |
| Finished goods | 3,802.76 | 3,721.85 |
| | | |
| **(Increase)/Decrease in Stocks** | **(3,054.92)** | **4,008.95** |
| Exceptional loss during the year due to cyclone* | (4,018.27) | - |
| **Total (Increase)/Decrease in Stocks** | **(7,073.19)** | **4,008.95** |

*Exceptional item is due to Asna cyclone impact resulting in loss of Industrial salt stock amounting to Rs.4018.27 lakhs(4.72 Lakhs MT) in Gujarat during August 24/September 24. The Company has filed the claim with the insurance company.

## Note 26 Employee benefits expense

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Salaries, wages and bonus | 5,548.90 | 6,129.76 |
| Share based payments to employees | 129.92 | 871.05 |
| Staff welfare | 149.83 | 38.68 |
| Contribution to provident and other funds | 276.71 | 203.32 |
| **Total** | **6,105.36** | **7,242.81** |

## Note 27 Finance costs

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Interest on debentures | - | - |
| Interest on working capital borrowings | 100.14 | - |
| Interest on finance lease | 477.23 | 675.59 |
| Bank charges | 143.08 | 154.01 |
| Interest on delayed payment of taxes | 89.88 | 16.55 |
| **Total** | **810.33** | **846.15** |

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

## Note 28 Depreciation and amortisation expense

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Depreciation on Property, plant and equipment and Right on Usage of assets pertaining to continuing operations | 7,933.27 | 7,028.02 |
| Amortisation of intangible assets | 5.18 | 5.69 |
| **Total** | **7,938.45** | **7,033.71** |

## Note 29 Other expenses

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Consumption of stores and spares | 1,895.62 | 2,477.00 |
| Power and fuel | 9,740.84 | 9,869.73 |
| Rent expense | 657.90 | 192.19 |
| Travelling and conveyance | 754.07 | 662.96 |
| Repairs and maintenance | | |
| - Buildings | 159.53 | 206.58 |
| - Plant and Machinery | 1,145.43 | 1,203.36 |
| - Others | 394.06 | 1,060.39 |
| Insurance | 1,090.97 | 1,136.29 |
| Rates and taxes, excluding taxes on income | 441.92 | 173.62 |
| Packing, Despatching and Freight | 40,469.34 | 44,788.61 |
| Loading charges | 3,844.13 | 4,192.75 |
| Hire charges - equipment | 706.19 | 925.03 |
| Printing and stationery | 10.79 | 21.17 |
| Communication expenses | 40.90 | 51.84 |
| CSR expenses (Refer Note 29.2) | 587.24 | 571.11 |
| Auditor's remuneration (Refer Note 29.1) | 75.16 | 61.90 |
| Legal and professional charges | 1,713.74 | 885.26 |
| Selling and distribution expenses | 1,776.33 | 1,352.35 |
| Loss on sale of Fixed Assets | 42.42 | 3.58 |
| Provision for doubtful debts and advances | 462.98 | - |
| Provision for Contingencies | 1,000.00 | 500.00 |
| Administration expenses | 350.83 | 397.10 |
| **Total** | **67,360.39** | **70,732.82** |

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

### 29.1 Payment to statutory auditors

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Statutory auditor's: | | |
| (a) For services as auditors* | 54.65 | 43.30 |
| (b) Tax audit | 9.60 | 9.55 |
| (c) For other services | 9.78 | 8.45 |
| (d) For reimbursement of expenses | 1.13 | 0.60 |
| **Total** | **75.16** | **61.90** |

*Including audit fees of Subsidiary Companies

### 29.2 Expenditure incurred for Corporate social responsibility

| CSR Expenditure | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Amount required to be spent under section 135 of the Companies Act, 2013 | 782.00 | 571.11 |
| **Amount spent during the year on:** | | |
| i) Construction/acquisition of an asset | - | - |
| ii) Purposes other than (i) above | 587.24 | 559.96 |

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

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Balance Excess Spent carried forward to current financial Year | 10.80 | 21.95 |
| Amount Spent during the year | 587.24 | 559.96 |
| Amount required to be Spent during the year | 782.00 | 571.11 |
| Balance Excess Spent as on last day of current financial Year | (183.96) | 10.80 |

Balance unspent amount during the year FY 24-25 was transferred to Unspent CSR account amouting to Rs. 190 lakhs with in due date of 30th April 2025 for the project related to Medical research foundation.

For FY 23-24: Of the total Amount of Rs. 581.91 lakhs, Rs.117.97 is paid to Archean Foundation for CSR Activities

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

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

## Note 30 Income tax expense

### 30.1 Income tax recognised in Profit or Loss

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Income tax expense | | |
| **Current tax** | | |
| - Current tax | 6,537.55 | 10,064.20 |
| - (Excess) provision for tax relating to prior years | - | (4.64) |
| **Deferred tax** | | |
| In respect of the current year | (375.35) | 761.78 |
| **Total income tax expense** | **6,162.20** | **10,821.34** |

### 30.2 Income tax recognised in other comprehensive income

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Deferred tax** | | |
| **Arising on income and expenses recognised in other comprehensive income:** | | |
| Remeasurement of defined benefit obligation | 5.34 | 10.42 |
| **Total income tax recognised in other comprehensive income** | **5.34** | **10.42** |
| **Bifurcation of the income tax recognised in other comprehensive income into:** | | |
| Items that will not be reclassified to profit or loss | 5.34 | 10.42 |
| Items that may be reclassified to profit or loss | - | - |
| **Total income tax recognised in other comprehensive income** | **5.34** | **10.42** |

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

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Profit / (Loss) before tax** | **22,376.69** | 42,718.41 |
| Income tax expense calculated at 25.17% | 5,632.21 | 10,752.22 |
| Tax adjustment: | | |
| (a) other impacts due to permanent allowances / disallowances as per IT Act | 154.54 | 151.63 |
| (b) Effect of other adjustments / disallowances | 375.45 | (82.51) |
| **Income tax expense recognised in profit or loss** | **6,162.20** | **10,821.34** |
| **Effective Tax Rate** | **27.54%** | **25.33%** |

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

## Note 31Segment reporting

The Group is engaged in the activities related to manufacture of marine chemicals. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole. For purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely Marine Chemicals. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

### 31.1 Geographical information

The Group's revenue from external customers by location of operations and information about its non current assets** by location of operations are detailed below. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India

| Particulars | Revenue from external customers | | Non - current assets as at ** | |
|---|---|---|---|---|
| | Year ended March 31, 2025 | Year ended March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| India | 24,836.91 | 37,020.50 | 1,70,204.38 | 1,32,970.48 |
| Rest of the world | 79,264.88 | 95,988.45 | - | - |
| **Total** | **1,04,101.79** | **1,33,008.95** | **1,70,204.38** | **1,32,970.48** |

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

### 31.2 Information about revenue from major customers

Two external customer contributed more than 10% of total revenues of the Company. The share of the revenue for the year ended March 31, 2025 is 38.98% (FY 23-24 -38.2%.)

## Note 32 Basic and Diluted earnings per share

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Basic Earnings per share | 13.13 | 25.90 |
| Diluted Earnings per share | 13.12 | 25.87 |
| Face value per equity share | 2.00 | 2.00 |

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

### Basic and Diluted Earnings per share

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

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Profit for the year after tax | 16,214.87 | 31,897.07 |
| Adjustment: Coupon interest on Compulsorily Convertible Debentures ("CCDs"), net of tax | - | - |
| Profit for the year attributable to owners of the Group | 16,214.87 | 31,897.07 |

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, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Weighted average number of equity shares used in the calculation of basic earnings per share | 12,34,11,021 | 12,31,74,496 |
| Adjustment: | | |
| Compulsorily Convertible Debentures ("CCDs") | - | - |
| Weighted average number of equity shares used in the calculation of basic earnings per share | 12,34,11,021 | 12,31,74,496 |
| Adjustment: | | |
| Employee Stock Options | 91,684 | 1,22,246 |
| Weighted average number of equity shares used in the calculation of diluted earnings per share | 12,35,02,705 | 12,32,96,743 |

## Note 33 Employee benefit plans

### A. Defined contribution plans

The Group makes Provident fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 222.41 lakhs (Previous year ended March 31, 2024 - Rs. 179.83 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the plans by the Group are at rates specified in the rules of the schemes.

