

INDEPENDENT AUDITOR'S REPORT

To The Members of Archean Chemical Industries Private Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Archean Chemical Industries Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit 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. We have determined that there are no key audit matters to communicate in our report.



Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Directors report and annexures, but does not include the financial statements and our auditor's report thereon. The Directors report and annexures are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors report and annexures, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 auditor's 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 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone 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 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.



The comparative financial information of the Company for the year ended 31 March 2018 and the related transition date opening balance sheet as at 1 April 2017 included in these standalone financial statements, have been prepared after adjusting previously issued standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements were audited by the predecessor auditor whose report for the years ended 31 March 2018 and 31 March 2017 dated 26 October 2018 and 28 September 2017 respectively expressed an unmodified opinion on those standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of the above matter on the comparative financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

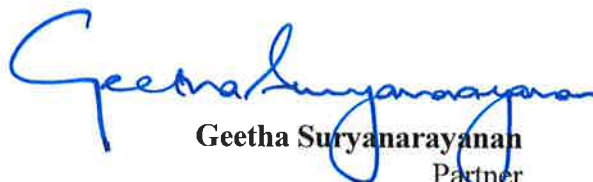


- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 34 to the Financial Statements)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Geetha Suryanarayanan
Partner

(Membership No. 29519)

Place: Chennai

Date: May 28, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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")

We have audited the internal financial controls over financial reporting of **Archean Chemical Industries Private Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

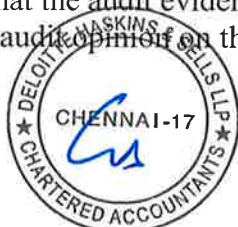
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing 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 was 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 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 system over financial reporting.



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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Geetha Suryanarayanan
Partner

(Membership No. 29519)

Place: Chennai

Date: May 28, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment / fixed assets. The fixed asset register is being updated for adjustments arising out of physical verification carried out during the year.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, material discrepancies were noticed on physical verification of fixed assets and such discrepancies aggregating to Rs. 457.05 lakhs in the carrying value of fixed assets have been properly dealt with in the books of accounts.
- (c) In respect of immovable properties of freehold land and building, whose title deeds have been pledged as security for non-convertible debentures, are held in the name of the Company based on the confirmations directly received by us from the debenture trustees.

In respect of immovable properties of land that have been taken on lease and not required to be disclosed as fixed asset in the financial statements, whose title deeds have been pledged as security for non-convertible debentures, are held in the name of the Company based on the confirmations directly received by us from the debenture trustees.

- (ii) As explained to us, the inventories were physically verified during the year by the Management. Material discrepancies noticed on physical verification during the year have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.



- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- undisputed statutory dues including provident fund, income-tax, custom duty, goods and services tax, cess have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases for the period from April to November 2018. The Company has generally been regular in depositing undisputed statutory dues including provident fund, income-tax, custom duty, Goods and Services Tax, cess with the appropriate authorities for the period from December 2018 to March 2019.
 - In respect of undisputed amounts payable in respect of Provident Fund, Income-tax, Tax Deducted at Source, Goods and Services Tax, Customs Duty, cess and other material statutory dues there were no such dues in arrears as at March 31, 2019 for a period more than 6 months from the date they became payable.
 - Details of dues of Income tax which have not been deposited as on March 31, 2019 on account of disputes are given below.

Name of Statute	Nature of Dues	Forum where the dispute is pending	Period to which amount relates	Amount Involved (Rs.in Lakhs)	Amount unpaid (Rs. in lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2012-13	540.02	333.37

- (viii) As reported by the predecessor auditor in Annexure A to their audit opinion dated 26 October 2018 on the financial statements for the year ended 31 March 2018, the Company had overdue principal of Rs.2,204.70 lakhs and interest of Rs.129.94 lakhs in respect of borrowings from banks as at 31 March 2018. In our opinion and according to the information and explanations given to us, the Company had overdue principal and interest with the following banks as at 22 November 2018 which were paid by 30 November 2018:



Particulars	Amount of default of repayment (Rs)		Period of default
	Principal	Interest	
Due to Banks:			
Bank of India	38,318,482	-	Instalment due in September 2018
Punjab National Bank	45,135,086	408	
Bank of Baroda	14,960,266	-	
Allahabad Bank	10,324,380	-	
Canara Bank	28,817,100	-	
Union Bank	38,069,594	1,786,284	

The Company has repaid the borrowings and redeemed the optionally convertible debentures on 22 November 2018. The Company has not defaulted in the payment of interest on non-convertible debentures for the period from 22 November 2018 to 31 March 2019. The Company has not availed loans from financial institutions and government.

- (ix) In our opinion and according to the information and explanations given to us, the funds raised through non-convertible debentures issued during the year have been applied by the Company during the year for the purposes for which they were obtained. The Company has not raised moneys by way of term loans or initial public offer or further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 relating to managerial remuneration do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made private placement of shares. The Company has made private placement of non-convertible debentures during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application of funds.



- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or associate company or persons connected with them other than the issue of shares for consideration other than cash as referred in Note 12 (d) of the financial statements and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 28, 2019

Archean Chemical Industries Private Limited
Balance Sheet as at March 31, 2019

Particulars	Note No.	Rs in lakhs		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
A. ASSETS				
Non-Current Assets				
(a) Property, plant and equipment	2	91,341.28	93,982.93	1,00,646.10
(b) Intangible Assets	3	8.35	18.56	30.78
(c) Capital Work in Progress	2	907.03	-	-
(d) Financial Assets :				
(i) Investments	4	-	0.69	0.69
(ii) Other financial assets	5	413.74	289.40	242.51
(e) Income tax Asset (Net)	6	586.62	586.62	629.12
(f) Deferred tax assets (Net)	13	8,997.10	7,808.34	7,141.69
(g) Other Non Current Assets	7	2,567.65	6,815.95	974.43
Total non-current assets		1,04,821.77	1,09,502.49	1,09,665.32
Current Assets				
(a) Inventories	8	6,275.10	11,253.61	12,695.22
(b) Financial Assets :				
(i) Trade Receivables	9	6,700.22	2,646.86	1,876.84
(ii) Cash and Cash Equivalents	10	4,750.35	1,276.08	6,107.13
(c) Other Current Assets	7	1,141.00	942.06	988.26
Total current assets		18,866.67	16,118.61	21,667.45
TOTAL ASSETS		1,23,688.44	1,25,621.10	1,31,332.77
B. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	1,926.67	1,000.00	1,000.00
(b) Other Equity	12	2,415.17	(3,774.35)	4,146.03
Total equity		4,341.84	(2,774.35)	5,146.03
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities :				
i. Borrowings	14	74,051.78	79,204.98	79,788.65
ii. Other financial Liabilities	15	1,386.44	1,282.81	1,373.05
(b) Other Non-Current Liabilities	16	29,843.21	6,987.22	7,251.68
Total non-current liabilities		1,05,281.43	87,475.01	88,413.38
Current Liabilities				
(a) Financial Liabilities :				
i. Borrowings	14&14A	1,357.10	17,634.30	16,528.09
ii. Trade Payables	17	-	-	-
(A) total outstanding dues of micro enterprises and small enterprises;		-	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		10,475.17	14,034.55	11,566.48
iii. Other financial Liabilities	15	246.70	373.63	958.42
(b) Provisions	18	47.99	150.24	153.56
(c) Other Current Liabilities	16	1,938.21	8,727.72	8,566.81
Total current liabilities		14,065.17	40,920.44	37,773.36
Total Liabilities		1,19,346.60	1,28,395.45	1,26,186.74
TOTAL EQUITY AND LIABILITIES		1,23,688.44	1,25,621.10	1,31,332.77
See accompanying notes forming part of the financial statements	1-37			

This is the Balance Sheet referred to in our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors


Geetha Suryanarayanan
Partner


S. Meenakshisundaram
Director
DIN: 01176085


P. Ranjit
Wholtime Director
DIN: 01952929


E. Sairam
Group C F O


A.R. Balaji
C F O


G. Balaji
Company Secretary

Place : Chennai
Date : May 28, 2019



Place : Chennai
Date : May 21, 2019

Archean Chemical Industries Private Limited
Statement of Profit And Loss for the year ended March 31, 2019