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

### B. Defined benefit plans

### Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group makes annual contributions to Life Insurance Corporation of India(LIC). The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

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

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Longevity risk:** The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

| Particulars | Gratuity (Funded) | |
|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 |
| **Present Value of obligations at the beginning of the year** | 228.47 | 208.16 |
| Current service cost | 38.31 | 21.51 |
| Interest Cost | 16.31 | 14.99 |
| Re-measurement (gains)/losses: | | |
| - Actuarial gains and losses arising from experience adjustment | 21.51 | 40.53 |
| Benefits paid | (37.68) | (56.72) |
| Liabilities assumed / (transferred) | - | - |
| **Present Value of obligations at the end of the year** | **266.92** | **228.47** |

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

| | | |
|---|---|---|
| **Changes in the fair value of planned assets** | | |
| **Fair value of plan assets at beginning of the year** | 167.13 | 182.49 |
| Interest Income | 12.06 | 13.14 |
| Expected Return on plan assets | 0.31 | (0.88) |
| Contributions from the employer | 47.99 | 29.10 |
| Benefits Paid | (37.68) | (56.72) |
| Actuarial gain/ (loss) on plan assets | - | - |
| **Fair Value of plan assets at the end of the year** | **189.81** | **167.13** |

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Amounts recognized in the Balance Sheet** | | |
| Present value of projected benefit obligation at the end of the year | (266.92) | (228.47) |
| Fair value of plan assets at end of the year | 189.81 | 167.13 |
| **Funded status of the plans – Liability recognised in the balance sheet** | **(77.11)** | **(61.34)** |
| **Provision for Gratuity - Non current liability** | **-** | **-** |
| **Provision for Gratuity - current liability** | **(77.11)** | **(61.34)** |

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Components of defined benefit cost recognised in profit or loss** | | |
| Current service cost | 38.31 | 21.51 |
| Net Interest Expense | 16.31 | 14.99 |
| Interest Income | (12.06) | (13.14) |
| **Net Cost in Profit or Loss** | **42.56** | **23.36** |
| **Components of defined benefit cost recognised in Other Comprehensive income** | | |
| Remeasurement on the net defined benefit liability: | | |
| - Actuarial gains and losses arising from experience adjustment | 21.51 | 40.53 |
| Return on plan assets | (0.31) | 0.88 |
| **Net Cost in Other Comprehensive Income** | **21.20** | **41.41** |

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

| Assumptions | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Discount rate | 6.54%-6.78% | 7.14% |
| Expected rate of salary increases | 13.00% | 13.00% |
| Expected rate of attrition | 5%-30% | 31.00% |
| Mortality rate during employement | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |
| Average Expected Future service | 2 years - 11 years | 2 years |

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

(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, 2025 | Year ended March 31, 2024 |
| Discount rate | | |
| - 1% increase (+100 BP) | (6.49) | (5.56) |
| - 1% decrease (-100 BP) | 7.01 | 5.92 |
| Salary growth rate | | |
| - 1% increase (+100 BP) | 5.99 | 4.97 |
| - 1% decrease (-100 BP) | (5.75) | (4.83) |
| Attrition rate | | |
| - 1% increase (+100 BP) | (2.76) | (2.17) |
| - 1% decrease (-100 BP) | 2.92 | 2.27 |

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

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.
The Group's best estimate of the contribution expected to be paid to the plan during the next year is Rs. 70.64 lakhs (2023-2024: Rs. 58.95 lakhs).

### C. Long Term Compensated Absence

The compensated absences cover the Group's liability for earned leave & sick leave:

| **Assumptions** | **Year ended March 31, 2025** | **Year ended March 31, 2024** |
|---|---|---|
| Discount rate | 6.54%-6.78% | 7.14% |
| Expected rate of salary increases | 13.00% | 13.00% |
| Expected rate of attrition | 5%-30% | 31.00% |

### D. Share Based Payments

Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committe on October 07,2022 the Holding Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Company in accordance with Archean Chemical -Employee Stock Option Plan 2022. The Vesting Period of ESOP is between 12 months to 60 months.

**Movements in Share Options during the Year**

| Particulars | **Year ended March 31, 2025** | **Year ended March 31, 2024** |
|---|---|---|
| Options outstanding at the beginning of the year | 1,22,850.00 | 4,91,400.00 |
| Granted during the year | - | - |
| Forfeited/Expired during the year | - | (24,570.00) |
| Exercised during the year | (30,713.00) | (3,43,980.00) |
| Options outstanding at the end of the year | 92,137.00 | 1,22,850.00 |

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

An amount of Rs.129.92 lakhs (Rs.871.05 lakhs) has been recognized as employee stock options expenses in statement of profit or loss.

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

## Note 34 Financial Instruments

### 34.1 Capital management

The Group manages it's capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The Group is not subject to any externally imposed capital requirements.
'The capital structure of the Group consists of net debt (borrowings as detailed in note 14 offset by cash and bank balances) and total equity of the Group.
The Group during the year has put in place the risk management policy and the same is being reviewed periodically post implementation.

### 34.1.1 Gearing ratio

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Debt * | 17,806.39 | 5,954.46 |
| Cash and bank balances | 5,284.05 | 4,548.28 |
| **Net debt** | **12,522.34** | **1,406.18** |
| Equity | 1,86,401.32 | 1,70,155.05 |
| **Total Equity**** | **1,86,401.32** | **1,70,155.05** |
| Net debt to equity ratio (in times) | **0.07** | **0.01** |

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

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

### 34.2 Categories of financial instruments

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Financial assets** | | |
| **Measured at fair value through profit or loss (FVTPL)** | | |
| a) Financial assets measured at fair value - Mutual fund investments | 20,217.28 | 34,987.02 |
| b) Financial assets measured at fair value - Other entity investments | 13,649.94 | - |
| c) Financial assets measured at fair value - Derivative Instruments | 89.21 | - |
| **Measured at amortised cost** | | |
| a) Cash and bank balances | 5,284.05 | 4,548.28 |
| b) Other financial assets at amortised cost | 22,754.19 | 18,698.30 |
| **Financial liabilities** | | |
| a) Measured at amortised cost | 32,523.12 | 18,345.51 |
| b) Measured at FVTPL | 5,651.13 | 3,853.33 |

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

### 34.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group has implemented a hedging policy during the period /year, to minimise the effects of foreign exchange fluctuations.