S.No	Particulars	Note No.	Rs in lakhs	
			Year ended March 31, 2019	Year ended March 31, 2018
I	Revenues from Operations	19	56,550.57	44,175.87
II	Other Income	20	709.17	607.40
III	Total Income (I+II)		57,259.74	44,783.27
IV	Expenses:			
	Cost of materials consumed	21	3,423.86	2,233.55
	Purchases of Stock-in-Trade		942.14	894.67
	Changes in Inventories of finished goods, work-in-progress and stock in trade	22	5,237.71	1,819.73
	Excise duty on sale of goods		-	292.95
	Employee benefits expense	23	3,038.54	2,606.39
	Finance costs	24	11,366.10	10,152.91
	Depreciation and amortisation expense	25	4,726.70	7,276.57
	Other expenses	26	37,031.25	28,044.60
	Total Expenses (IV)		65,766.30	53,321.37
V	Profit before exceptional items and tax (III-IV)		(8,506.56)	(8,538.10)
VI	Exceptional items:			
	Write back of loans and interest	14.1(f)	11,426.11	-
VII	Profit for the year before tax (V+VI)		2,919.55	(8,538.10)
VIII	Income Tax Expense:			
	Current Tax	27.1	-	42.50
	Deferred Tax	27.1	(1,186.83)	(664.40)
	Total Income Tax Expenses (VIII)		(1,186.83)	(621.90)
IX	Profit for the year after tax (VII-VIII)		4,106.38	(7,916.20)
X	Other Comprehensive Income			
	Items that will not be reclassified to Profit or Loss			
	Remeasurements of the defined benefit plans		(5.51)	(6.43)
	Income tax expenses relating to the above	27.2	1.93	2.25
	Total other comprehensive income for the year, net of tax (X)		(3.58)	(4.18)
XI	Total Comprehensive Income for the year (IX+X)		4,102.80	(7,920.38)
XII	Earnings Per Equity Share (Face value of Rs. 10 each)	29		
	Basic earnings per share (In Rs.)		28.89	(79.16)
	Diluted earnings per share (In Rs.)		27.92	(7.82)
	See accompanying notes forming part of the financial statements	1-37		


This is the statement of profit and loss referred to in our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants



Geetha Suryanarayanan
Partner

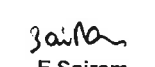
Place : Chennai
Date : May 28, 2019





For and on behalf of the Board of Directors


S. Meenakshisundaram
Director
DIN: 01176085


P. Ranjit
Wholtime Director
DIN: 01952929


E. Sairam
Group C F O


A.R. Balaji
C F O


G. Balaji
Company Secretary

Place : Chennai
Date : May 21, 2019

Arcane Chemical Industries Private Limited
Statement of Cash Flow for the year ended March 31, 2019

Particulars	Rs in lakhs	
	For the Year ended March 31, 2019	For the Year ended March 31, 2018
A. Cash flow from operating activities		
Profit / (loss) before income tax	2,919.55	(8,538.10)
Adjustments for :		
Exceptional items	(11,426.11)	
Finance costs recognised in profit or loss	11,366.10	10,152.91
Impairment of Non Current investments	(0.69)	-
Profit on sale of Mutual funds	(9.84)	-
Interest income from fixed deposit	(3.64)	(4.97)
Impairment of property, plant and equipment	457.05	-
Provision for doubtful receivables / advances	1,513.04	1,505.51
Depreciation and Amortisation of property, plant and equipment	4,726.70	7,276.57
Net foreign exchange gain	(657.94)	(602.43)
	5,964.67	18,327.59
Movements in working capital :		
(Increase) / decrease in trade receivables	(5,566.40)	(2,275.53)
(Increase) / decrease in inventories	4,978.51	1,441.61
(Increase) / decrease in other assets	3,915.11	(5,837.71)
(Increase) / decrease in demand deposits on lien	27.73	(2.35)
Increase / (decrease) in trade payables	(3,623.07)	2,468.07
Increase / (decrease) in provisions	(2.73)	(5.49)
Increase / (decrease) in other liabilities	22,714.67	(1,669.84)
	22,443.82	(5,881.24)
Cash generated from operations	31,328.04	3,908.25
Income Tax paid	(103.52)	-
Net cash generated by operating activities	31,224.52	3,908.25
B. Cash flow from investing activities		
Interest received	13.55	0.47
Net proceed from Sale of Mutual fund	9.84	-
Payments for property, plant and equipment	(3,167.05)	(601.19)
Forex Fluctuation	657.94	602.43
Net cash (used in) / generated by investing activities	(2,485.72)	1.71
C. Cash flow from financing activities		
Proceeds from borrowings	74,681.25	13,261.64
Repayment from borrowings	(83,482.48)	(15,368.28)
Change in working capital borrowing	(5,268.78)	29.31
Interest paid	(11,166.79)	(6,666.03)
Net cash (used in) financing activities	(25,236.80)	(8,743.36)
Net increase in cash and cash equivalents	3,502.00	(4,833.40)
Cash and cash equivalents at the beginning of the year	1,221.38	6,054.78
Cash and Cash equivalents at the end of the year	4,723.38	1,221.38

Reconciliation between Balance as per Balance Sheet and Balance as per Cash flow Statement

Cash and Cash equivalents at the end of the year as per Balance sheet (Refer Note 10)	4,750.35	1,276.08
Less: Balances not considered as part of cash and cash equivalents		
In other deposit accounts - under lien/ original maturity more than 3 months	26.97	54.70
Cash and cash equivalents at the end of the year *	4,723.38	1,221.38
* Comprises -		
(a) Cash on hand	3.44	10.75
(b) Balances with banks		
(i) In current accounts	4,532.09	1,036.53
(ii) In EEFC accounts	187.85	174.10
	4,723.38	1,221.38

Disclosure of non-cash adjustments:

Conversion of promoters' loans into share capital 4,486.00

This is the cash flow statement referred to in our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

S. Meenakshisundaram
S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
P. Ranjit
Wholtime Director
DIN: 01952929

E. Sairam
E. Sairam
Group C F O

A.R. Balaji
A.R. Balaji
C F O

G. Balaji
G. Balaji
Company Secretary

Place : Chennai
Date : May 28, 2019

Place : Chennai
Date : May 21, 2019



Archean Chemical Industries Private Limited
Statement of Changes in Equity

(a) Equity Share Capital

Particulars	No of shares	Rs in lakhs
Balance as at April 1, 2017	1,00,00,000	1,000.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	1,00,00,000	1,000.00
Changes in equity share capital during the year	-	-
Conversion of promoters' loans to equity shares	92,66,681	926.67
Balance as at March 31, 2019	1,92,66,681	1,926.67

(b)

Particulars	Reserves & Surplus				Items of other comprehensive income		Total
	Securities Premium	Retained earnings	Equity component of promoters loan	Equity component of compound financial instrument	Ind AS Transition Reserve	Actuarial Gain / (Loss)	
Balance at April 1, 2017	11,526.19	(8,443.84)	1,927.90	-	(864.22)	-	4,146.03
Profit for the year	-	(7,916.20)	-	-	-	-	(7,916.20)
Remeasurements of the defined benefit plans	-	-	-	-	-	(6.43)	(6.43)
Income tax relating defined benefit plans	-	-	-	-	-	2.25	2.25
Balance at March 31, 2018	11,526.19	(16,360.04)	1,927.90	-	(864.22)	(4.18)	(3,774.35)
Profit for the year	-	4,106.38	-	-	-	-	4,106.38
Premium on shares issued upon conversion of promoter loans into equity	3,559.33	-	-	-	-	-	3,559.33
Equity component of Compulsorily convertible debentures carried at amortised cost	-	-	-	455.29	-	-	455.29
Remeasurements of the defined benefit plans	-	-	-	-	-	(5.51)	(5.51)
Income tax relating defined benefit plans	-	-	-	-	-	1.93	1.93
Amount converted to equity	-	-	(1,927.90)	-	-	-	(1,927.90)
Balance at March 31, 2019	15,085.52	(12,253.66)	-	455.29	(864.22)	(7.76)	2,415.17

Rs in lakhs

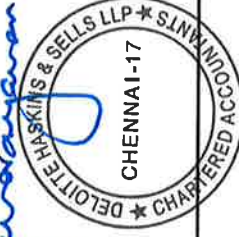
This is the statement of changes in Equity referred to in our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Geetha Suryanarayanan
Partner

S. Meenakshisundaram
S. Meenakshisundaram
Director
DIN: 01176085

P. Ranjit
P. Ranjit
Wholetime Director
DIN: 01952929



E. Sairam
E. Sairam
Group C F O

A.R. Balaji
A.R. Balaji
C F O

G. Balaji
G. Balaji
Company Secretary

Place : Chennai
Date : May 28, 2019

Place : Chennai
Date : May 21, 2019

Archean Chemical Industries Private Limited
Notes forming part of financial statements

Note 1

Corporate information

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

Summary of Significant accounting policies

1.1 Statement of compliances

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the 2013 Act"), read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2018, the Company prepared the financial statements in accordance with the requirements of the previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Companies Act, 2013.

These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is April 1, 2017. Refer Note 35 for details of the first-time adoption exceptions and exemptions availed by the Company.

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability take place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

As fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed 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.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

1.3 Property, plant and equipment

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

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

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

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

Building	30 years
Salt works	30 years
Plant and Machinery - Chemicals	20 years
Plant and Machinery - Cogeneration plant	40 years
Vehicles	8 years
Furniture & fixtures	10 years

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

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

For transition to Ind AS, the company has elected to continue with carrying value of all of its property, plant and equipment as of April 01, 2017 (transition date) measured as per previous GAAP and use carrying value as its deemed cost as of the transition date.

1.4 Intangible assets other than goodwill

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

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

Useful lives of intangible assets:

Estimated useful lives of the intangible assets are as follows:

Software licenses - 5 Years

Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



1.5 Impairment of tangible & intangible assets

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

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

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

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

1.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.7 Inventories

Inventories are valued at the lower of cost on moving weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. 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.

1.8 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

1.9 Foreign currency transactions and translations

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.



1.10 Revenue recognition

The Company derives revenues primarily from sale of salt and other marine chemicals. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/pricing incentives varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

Revenue from services has been recognised as and when the service has been performed.