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

### 34.4 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

### 34.5 Foreign Currency risk management

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

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

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

| Currency | Liabilities as at | | | |
|---|---|---|---|---|
| | March 31, 2025 | March 31, 2025 | March 31, 2024 | March 31, 2024 |
| | FC | INR | FC | INR |
| EUR | 15.50 | 1,431.03 | 0.88 | 79.27 |
| USD | 16.93 | 1,448.89 | 11.33 | 944.37 |
| **Total** | | **2,879.92** | | **1,023.64** |

| Currency | Assets as at | | | |
|---|---|---|---|---|
| | March 31, 2025 | March 31, 2025 | March 31, 2024 | March 31, 2024 |
| | FC | INR | FC | INR |
| EUR | 1.06 | 97.86 | 3.05 | 274.76 |
| GBP | 20.00 | 2,214.78 | - | - |
| USD | 170.36 | 14,579.31 | 131.42 | 10,957.28 |
| **Total** | | **16,891.96** | | **11,232.04** |

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

### 34.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of USD and EURO.

The following table details the Group's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.  A positive number below indicates an increase in profit where the rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency, there would be a comparable impact on the profit.

| Particulars | Impact on profit or loss for the year | |
|---|---|---|
| | Year ended March 31, 2025 | Year ended March 31, 2024 |
| **Financial Assets (A)** | | |
| USD | 728.55 | 547.86 |
| EUR | 15.21 | 13.74 |
| **Financial Liabilities (B)** | | |
| USD | 72.01 | 47.22 |
| EUR | 3.41 | 3.96 |
| **Total (A) - (B)** | **668.33** | **510.42** |

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

### 34.6 Interest rate risk management

The long term borrowings appearing in the balance sheet carries a fixed rate of interest and hence the Group is not exposed to interest rate variability.

### 34.7 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group’s ‘Profit for the year ended March 31, 2025 would not have any impact as there are no liabilities with floating rate as on March 31, 2025. This is mainly attributable to the Group’s exposure to interest rates on its variable rate borrowings.

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

### 34.8 Credit risk management

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

'The Group does not have significant credit exposure to any single customer. Concentration of Credit Risk to single customer did not exceed 10% of receivables in FY 2024-25 except for three customers whose outstanding balance was Rs.8,114.16 Lakhs. (FY 2022-23 - 8,601.62 Lakhs).

### 34.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 34.9.2 below sets out details of facilities that the Group has at its disposal.

### 34.9.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

**The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2025**

| 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 | - | 10,505.20 | - | - | - | 10,505.20 | 10,505.20 |
| Others | - | 4,211.52 | - | - | - | 4,211.52 | 4,211.52 |
| Finance lease liability | - | 2,088.67 | 3,260.95 | 771.37 | 9,127.80 | 15,248.79 | 5,651.13 |
| Fixed interest rate instruments | 8.9%-10.4% | 2,646.50 | 8,984.29 | 7,978.20 | 698.38 | 20,307.38 | 17,806.39 |

(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, 2024**

| Particulars | Weighted average effective Interest rate (%) | Less than 1 year | Upto 3 years | More than 3 and upto 5 years | More than 5 years | Total contractual cash flows | Carrying amount |
|---|---|---|---|---|---|---|---|
| Accounts payable and acceptances | - | 9,981.07 | - | - | - | 9,981.07 | 9,981.07 |
| Others | - | 2,435.52 | - | - | - | 2,435.52 | 2,435.52 |
| Finance lease liability | - | 1,232.85 | 1,860.32 | 1,087.32 | 7,670.76 | 11,851.26 | 3,827.79 |
| Fixed interest rate instruments | 11.07% | 18.53 | 3,639.35 | 2,420.92 | - | 6,078.80 | 5,954.46 |

**The carrying amounts of the above are as follows:**

**Rs in Lakhs**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Non-interest bearing | 14,716.72 | 12,416.59 |
| Finance lease liability | 5,651.13 | 3,827.79 |
| Fixed interest rate instruments | 17,806.39 | 5,954.46 |
| | 38,174.24 | 22,198.84 |

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

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

**Rs in Lakhs**

| Particulars | Less than 1 year | 1-3 year | 3 - 5 year | More than 5 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2025** | | | | | |
| Investments | 20,217.28 | | - | 13,649.94 | **33,867.22** |
| Security Deposits | 1,252.58 | - | - | 473.99 | **1,726.57** |
| Trade Receivables | 16,456.91 | - | - | - | **16,456.91** |
| Total Cash and bank balances | 5,284.05 | - | - | - | **5,284.05** |
| Others | 856.06 | 204.91 | - | - | **1,060.97** |
| Bank Deposits | - | 1,328.37 | - | - | **1,328.37** |
| Loans | 55.80 | - | 2,214.78 | - | **2,270.58** |
| **As at March 31, 2024** | | | | | |
| Investments | 34,987.02 | - | - | - | **34,987.02** |
| Security Deposits | 1,229.00 | - | - | 257.08 | **1,486.08** |
| Trade Receivables | 15,637.88 | - | - | - | **15,637.88** |
| Others | 234.83 | 57.07 | - | - | **291.90** |
| Bank Deposits | | 1,239.69 | | | **1,239.69** |
| Loans | 42.75 | - | - | - | **42.75** |
| Cash and Cash Equivalents | 4,548.28 | - | - | - | **4,548.28** |

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.

### 34.10 Fair value measurements

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

### 34.10.1 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.

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

| Particulars | Fair Value hierarchy | As at March 31, 2025 | | Year ended March 31, 2024 | |
|---|---|---|---|---|---|
| | | 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 | 20,217.28 | 20,217.28 | 34,987.02 | 34,987.02 |
| Financial assets measured at fair value - Derivative Instruments | Level 1 | 89.21 | 89.21 | - | - |
| Financial assets measured at fair value - investment in other entities | Level 3 | 13,649.94 | 13,649.94 | - | - |
| **Financial liabilities** | | | | | |
| Lease Liabilities measured at FVTPL | Level 3 | 5,651.13 | 5,651.13 | 3,827.79 | 3,827.79 |
| Derivative Instruments measured at FVTPL | Level 3 | - | - | 25.54 | 25.54 |

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

## Note 35 Related party transaction

### 35.1 Names of Related Parties & Nature of Related parties relationship

| | |
|---|---|
| i. Entities or persons having significant influence | Chemikas Speciality LLP (Formerly known as Goodearth Fertilisers Company LLP) |
| ii. Enterprise over which Key management personnel exercise significant influence. | Goodearth Maritime Private Limited |
| | Jakhau Salt Company Private Limited |
| | Bharath Salt Refineries Limited |
| | Archean Industries Private Limited |
| | Cloudgen Digital Private Limited |
| | Sea Salt Holdings Pte Limited |
| | Bahuvidhaah Holdings Private Limited |
| | Archean Foundation |
| | KGF Granites Private Limited |
| | Archean Salt Holdings Private Limited |
| iii. Key management personnel and other directors | Mr. P Ranjit - Managing Director |
| | Mr. P Ravi - Non - Executive Director |
| | Mr. Subrahmanyam Meenakshisundaram - Non - Executive Director |
| | Mr. Kandheri Munaswamy Mohandass - Independent Director |
| | Mr. Chitoor Ghatambu Sethuram - Independent Director |
| | Ms. Padma Chandrasekaran - Independent Director |
| | Mr. N R Kannan - Executive Director (ED with effect from 2 Aug 2024) |
| | Mr. R.Natarajan - CFO (CFO with effect from 21 Jan 2025) |
| | Mr. R.Raghunathan - CFO (CFO with appointed with effect from 1 June 2022 and resigned with effect from 20 Jan 2025)) |
| | Mrs. Sandra Marina Pais |
| | Mr Vijayaraghavan N E - Company Secretary (with effect from 07 Feb 2025) |
| | Mr Ravi Prakash Mundra - Company Secretary (with effect from 02 Aug 2024 and resigned with effect from 7 Aug 2024) |
| | Mr. Arunmozhi - Company Secretary (resigned with effect from 11 Aug 2023) |
| | Mr. S Balasundharam - Company Secretary (resigned with effect from 01 Jun 2024) |
| | Mr. Guru Thalapaneni |