1.11 Other Income

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

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

1.12 Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

Short - term and other long - term employee benefits

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

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

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

1.13 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.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

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

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

1.14 Taxes on income

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

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

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

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

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

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

1.15 Financial Instruments

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

Initial Recognition

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

Subsequent Measurement

Financial assets

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

Classification of financial assets

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

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

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

(a) Amortized 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).



Archean Chemical Industries Private Limited
Notes forming part of financial statements

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

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

Impairment of financial assets

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

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

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

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

If the Company measured loss allowance for the financial instruments at life time expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual rights to receive cash or other financial assets that results from transactions that are within the scope of Ind AS 11 and Ind AS 18, 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 amortized 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.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

Financial liabilities at FVTPL

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

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

1.16 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 earnings per share.

1.17 Segment reporting

The Company is engaged in the activities related to manufacture and supply of marine chemicals. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, and hence the entire operations are to be classified as a single business segment, namely marine chemicals industry. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

1.18 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, income and expenses.

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.

The areas involving critical estimates or judgments are :

- a. Estimation of useful life of tangible and intangible asset
- b. Estimation of fair value of unlisted securities
- c. Impairment of trade receivables: Expected credit loss
- d. Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources
- e. Measurement of defined benefit obligation: key actuarial assumptions
- f. Lease: Whether an arrangement contains a lease

1.19 Export incentives

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

1.20 Insurance claims

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

1.21 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.



1.22 Standards issued but not yet effective

Amendments to Ind AS 12 - Income Taxes

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 - Employee Benefits

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit and loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

New Accounting Standard : Ind AS 116 - Leases

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

The Company is currently evaluating the effect of the above on its standalone financial statements.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

Note 2: Property, Plant and Equipment and Capital Work-in-progress

Particulars	Rs in lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Carrying amounts of:			
Salt works	21,507.58	21,683.60	24,950.81
Buildings	22,810.52	23,110.63	23,823.27
Plant and equipment	46,546.92	48,541.32	51,241.18
Furniture and Fixtures	123.47	100.03	114.00
Office Equipments	48.71	86.53	105.51
Computers	27.62	47.79	60.53
Vehicles	276.46	413.03	350.80
Total	91,341.28	93,982.93	100,646.10

Capital Work-in-progress	907.03	-	-
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Particulars	Rs in lakhs							
	Salt Works	Buildings	Plant and equipment	Furniture & Fixtures	Office Equipment	Computers	Vehicles	Total
Cost or Deemed Cost								
Balance as at April 1, 2017	24,950.81	23,823.27	51,241.18	114.00	105.51	60.53	350.80	100,646.10
Additions	153.88	48.44	223.01	2.10	5.36	0.68	167.08	600.55
Disposals	-	-	-	-	-	-	-	-
Balance at 31-Mar-2018	25,104.69	23,871.71	51,464.19	116.10	110.87	61.21	517.88	101,246.65
Additions	654.10	564.33	1,092.76	60.31	18.01	9.54	67.27	2,466.32
Disposals	-	(140.03)	(175.17)	(21.18)	(103.41)	(1.24)	(407.55)	(848.58)
Balance at 31-Mar-2019	25,758.79	24,296.01	52,381.78	155.23	25.47	69.51	177.60	102,864.39
Accumulated depreciation and impairment								
Balance as at April 1, 2017	-	-	-	-	-	-	-	-
Depreciation expense	3,421.09	761.08	2,922.87	16.07	24.34	13.42	104.85	7,263.72
Balance at 31-Mar-2018	3,421.09	761.08	2,922.87	16.07	24.34	13.42	104.85	7,263.72
Eliminated on impairment	-	(20.85)	(47.27)	(7.61)	(29.40)	(26.39)	(323.68)	(455.20)
Depreciation expense	830.12	745.26	2,959.26	23.30	(18.18)	54.86	119.97	4,714.59
Balance at 31-Mar-2019	4,251.21	1,485.49	5,834.86	31.76	(23.24)	41.89	(98.86)	11,523.11
Carrying amount as on April 1, 2017	24,950.81	23,823.27	51,241.18	114.00	105.51	60.53	350.80	100,646.10
Carrying amount as on March 31, 2018	21,683.60	23,110.63	48,541.32	100.03	86.53	47.79	413.03	93,982.93
Carrying amount as on March 31, 2019	21,507.58	22,810.52	46,546.92	123.47	48.71	27.62	276.46	91,341.28

Note:

(a) Adoption of transitional provisions:

In accordance with Ind AS transitional provisions, the Company has opted to consider previous GAAP carrying value of property, plant and equipment as deemed cost as on the transition date, April 01, 2017. The following table provides the value of gross block and the carrying value considered in previous GAAP as on April 01, 2017.

Description	Rs in lakhs	
	Gross Block	Carrying Value
Salt works	33,914.35	24,950.81
Buildings	28,389.68	23,823.27
Plant and Equipment	55,832.06	49,939.69
Furniture and Fixtures	168.60	114.00
Office Equipment	187.60	105.51
Computers	124.29	60.53
Vehicles	646.54	350.80
Total	119,263.12	99,344.61

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

(c) Contractual obligations : Refer Note 34.1b for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(d) Carrying value of Plant and Equipment as on April 1, 2017 considered as per IND AS includes assets capitalised under finance lease arrangements amounting to Rs. 1,301.49 lakhs as part of opening balance adjustments and is not comparable with the balances as per previous GAAP.

(e) With effect from 1 April 2018, the Company has re-estimated the useful life of salt-works as 30 years. Accordingly, the written down value of the assets as on 1 April 2018 are being depreciated over the remaining useful life. Due to this change, the depreciation for the current year is lower by Rs.2,630.82 lakh.

(f) Capital work in progress represents civil works under construction for Bromine Expansion.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

Note 3 Intangible Assets

Particulars	Rs in lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Carrying amounts of:			
Software	8.35	18.56	30.78
Total	8.35	18.56	30.78

Particulars	Software	Total
Cost or Deemed Cost		
Balance at beginning of the year 2017	30.78	30.78
Additions	0.64	0.64
Balance at end of year 2018	31.42	31.42
Additions	1.91	1.91
Balance at end of year 2019	33.33	33.33
Accumulated depreciation and impairment		
Balance at beginning of year 2017	-	-
Amortisation expense	12.86	12.86
Balance at end of year 2018	12.86	12.86
Amortisation expense	12.12	12.12
Balance at end of year 2019	24.98	24.98
Carrying amount as on April 1, 2017	30.78	30.78
Carrying amount as on March 31, 2018	18.56	18.56
Carrying amount as on March 31, 2019	8.35	8.35

(a) Adoption of transitional provisions

In accordance with Ind AS transitional provisions, the Company has opted to consider previous GAAP carrying value of intangible assets as deemed cost as on the transition date, April 01, 2017. The following table provides the value of gross block and the carrying value considered in previous GAAP as on April 01, 2017.

Description	Rs in lakhs	
	Gross Block	Carrying Value
Software	66.36	30.78
Total	66.36	30.78

Note 4 Other Investments

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No of shares	Rs in lakhs	No of shares	Rs in lakhs	No of shares	Rs in lakhs
Investment in subsidiary:						
Fully paid ordinary equity shares of Marine Chemicals Trading Pte Ltd	100	0.69	100	0.69	100	0.69
Impairment of investments		(0.69)		-		-
Total Investments	100	-	100	0.69	100	0.69

The wholly owned subsidiary of the Company, Marine Chemicals Trading Pte Ltd has not carried on operations and has accumulated losses of Rs. 50.59 lakhs, fully eroding the net worth. In the absence of long term plans by the Management for reviving the subsidiary, a provision for impairment in the value of investments has been considered in these financial statements.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

Note 5. Other Financial Assets

Particulars	Rs in lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a.) Security Deposits	95.96	95.96	95.96
b.) Deposits against appeals to statutory authorities	206.65	-	-
c.) Rental Advance	13.20	53.36	53.36
d.) Other advances	97.93	140.08	93.19
	413.74	289.40	242.51

Note 6. Income tax Asset (Net)

Particulars	Rs in lakhs	
	As at March 31, 2019	As at March 31, 2018
MAT Credit entitlement	586.62	629.12
Total	586.62	629.12

Note 7. Other Assets

Particulars	Rs in lakhs					
	Non-Current			Current		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a) Capital Advances	2,567.65	6,815.95	974.43	-	-	-
b) Export benefits receivable	-	-	-	101.38	63.32	325.49
c) Balances with Statutory Authorities (Refer Note 7.1)	-	-	-	667.95	611.29	445.89
d) Interest accrued on deposits	-	-	-	63.38	73.29	68.79
e) Employee Advance	-	-	-	8.14	18.99	11.36
f) Prepaid Expenses	-	-	-	300.15	175.17	136.73
	2,567.65	6,815.95	974.43	1,141.00	942.06	988.26

Note 7.1:

The amount includes service tax refund receivable amounting to Rs. 116.81 lakhs which has been rejected by the authorities vide orders dated February 20, 2019. The Company has filed an appeal with the Commissioner of Central Excise (Appeals) on April 22, 2019.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