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

### 35.2 Transactions with related parties

| Particulars | Transaction Value | | Amount Outstanding Receivable / (Payable) | |
|---|---|---|---|---|
| | Year ended March 31, 2025 | Year ended March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **Jakhau Salt Company Private Limited** | | | | |
| - Reimbursement of Jetty Expenses | 464.17 | 507.36 | (101.91) | (89.23) |
| - Reimbursement of Expenses | - | - | | |
| **Bharath Salt Refineries Limited** | | | | |
| - Reimbursement of Expenses | | - | | - |
| - Purchase of traded goods | | - | | |
| - Transportation charges receivable | | - | | |
| **Archean Salt Holdings Private Limited** | | | | |
| - Receivable | | - | | |
| **P. Ranjit** | | | | |
| - Payment of Dividend | 282.66 | 1,271.97 | | - |
| - Office Rent | 52.46 | 45.95 | (4.38) | (4.14) |
| - MD remuneration payable | | - | (283.04) | (1,266.56) |
| **Goodearth Maritime Private Limited** | | | | |
| - Receivable Bromine | | - | 50.00 | 50.00 |
| - Expenses towards jetty services | 2,347.39 | 2,565.82 | | |
| - Shipment Management fee expenses | 377.06 | 538.57 | 1,296.24 | 1,153.44 |
| - Reimbursement of expenses | 759.49 | 834.95 | | |
| - Barge Transportation Cost | 324.71 | - | | |
| **Archean Industries Private Limited** | | | | |
| - Reimbursement of Expenses | - | 2.25 | 12.15 | 12.15 |
| **Sea Salt Holdings Pte Limited** | | | | |
| - Receivable | | - | | - |
| - Despatch Income | | 22.87 | | - |
| - Reversal of provision for doubtful receivables | | - | | - |
| - Reimbursement of expenses | 366.68 | - | | - |
| - Sale of salt | 2,974.38 | 4,829.28 | | - |
| **Chemikas Speciality LLP** | | | | |
| - Payment of Dividend | 376.93 | 1,696.19 | | - |
| - Payment of Rent | 11.00 | - | | - |
| **Cloudgen Digital Private Limited** | | | | |
| - Others | | - | 0.30 | 0.30 |
| **Archean Foundation** | | | | |
| Towards CSR expenses | | 117.97 | | - |
| **KGF Granites Private Limited** | | | | |
| - Reimbursement of Expenses | | - | 1.20 | 1.20 |

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

### 35.3 Compensation of Key management personnel

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

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Employee benefits expense** | | |
| Mr. P Ranjit | 2,015.36 | 1917.69 |
| Sitting fees paid to directors | 53.50 | 25.5 |
| Remuneration to directors | 60.00 | 75.00 |
| Mr. S Meenakshi Sundaram | - | 995.09 |
| Mr. E Sairam | - | - |
| Mr. N R Kannan (From 2nd Aug 2024) | 80.62 | - |
| Mr.R Raghunathan (Till 20th Jan 2025) | 86.27 | 100.03 |
| Mr.G Arumozhi | - | 9.65 |
| Mr.S Balasundharam | 5.32 | 18.6 |
| Mr. Natarajan Ramamurthy (From 21st Jan 2025) | 17.34 | - |
| Mr. Vijayaraghavan N E | 4.95 | - |

### Note 36 Lease arrangements

**Lease liabilities**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Maturity analysis - contractual undiscounted cash flows | | |
| - Less than one year | 2,088.67 | 1,232.85 |
| - One to five years | 4,032.32 | 2,947.64 |
| - More than five years | 9,127.80 | 7,670.76 |
| **Total undiscounted lease liabilities** | **15,248.79** | **11,851.26** |
| | | |
| Lease liabilities included in the financial statement as at | | |
| - Current | 1,450.17 | 705.23 |
| - Non Current | 4,200.96 | 3,122.56 |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Amounts recognised in profit or loss** | | |
| - Interest on lease liabilities | 477.23 | 675.59 |
| - Expenses relating to short-term leases | 657.90 | 192.18 |

**Movement of lease liabilities**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balance at the beginning of the year** | **3,827.79** | **4,789.32** |
| Lease liability on Ind AS 116 "Leases" adoption | | 192.36 |
| Additions | 2,998.93 | - |
| Accretion of interest | 477.23 | 675.59 |
| Payments | (1,692.87) | (1,252.68) |
| Forex | 40.05 | 18.48 |
| Others | | (595.28) |
| Deletions | | - |
| **Balance at the end of the year** | **5,651.13** | **3,827.79** |

## Note 37: Additional information to the financial statements

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Contingent liabilities** | | |
| a. Disputed Service tax, Sales tax, Income tax and Wealth tax dues under appeal (refer Note 37.1 (a)) | 5,627.00 | 5,679.10 |
| b. Capital Commitments | 1,533.29 | 8,796.58 |
| c. Minimum demand charges payable to PGVCL* | 156.86 | 156.86 |
| **Total** | **7,317.15** | **14,632.54** |

* Appeal has been filed against the demand raised by PGVCL. An amount of Rs.156.86 lakhs has been paid under protest.

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

### Note 37.1 (a) Details of disputed statutory dues

| Name of Statute | Period to which amounts relates | Forum where dispute is pending | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| Sales tax and Gujarat VAT matters in respect of which Group is in appeal. | FY 2015-16 | Joint Commissioner, Rajkot | 324.73 | 324.73 |
| | FY 2016-17 | | 273.92 | 273.92 |
| | FY 2017-18 | | 23.05 | 23.05 |
| Income tax matters in respect of which Group is in appeal# | FY 2016-17 | CIT (Appeals) | - | - |
| | FY 2017-18 | JCIT (Appeals) | - | - |
| | FY 2021-22 | CIT (Appeals) | 5,005.30 | 5,005.30 |
| TDS matters in respect of which Company is in appeal** | FY 2021-22 | CIT (Appeals) | - | 22.95 |
| | FY 2022-23 | | - | 29.15 |
| **Total** | | | **5,627.00** | **5,679.10** |

Note: Closing balance of amount paid under protest Rs. 55.58 (March 31, 2023: Rs. 55.58)

** Company opted for VSV scheme and accordingly matters pending with CIT (Appeals) for the FY 2021-22 & 22-23 are settled & paid after waiver of 75% interest by the Department.

# Compay has not paid any tax amount under Protest against the demand. In addition to that we have received High Pitched Scrutiny Assessment communication from the department.

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

### Note 38 : Dues to Micro, Small and Medium Enterprises:

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the ‘Micro, Small and Medium Enterprises Development Act, 2006’ (‘the Act’). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2025 and March 31, 2024 has been made in the financial statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier as at the balance sheet date.

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| The principal amount remaining unpaid to any supplier at the end of each accounting year; | 1,227.15 | 1,287.48 |
| The interest due thereon remaining unpaid to any supplier at the end of each accounting year; | - | - |
| 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 | - | - |
| 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 | - | - |

## 39. Events after the reporting date

Nill

## 40. Others

A. Except as disclosed in the table below:

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

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

| Lending Company | Year of Transaction | Intermediary | Relation between Lending Company and Intermediary | Amount | Type of Transaction |
|---|---|---|---|---|---|
| Archean Chemical Industries Limited | FY 2023-24 | Idealis Chemicals Private Limited | Holding – Subsidiary | 7,390.74 | Loan |
| Archean Chemical Industries Limited | FY 2023-24 | Idealis Chemicals Private Limited | Holding – Subsidiary | 300.00 | Investment in Share Capital |
| Archean Chemical Industries Limited | FY 2023-24 | NeunInfra Private Limited | Holding – Subsidiary | 300.00 | Investment in Share Capital |
| Archean Chemical Industries Limited | FY 2024-25 | NeunInfra Private Limited | Holding – Subsidiary | 4,663.50 | Loan |

| Intermediary Company | Year of Transaction | Ultimate Beneficiary | Relation between Intermediary and Ultimate Beneficiary | Amount | Type of Transaction |
|---|---|---|---|---|---|
| Idealis Chemicals Private Limited | FY 2024-25 | Idealis Mudchemie Private Limited | Holding – Subsidiary | 7,190.74 | Loan |
| Idealis Chemicals Private Limited | FY 2024-25 | Idealis Mudchemie Private Limited | Holding – Subsidiary | 500.00 | Investment in Share Capital |
| NeunInfra Private Limited | FY 2023-24 | Sicsem Private Limited | Holding – Subsidiary | 3.50 | Investment in Share Capital |
| NeunInfra Private Limited | FY 2024-25 | Sicsem Private Limited | Holding - Subsidiary | 4,960.00 | Loan |

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

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

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

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

E. The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

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

G. Relationship with Struck-off Companies: The Group has searched for transactions with Struck-off companies by comparing Group's counter parties with publicly available database of struck-off companies through a manual name search. Based on such a manual search, there are no transactions with struck off Companies for the Financial Year 2024-25.