Note 8 Inventories

Rs in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a Raw Materials and Components (Refer note 8.a)	586.28	482.80	152.23
b Work-in-progress (Refer note 8.b)	4,076.07	9,368.96	10,379.95
c Stores & Spares (Refer note 8.c)	538.25	382.53	334.98
d Finished Goods (Refer note 8.d)	1,074.50	1,019.32	1,828.06
Total	6,275.10	11,253.61	12,695.22

Note 8.a Details of raw materials

Rs in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Coal	345.38	152.33	48.46
Chemicals	179.45	298.80	77.17
Others	61.45	31.67	26.60
Total	586.28	482.80	152.23

Note 8.b Details of work in progress

Rs in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Salt	3,324.42	7,957.39	8,475.79
SOP	737.95	1,184.84	1,903.67
Others	13.70	226.73	0.49
Total	4,076.07	9,368.96	10,379.95

Note 8.c Details of stores and spares

Rs in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Stores and Spares	538.25	382.53	334.98
Total	538.25	382.53	334.98

Note 8.d Details of finished goods

Rs in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Salt	560.69	770.74	1,726.33
Sulphate of Potash	410.27	225.09	17.22
Bromine	103.54	23.49	84.51
Total	1,074.50	1,019.32	1,828.06



Archean Chemical Industries Private Limited
Notes forming part of financial statements

Note 9. Trade Receivables

Particulars	Rs in lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Unsecured			
(i) Considered good	7,317.02	3,396.70	2,660.26
(ii) Others - Credit Impaired	2,199.53	1,213.60	-
Total	9,516.55	4,610.30	2,660.26
Allowance for doubtful debts (expected credit loss allowance)	(2,816.33)	(1,963.44)	(783.42)
Total	6,700.22	2,646.86	1,876.84

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 180 days past due comes to 0% - 25%. The Company as a policy provides for 100% for outstanding above 180 days past due.

Movement in expected credit loss allowance	Rs in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Balance at beginning of the year	(1,963.44)	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(852.89)	(1,963.44)
Balance at end of the year	(2,816.33)	(1,963.44)

Note 10 Cash and cash equivalents

Particulars	Rs in lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
A Cash & cash equivalents			
(a) Balances with banks (including deposits with original maturity upto 3 months)			
(i) In Current account	4,532.09	1,036.53	49.20
(ii) In EEFC Account	187.85	174.10	5,995.59
(b) Cash on hand	3.44	10.75	9.99
Cash & cash equivalents as per statement of cash flow (A)	4,723.38	1,221.38	6,054.78
B Other bank balances			
In deposit accounts - under lien/ original maturity more than 3 months	26.97	54.70	52.35
Other bank balances (B)	26.97	54.70	52.35
Total Cash and cash equivalents (A+B)	4,750.35	1,276.08	6,107.13



Arclean Chemical Industries Private Limited
Notes forming part of financial statements

Note 11 Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	No. of Shares			Rs in lakhs		
AUTHORISED :						
Equity Shares:						
Equity Shares of Rs.10 each	2,30,00,000	1,00,00,000	1,00,00,000	2,300.00	1,000.00	1,000.00
ISSUED :						
Equity Shares of Rs.10 each fully paid-up	1,92,66,681	1,00,00,000	1,00,00,000	1,926.67	1,000.00	1,000.00
SUBSCRIBED AND FULLY PAID UP :						
Equity Shares of Rs.10 each fully paid-up	1,92,66,681	1,00,00,000	1,00,00,000	1,926.67	1,000.00	1,000.00

11.1 Reconciliation of number of shares

Particulars	2018-19		2017-18	
	No. of Shares	Amount (Rs. In Lakhs)	No. of Shares	Amount (Rs. In Lakhs)
Equity Shares of Rs.10 each fully paid up				
At the beginning of the period	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Fresh issue of shares	92,66,681	926.67	-	-
At the end of the period	1,92,66,681	1,926.67	1,00,00,000	1,000.00

11.2 The Board of Directors in their meeting dated 10 September 2018 approved the following:

- The authorised share capital of the Company was increased from Rs.10,00,00,000 divided into 1,00,00,000 equity shares of Rs.10/- each to Rs.23,00,00,000 divided into 2,30,00,000 shares of Rs.10/- each. This was approved by the shareholders in the Extra-ordinary General Meeting held on 12 September 2018.
- 39,82,441 shares held by the banks under the S4A Scheme were transferred to the Investors as a precondition to the investment in debentures (Refer Note 14).
- The loans from the following promoters were converted into equity of shares of Rs.10 each with a premium of Rs.38.41 per share:

Name of the shareholder	Unsecured loan (Rs.)	Issue price per share (Rs.)	No. of shares*	Amount credited to securities premium ((Rs.)
Goodearth Fertilisers Company LLP	18,84,00,000	48.41	38,91,758	14,94,82,425
P. Ranjit	26,02,00,000	48.41	53,74,923	20,64,50,792
Total	44,86,00,000		92,66,681	35,59,33,217

*Rounded off to the nearest number.