H. Dividend of Re.3 per equity share amounting to Rs.3,702.83 Lakhs for the Financial Year 2024-25 recommended by Board of Directors which is subject to approval of shareholders at the ensuing Annual General Meeting is not recognized as liability at the Balance Sheet date.

I. a) Clas-SiC Wafer Fab Limited, a UK-based company is specializing in silicon carbide (SiC) MOSFETs/device manufacturing (Semiconductor Industry). ACIL is making a strategic investment inClas-SiC Wafer Fab Limited, a UK-based dedicated Silicon Carbide wafer Foundary with manufacturing capability for SiC Devices. This will be India's first investment in a company with silicon carbide MOSFETS/Devices production capability. This investment aligns with Company's broader semiconductor initiative through SiCSem Private Limited (SiCSem) and secures technology exclusivity in India. ACIL's core competency in specialty chemicals, creates natural synergies with its SiC semiconductor business.

Through its step down subsidiary, SiCSem Private Limited, ACIL is entering the compound semiconductor space (Silicon Carbide), focusing on industries like electric vehicles (EVs), renewable energy systems, industrial power electronics, data centres etc.

Accordingly, ACIL subscribed shared in clas-Sic for GBP 10 Million on Oct 31,2024 (A-0 Class – 18,51,852 , FV GBP 0.01, Acquired price – GBP 5.40 / share). Further, payment of GBP 2.50 Million was made on Nov 4, 2024 towards purchase of A-1 Class – 4,62,963 shares for the same price. Balance GBP 2.50 Million will be made towards purchase of A-1 Class shares – 4,62,963, for the same price as indicated above.

b) Offgrid Energy Labs (Offgrid), is an IP-led company specializing in zinc-bromide battery technology. Offgrid has developed a patented battery technology based on Zinc Bromide chemistry with significant cost and performance advantages. Offgrid has built a battery technology that is particularly suited to applications requiring daily deep charge and discharge, such as renewable energy storage and low power mobility solutions. The Company has executed the Restated Stockholders Agreement, Stock Subscription Agreement with Offgrid Energy Labs Inc. and its existing stockholders for an investment of USD 12 million in a Series for securing 21% stake. This investment aligns with the ACIL's broader strategy to enter the energy storage sector, particularly focusing on applications in renewable energy, industrial storage etc. This proposed investment will enable the Company to support Offgrid's requirement of speciality chemicals, manufacturing scale-up, participate in the rapidly growing energy storage market, and create long-term value.

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

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

## 41. Details of significant business combination:

Acquisition of Oren Hydrocarbons private Limited

Idealis Chemicals Private Limited, a subsidiary of Archean Chemical Industries Limited having CIN U20299TN2023PTC164103 (“Idealis”) was declared as the successful bidder for acquiring Oren Hydrocarbons Private Limited (OREN) as a going concern in the auction conducted by the liquidator of OREN, on 21st December 2023 in terms of the Insolvency and Bankruptcy Code, 2016. The sale consideration of Rs. 7690.74 lakhs (Rupees seventy-six crores ninety lakhs seventy-four thousand and sixty-six only) was paid and the liquidator issued the sale certificate dated 22.02.2024 under the provisions of Insolvency and Bankruptcy Code, 2016 and its regulations in force, in favour of Idealis. The Hon’ble NCLT granted various reliefs, concessions, exemptions and directions vide its order that was uploaded on NCLT’s website on 10th July 2024. Effective 10th July, Oren became a step-down subsidiary of ACIL and accordingly their books of account has been consolidated for the quarter/ year ended 31st March 2025. Effective October 9, 2024, the ‘OREN’ was changed to “Idealis Mudchemie Private Limited.”

The following table summarised the considereration paid and the fair value of the assets acquired as at the acquisition date

| **Particulars** | **Rs. in lakhs** |
|---|---:|
| Land | 5,591.01 |
| Building | 2,073.49 |
| Plant & Machinery | 1,194.54 |
| Office equipment | 4.16 |
| Vehicles | 42.53 |
| Furniture & Fixtures | 3.39 |
| Computer equipment | 0.17 |
| Electrical Equipment | 78.82 |
| Cash and Cash equivalents | 6.98 |
| Provision for expenses | (2.00) |
| **Total fair value of assets (A)** | **8,993.09** |
| **Consideration paid (B)** | **7,690.74** |
| **Capital reserve (A-B)*** | **1,302.35** |

* Refer note no.13(d)

## 42. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 02, 2025

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

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

**44.Additional Information, as required under Schedule III to the Companies Act 2013, of the enterprises consolidated as Subsidiary**

| Name of the Entity in the Group | Net Assets (total assets - total liabilities) | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | as % of Consolidated Net Assets | Amount | as % of Consolidated Profit | Amount | as % of Consolidated Other Comprehensive Income | Amount | as % of Consolidated Total Comprehensive Income | Amount |
| 2024-25 | | | | | | | | |
| Parent | | | | | | | | |
| Archean Chemical Industries Limited | 99.7% | 1,85,749.30 | 110.9% | 17,982.98 | 97.6% | (15.48) | 110.9% | 17,967.51 |
| | | | | | | | | |
| Subsidiary | | | | | | | | |
| Indian: | | | | | | | | |
| Acume Chemicals Private Limited | -0.6% | (1,097.28) | -7.4% | (1,192.34) | 0.0% | - | -7.4% | -1,192.34 |
| | | | | | | | | |
| Idealis Chemicals Private Limited | 0.0% | 55.30 | -1.0% | (163.08) | 0.0% | - | -1.0% | -163.08 |
| | | | | | | | | |
| Neun Infra Private Limited | 0.2% | 320.21 | 0.1% | 17.58 | 0.0% | - | 0.1% | 17.58 |
| | | | | | | | | |
| Idealis Mudchemie Private Limited | 0.7% | 1,373.36 | -2.6% | (428.99) | 0.0% | - | -2.6% | -428.99 |
| | | | | | | | | |
| Non Controlling Interest | | | | | | | | |
| Indian Subsidiary: | | | | | | | | |
| Sicsem Private limited | 0.0% | 0.43 | 0.0% | (1.28) | 2.4% | (0.38) | 0.0% | -1.66 |
| | | | | | | | | |
| **Total** | **100%** | **1,86,401.32** | **100%** | **16,214.87** | **100%** | **(15.86)** | **100%** | **16,199.01** |

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2023-24 | | | | | | | | |
| Parent | | | | | | | | |
| Archean Chemical Industries Limited | 99.6% | 169540.58 | 101.1% | 32234.564 | 100.0% | -30.99 | 101.1% | 32,203.57 |
| | | | | | | | | |
| Subsidiary | | | | | | | | |
| Indian: | | | | | | | | |
| Acume Chemicals Private Limited | 0.1% | 95.06 | -0.8% | (256.22) | 0.0% | - | -0.8% | (256.22) |
| | | | | | | | | |
| Idealis Chemicals Private Limited | 0.1% | 218.38 | -0.3% | (81.62) | 0.0% | - | -0.3% | (81.62) |
| | | | | | | | | |
| Neun Infra Private Limited | 0.2% | 301.03 | 0.0% | 1.03 | 0.0% | - | 0.0% | 1.03 |
| | | | | | | | | |
| Non Controlling Interest | | | | | | | | |
| Indian Subsidiary: | | | | | | | | |
| Sicsem Private limited | 0.0% | 0.82 | 0.0% | (0.68) | 0.0% | - | 0.0% | (0.68) |
| | | | | | | | | |
| **Total** | **100%** | **1,70,155.87** | **100%** | **31,897.07** | **100%** | **(30.99)** | **100%** | **31,866.08** |

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

**S. Prasana Kumar**
**Partner**
Membership No:212354

Place : Chennai
Date : May 2, 2025

For and on behalf of the Board of Directors

**S.Meenakshisundaram**
Director
DIN: 01176085

**P. Ranjit**
Managing Director
DIN: 01952929

**R.Natarajan**
Chief Financial Officer

**Vijayaraghavan N E**
Company secretary & Compliance Officer
M.No. A 41671

# NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the Sixteenth Annual General Meeting of the Shareholders of the Company will be held on Monday, June 02, 2025 at 10.00 A.M. through Video Conferencing ("VC") /Other Audio-Visual Means ("OAVM"), to transact the following businesses:

## ORDINARY BUSINESS:

**Item No. 1**

To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2025, together with the reports of the Board of Directors, Auditors thereon.

"**RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2025 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

**Item No. 2**

To declare final dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2025.

"**RESOLVED THAT** a dividend at the rate of Rs.3/- (Rupees Three only) (i.e 150%) per Equity Share of Rs. 2/- (Rupees Two only) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the Financial Year ended March 31, 2025 and the same be paid out of the profits of the Company."

**Item No. 3**

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

"**RESOLVED THAT** Mr. S Meenakshisundaram, (DIN – 01176085), who retires by rotation, being eligible and willing for re-appointment be and is hereby re-appointed as a Director of the Company, subject to retirement by rotation on such remuneration as may be fixed by the Board of Directors''.

## SPECIAL BUSINESS:

**Item No. 4**

To consider and approve the Appointment of Secretarial Auditors:

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

"**RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and based on the recommendation of Audit Committee & Board of Directors, M/s. HVS & Associates, (Firm Registration No. P2016TN048300) Practicing Company Secretaries, be and hereby appointed as Secretarial Auditors of the Company for conducting Secretarial Audit for a period of five consecutive years i.e. from FY 2025-26 till FY 2029-30 at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors."

**Item No.5**

To consider and approve the ratification of remuneration to the Cost Auditors for the FY 2025-26.

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) read with Rule 14 of Companies

(Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, and based on the recommendation of Audit Committee & Board of Directors, the remuneration of Rs. 1,20,000/- (Rupees one lakh twenty thousand only) plus re-imbursement of out-of-pocket expenses and applicable taxes payable to Mr. G Sundaresan, (Membership No. 11733) Cost Auditor, Chennai, appointed as Cost Auditor of the Company for conducting cost audit for the FY 2025-26, be and is hereby ratified and confirmed."

By order of the Board,

For, **ARCHEAN CHEMICAL INDUSTRIES LIMITED**

**VIJAYARAGHAVAN N E**
Company Secretary & Compliance Officer
M. No. A-41671

Place : Chennai
Dated : May 02, 2025

**Notes:**

1. The Company has chosen to conduct this AGM through VC. The AGM would be conducted in compliance with the applicable provisions of the Companies Act, 2013 ("The Act") read with Ministry of Corporate affairs ("MCA") General Circular No. 09/2024 dated September 19, 2024 and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 read with the circulars issued earlier on the subject and such other instructions as may be issued by Statutory Authorities. Hence, Members can attend and participate in the ensuing AGM through VC.

2. Relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business set out in Item no. 4 to 5 above is annexed hereto.

3. M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (*Firm Registration Number: 003990S/S200018)*, Chennai were appointed as Statutory Auditors of the Company held on December 29, 2021 till the conclusion of the Seventeenth Annual General Meeting of the Company, subject to ratification by members every year as prescribed under then prevailing provisions of the Act. However, in accordance with the Companies Amendment Act, 2017, with effect from May 07, 2018, the requirement of ratifying the appointment of the Statutory Auditors at every AGM has been omitted. Hence, the same has not been considered.

4. Details of the Directors proposed to be appointed / re-appointed as required in terms of Regulation 36(3) of the SEBI LODR and Secretarial Standards on General Meetings ("Secretarial Standards – 2") issued by The Institute of Company Secretaries of India, are provided at the end and form an integral part of this Notice as Annexure - I

5. The meeting shall be deemed to be held at the Registered office of the Company at No.2, North Crescent Road, T Nagar, Chennai 600 017.

6. The recorded transcript of the AGM will be hosted on the website of the Company.

7. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

8. Dividend on equity shares, if declared at the meeting, will be credited / dispatched on or before July 01, 2025, (Tuesday) to those Members whose names shall appear on the Company's register of Members as on record date i.e. May 26, 2025.

   Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of Shareholders w.e.f. April 1, 2020 and Company is required to deduct tax at source on payment of dividend at the prescribed rates. The Shareholders are requested to refer the Finance Act, 2020 and amendments thereof for prescribed rates for various categories of Shareholders. The Company shall send the e-mail in this regard to all the Shareholders whose e-mail id is registered with RTA or Depository Participant.

9. Members holding shares in electronic form are requested to intimate immediately, any change in their address or bank mandates to their depository participant(s) with whom they are maintaining their demat accounts.

10. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the Bankers' cheque/ demand draft to such Member, as soon as possible.

    SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS) / National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT)/Real Time Gross Settlement (RTGS)/ Direct Credit, etc. Members holding shares in demat form are requested to update their bank account details with their respective Depository Participant ("DP"). The Company or MUFG Intime cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Shareholders are requested to ensure that their bank account details in their respective demat accounts are updated, to enable the Company to provide timely credit of dividend in their bank accounts.

    In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (Seven) years from the date of its transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2017 onwards, are requested to lodge their claims with the Company or with the Registrar and Share Transfer Agent ('RTA') of the Company at the earliest.

    The details of the unclaimed dividends are available on the Company's website at HYPERLINK "http://www.archeanchemicals.com"www.archeanchemicals.com and IEPF website at www.iepf.gov.in. Members are requested to contact MUFG intime, Unit: Archean Chemical Industries Limited, C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Company's RTA, to claim the unclaimed / unpaid dividends.

11. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

12. Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 36 of the SEBI LODR read with SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 07 2023, SEBI/HO/CFD/PoD-2/P/CIR/2024/133 dated October 03, 2024 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), companies can send Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses

with MUFG Intime India Private Limited ("MUFG Intime" or "RTA") or with their respective the Depository Participant(s) ("DP"). A letter containing the web link, along with the exact path to access the complete details of the Annual Report, is being sent to shareholders who have not registered their email address with the Company's RTA or DP. The physical copies of Annual Report along with Notice of AGM will be dispatched only to those shareholders who request for the same.

13. In compliance with the MCA Circulars, the Annual Report 2024-25 including, the Notice of the AGM and instructions to shareholders for e-voting / attending meeting through VC / OAVM are being sent only through electronic mode to those members whose email addresses are registered with the depositories.

14. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number / folio number, e-mail ID, mobile number to secretarial@archeanchemicals.com on or before May 26, 2025. The shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

15. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. As the AGM is being held through VC / OAVM in accordance with the MCA circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy form, Attendance Slip and route map are not annexed to this Notice.

16. Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members can attend the AGM through VC/ OAVM and cast their votes through e-voting. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the board resolution / authorization letter to the Company.

17. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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

19. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI LODR (as amended) and MCA Circulars, the Company is providing facility of e-voting to its members in respect of the business to be transacted at the AGM. In this regard, the Company has entered into an agreement with MUFG Intime for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using e-voting as well as the e-voting system on the date of the AGM will be provided by MUFG Intime.

20. The members who have cast their vote by e-voting prior to the meeting may also attend the meeting by way of VC/OAVM but shall not be entitled to cast their vote again. The details indicating the process and manner for voting by electronic means, the time, schedule including the time period during which the votes may be cast by e-voting, the details of the login ID, the process and manner for generating or receiving the password and for casting of vote in a secure manner are provided to the shareholders. The procedures and instructions for 'e-voting', 'attending the meeting through VC / OAVM' and 'e-voting at the meeting' are furnished as part of this Notice.

21. The Board of Directors have appointed M/s. V. Sudarshan Babu & Associates, (Membership No. 55465), Practicing Company Secretaries, Chennai, as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. The Company has engaged the services of MUFG Intime to provide e-voting facilities enabling the members to cast their vote in a secure manner. The e-voting facility will be available at https://instavote.linkintime.co.in. The e-voting period would commence on May 30, 2025 (Friday) 9:00 A.M. (IST) and conclude on June ,01, 2025 (Sunday) 5:00 P.M. (IST)

22. Any person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date, i.e May 26, 2025 only shall be entitled to avail the facility of e-voting.

23. The Scrutinizer shall, immediately after the conclusion of the meeting, count the votes cast at the meeting and thereafter, unblock the votes cast through e-voting in presence of atleast two witnesses not in employment of the Company. The Scrutinizer shall submit a Consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than two days after the conclusion of the Meeting. Thereafter, the Results of e-voting and e-voting during the 16th AGM shall be declared by the Chairman or a person authorized by him in writing. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website at www.archeanchemicals.com and also be displayed on the website of MUFG Intime at www.in.mpms.mufg.com immediately after the results are declared and simultaneously communicated to the Stock exchanges.

24. In case you have any queries or issues regarding e-voting, you may refer the frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to enotices@in.mpms.mufg.com.

25. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The members holding shares in electronic form are, therefore, requested to submit their PAN to their respective DP.

26. The Register of Directors and key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the Secretarial Auditor Certificate for implementation of ESOP Scheme under regulation 13 of SEBI (SBEB) Regulations, 2021 and other registers/ certificates will be available electronically for inspection by the members during the AGM. Other documents referred to in the notice, if any, will be available for electronic inspection. The members seeking to inspect such documents can mail to secretarial@archeanchemicals.com.

27. In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.archeanchemicals.com. The Notice can also be accessed from

the websites of the stock exchanges, at www.nseindia.com or www.bseindia.com. The AGM Notice is also disseminated on the website of MUFG Intime (agency for providing the e-voting facility and e-voting system during the AGM) at https://instavote.linkintime.co.in

28. Members may kindly note that in accordance with SEBI Circular reference SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, the Company is registered on the newly launched SMART ODR Portal(Securities Market Approach for Resolution through Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Members can access the SMART ODR Portal via the following link: https://smartodr.in/login. Members may feel free to utilize this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).

29. The e-voting facility will be available during the following voting period:

| Voting Starts on | Voting Ends on |
|---|---|
| 09.00 A.M. (IST) May 30, 2025 | 05.00 P.M. (IST) June 01, 2025 |

30. As per SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts. Shareholders are advised to update their mobile number and email addresses in their Demat accounts in order to access the evoting facility.

## REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

*Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access e-Voting facility.*

Login method for Individual shareholders holding securities in demat mode is given below:

**Individual Shareholders holding securities in demat mode with NSDL**

**METHOD 1 - Individual Shareholders registered with NSDL IDeAS facility**

**Shareholders who have registered for NSDL IDeAS facility:**

a) Visit URL: https://eservices.nsdl.com and click on “Beneficial Owner” icon under “Login”.

b) Enter User ID and Password. Click on “Login”

c) After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.

d) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**OR**

**Shareholders who have not registered for NSDL IDeAS facility:**

a) To register, visit URL: https://eservices.nsdl.com and select “Register Online for IDeAS Portal” or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

b) Proceed with updating the required fields.

c) Post successful registration, user will be provided with Login ID and password.

d) After successful login, you will be able to see e-Voting services under Value added services.

Click on “Access to e-Voting” under e-Voting services.

e) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - Individual Shareholders directly visiting the e-voting website of NSDL**

a) Visit URL: https://www.evoting.nsdl.com

b) Click on the “Login” tab available under ‘Shareholder/Member’ section.

c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen.

a) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.

b) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with CDSL**

**METHOD 1 – Individual Shareholders registered with CDSL Easi/ Easiest facility**

**Shareholders who have registered/ opted for CDSL Easi/ Easiest facility:**

a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com.

b) Click on New System Myeasi Tab

c) Login with existing my easi username and password

d) After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.

e) Click on “Link InTime/ MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**OR**

**Shareholders who have not registered for CDSL Easi/ Easiest facility:**

a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration / https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration

b) Proceed with updating the required fields.

c) Post registration, user will be provided username and password.

d) After successful login, user able to see e-voting menu.

e) Click on “Link InTime / MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - Individual Shareholders directly visiting the e-voting website of CDSL**

a) Visit URL: https://www.cdslindia.com

b) Go to e-voting tab.

c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.

d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

e) After successful authentication, click on “Link InTime / MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with Depository Participant**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

a) Login to DP website

b) After Successful login, user shall navigate through "e-voting" option.

c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.

d) After successful authentication, click on "Link InTime / MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Login method for shareholders holding securities in physical mode /**

**Non-Individual Shareholders holding securities in demat mode**

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for InstaVote as under:

a) Visit URL: https://instavote.linkintime.co.in

**Shareholders who have not registered for INSTAVOTE facility:**

b) Click on **"Sign Up"** under 'SHARE HOLDER' tab and register with your following details:

A. **User ID:**

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

B. **PAN:**

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **DOB/DOI:**

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. **Bank Account Number:**

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

**Shareholders holding shares in **NSDL form**, shall provide 'D' above*

***Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

❖ Set the password of your choice

(The password should contain minimum 8 characters, at least one special Character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

❖ Enter Image Verification (CAPTCHA) Code

❖ Click "Submit" (You have now registered on InstaVote).

**Shareholders who have registered for INSTAVOTE facility:**

c) Click on **"Login"** under 'SHARE HOLDER' tab.

A. User ID: Enter your User ID

B. Password: Enter your Password

C. Enter Image Verification (CAPTCHA) Code

D. Click "Submit"

d) Cast your vote electronically:

A. After successful login, you will be able to see the “Notification for e-voting”.

B. Select ‘View’ icon.

C. E-voting page will appear.

D. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).

E. After selecting the desired option i.e. Favour / Against, click on ‘Submit’.

A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

**Guidelines for Institutional shareholders (“Custodian / Corporate Body/ Mutual Fund”)**

**STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration**

a) Visit URL: https://instavote.linkintime.co.in

b) Click on **“Sign Up”** under “Custodian / Corporate Body/ Mutual Fund”

c) Fill up your entity details and submit the form.

d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

e) Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person’s email ID. (You have now registered on InstaVote)

**STEP 2 – Investor Mapping**

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) Click on **“Investor Mapping”** tab under the Menu Section

c) Map the Investor with the following details:

A. ‘Investor ID’ –

i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID *i.e., IN00000012345678*

ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.

B. ‘Investor’s Name - Enter Investor’s Name as updated with DP.

C. ‘Investor PAN’ - Enter your 10-digit PAN.

D. ‘Power of Attorney’ - Attach Board resolution or Power of Attorney.

**File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or* 16 Digit Beneficiary ID*. Further, Custodians and Mutual Funds shall also upload specimen signatures.*

E. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the “Report Section”.

**STEP 3 – Voting through remote e-voting**

The corporate shareholder can vote by two methods, during the remote e-voting period.

**METHOD 1 - VOTES ENTRY**

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) Click on **“Votes Entry”** tab under the Menu section.

c) Enter the **“Event No.”** for which you want to cast vote.

Event No. can be viewed on the home page of InstaVote under “On-going Events”.

d) Enter **“16-digit Demat Account No.”** for which you want to cast vote.

e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

f) After selecting the desired option i.e. Favour / Against, click on 'Submit'.

A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

**OR**

**METHOD 2 - VOTES UPLOAD**

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) After successful login, you will be able to see the "Notification for e-voting".

c) Select **"View"** icon for **"Company's Name / Event number".**

d) E-voting page will appear.

e) Download sample vote file from **"Download Sample Vote File"** tab.

f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under **"Upload Vote File"** option.

g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**Helpdesk:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

**Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

**Forgot Password:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on **"Login"** under 'SHARE HOLDER' tab.
- Click **"forgot password?"**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

*In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of* *his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter.*

***User ID:***

*NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.*

*CDSL demat account – User ID is 16 Digit Beneficiary ID.*

*Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.*

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Click **"forgot password?"**
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

*In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter.*

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- ❖ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ❖ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ❖ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

## A) INSTAMEET VC INSTRUCTIONS FOR SHAREHOLDERS

In terms of MCA General Circular No. 09/2024 dated September 19, 2024, the Companies can conduct their AGMs/ EGMs on or before September 30, 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).

*Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access* InstaMeet *facility.*

**Login method for shareholders to attend the General Meeting through InstaMeet:**

Visit URL: https://instameet.in.mpms.mufg.com & click on **"Login"**.

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

**Demat Account No. or Folio No:**

Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.

Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – shall provide Folio Number.

**PAN:**

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**Mobile No:** Enter your Mobile No.

**Email ID:** Enter your email Id as recorded with your DP/ Company.

Click "Go to Meeting"

You are now registered for InstaMeet, and your attendance is marked for the meeting.

**Instructions for shareholders to Speak during the General Meeting through InstaMeet:**

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

Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.

Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.

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

**Instructions for Shareholders to Vote during the General Meeting through InstaMeet:**

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

On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET

Click on 'Submit'.

After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

*Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.*

*Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.*

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

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

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

**Helpdesk:**

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

By order of the Board,

For, **ARCHEAN CHEMICAL INDUSTRIES LIMITED**

**VIJAYARAGHAVAN N E**

Company Secretary & Compliance Officer

M. No. A-41671

Place : Chennai

Dated : May 02, 2025

Annexure - I

## DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE AGM

### [PURSUANT TO REGULATION 36(3) OF THE SEBI LISTING REGULATIONS AND REVISED SECRETARIAL STANDARD–2 ON GENERAL MEETINGS]

| | |
|---|---|
| Name, Age, DIN, and qualification | Mr. S Meenakshisundaram,<br>Non-Executive Director,<br>DIN: 01176085,<br>Age: 71 years,<br>Qualification: Member of the Institute of Chartered Accountants of India and holds a degree of Bachelor of Commerce from University of Madras. |
| Experience and other details | Around four decades of experience in Accounting, Finance and Taxation. |
| Details of remuneration sought to be paid | Sitting Fee and Commission, if any, as approved by the Board of the Directors. |
| Current remuneration (last drawn remuneration) | Sitting Fees - Rs. 14.50 Lakhs<br>Commission - Rs. 15 Lakhs |
| Date of first appointment on the Board, terms and conditions of appointment or re-appointment | • March 24, 2010<br>• Appointed as Non-Executive Non-Independent Director, liable to retire by rotation |
| Shareholding in the Company | 1,35,000 Equity Shares |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | Nil |
| Number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards | Number of Meetings of the Board attended during FY 2024-25: Attended all the seven (7) meetings held during the year.<br>Directorships in other companies:<br>i. Acume Chemicals Private Limited<br>ii. Idealis Chemicals Private Limited<br>iii. Neun Infra Private Limited<br>iv. Archean Salt Holdings Private Limited<br>v. Bharath Salt Refineries Limited<br>vi. Sicsem Private Limited<br>vii. Idealis Mudchemie Private Limited |

| | |
|---|---|
| | Membership/Chairmanship of the committees:<br>i. Audit Committee : Member<br>ii. CSR Committee : Chairperson<br>iii. Risk Management Committee: Chairperson<br>iv. Nomination and Remuneration Committee: Member<br>v. Stakeholder Relationship Committee: Chairperson |
| Listed entities from which the Director has resigned in the past three years | Nil |

Mr. S Meenakshisundaram is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

He is not related to the Directors or Key Managerial Personnel of the Company. His skill set includes Strategy Management, Business Management, Accounting & Finance and Taxation.

Except Mr. S Meenakshisundaram, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise in the Resolution. The Notice together with this statement may be regarded as a disclosure under Regulation 36(3) of SEBI LODR.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the Members.

## STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE ACT

**Item No.4**

M/s. HVS & Associates (HVS) is a reputed firm of Practicing Company Secretaries with close to a decade of experience in corporate governance and compliance. With proven expertise in Secretarial Audits, Compliance Audits, and Due Diligence, HVS has successfully handled numerous M&A transactions, corporate conversions, and strategic restructuring initiatives. The firm offers a comprehensive range of secretarial advisory, audit, and compliance services, delivering practical, client focused solutions aligned with the evolving regulatory landscape. HVS remains a trusted partner to businesses seeking reliable and effective corporate compliance support.

After assessing various factors such as industry experience, independence, etc., based on the recommendation of the Audit Committee, at its meeting held on May 02, 2025, the Board of Directors of the Company has proposed the appointment of HVS & Associates, (Firm Registration No. P2016TN048300) Company Secretaries, peer reviewed firm as the Secretarial Auditors of the Company, for a period of five consecutive years i.e. FY 2025-26 at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors."

HVS have consented to their appointment as Secretarial Auditors and has confirmed that their appointment will be in accordance with Section 204 of Act, read with SEBI LODR and has given a requisite declaration that they are eligible to be appointed and not disqualified or debarred by any regulatory authorities.

The remuneration paid to HVS for the FY 2024-25 was Rs.1,20,000/- excluding taxes and reimbursement of out-of-pocket expenses for carrying out Secretarial Audit for the FY 2024- 25.

The remuneration approved for the FY 2025 - 26 is Rs. 1,20,000/- (Rupees One Lakh and Twenty Thousand Only) excluding taxes and reimbursement of out-of-pocket expenses for carrying out Secretarial Audit for the FY 2025 – 26 and for rest of the years of appointment term, as may be recommended by the Audit Committee and approved by the Board of Directors.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

**Item No.5**

In accordance with the provisions of Section 148 of the Act, Rule 14 of the Companies (Audit and Auditors) Rules, 2014 read with the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of Mr. G Sundaresan (Membership No. 11733), Cost Accountant, as the Cost Auditor of the Company for the FY 2025-26, for conducting the audit of the cost records of the Company at a remuneration of Rs. 1,20,000/- (Rupees One Lakh and Twenty Thousand Only) excluding taxes and reimbursement of out-of-pocket expenses.

The remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 5 of this Notice for ratification of remuneration payable to the Cost Auditors for the FY 2025-26.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

By order of the Board,

For, **ARCHEAN CHEMICAL INDUSTRIES LIMITED**

**VIJAYARAGHAVAN N E**
Company Secretary & Compliance Officer
M. No. A-41671

Place : Chennai
Dated : May 02, 2025

Archean Chemical Industries Limited

*Life's good with our Chemistry*

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