11.3 Terms / Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Repayment of capital will be in proportion to the number of equity shares held.

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

Name of the Share holder	No. of shares held as at					
	March 31, 2019		March 31, 2018		April 01, 2017	
	Nos.	%	Nos.	%	Nos.	%
Mr. P. B. Anandam	-	0.00%	15,03,645	15.04%	15,03,645	15.04%
Mr. P. Ravi	28,26,596	14.67%	10,427	0.10%	10,427	0.10%
Mr. P. Ranjit	28,26,597	14.67%	3,487	0.03%	3,487	0.03%
Goodearth Fertilisers Company LLP	78,91,758	40.96%	40,00,000	40.00%	40,00,000	40.00%
Sojitz Corporation	5,00,000	2.60%	5,00,000	5.00%	5,00,000	5.00%
Bank of India	-	0.00%	9,64,598	9.65%	9,64,598	9.65%
Canara Bank	-	0.00%	6,19,643	6.20%	6,19,643	6.20%
Bank of Baroda	-	0.00%	3,73,623	3.74%	3,73,623	3.74%
Allahabad Bank	-	0.00%	2,46,355	2.46%	2,46,355	2.46%
Union Bank of India	-	0.00%	8,59,267	8.59%	8,59,267	8.59%
Punjab National Bank	-	0.00%	9,18,955	9.19%	9,18,955	9.19%
India Resurgence Fund Scheme - I	14,36,612	7.46%	-	0.00%	-	0.00%
India Resurgence Fund Scheme - II	23,48,506	12.19%	-	0.00%	-	0.00%
Piramal Glass Private Limited	14,36,612	7.46%	-	0.00%	-	0.00%
Total	1,92,66,681	100.00%	1,00,00,000	100.00%	1,00,00,000	100.00%



Archean Chemical Industries Private Limited
Notes forming part of financial statements

Note 12 Other equity

Particulars	Rs in lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a Security Premium	15,085.52	11,526.19	11,526.19
b Retained Earnings (Net of Other Comprehensive Income)	(12,261.42)	(16,364.22)	(8,443.84)
c Ind AS Transition Reserve	(864.22)	(864.22)	(864.22)
d Other equity	455.29	1,927.90	1,927.90
Total	2,415.17	(3,774.35)	4,146.03

Details to other equity

Particulars	Rs in lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Securities Premium			
Opening balance	11,526.19	11,526.19	11,526.19
Add : Premium on shares issued during the year	3,559.33	-	-
Closing balance	15,085.52	11,526.19	11,526.19
(b) Retained Earnings			
Balance at the beginning of the year	(16,364.22)	(8,443.84)	(1,119.08)
Profit attributable to the owners of the company	4,106.38	(7,916.20)	(7,324.76)
Other comprehensive income	(3.58)	(4.18)	-
Closing balance	(12,261.42)	(16,364.22)	(8,443.84)
(c) Ind AS Transition Reserve			
	(864.22)	(864.22)	(864.22)
(d) Other equity			
Opening Balance	1,927.90	1,927.90	1,927.90
Equity component of Compulsorily convertible debentures carried at amortised cost	455.29	-	-
Less: Promoters' loans converted into equity	(1,927.90)	-	-
Closing balance	455.29	1,927.90	1,927.90
Total Other Equity	2,415.17	(3,774.35)	4,146.03

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 Act.

(b) Retained Earnings

Retained Earnings represents company's cumulative earnings since its formation less the dividends/ Capitalisation, if any.

(c) Ind AS Transition Reserve

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. These are the Company's first Ind AS financial statements, the date of transition of which is April 01, 2017. In accordance of which, the adjustments with respect to Gratuity payable, Provision for doubtful debts and Leases have been recorded as Ind AS Transition Reserve.

(d) Other equity

Other equity comprises the following:

a. Based on the arrangement entered into by the promoters and the bankers as part of the S4A Scheme, 30% of the promoters' shareholding was transferred to banks in March 2017. Consequent to this, the loans outstanding in the name of the Company were reduced by the bankers. The Company treated these loans reduced by the bankers as loans payable to the promoters towards the transfer of shares by the promoters. These loans have been considered as Other Equity as at April 01, 2017. During the current year, the Company has issued and allotted shares against the above promoters loans (Refer Note 11.2).

b. The difference between the face value and fair value of the liability towards the 0.01% Compulsorily Convertible Debentures issued on November 22, 2018.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

Note 13 Deferred tax balances

Particulars	Rs in lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred tax assets	25,892.98	21,923.16	20,251.99
Deferred tax liabilities	(16,895.88)	(14,114.82)	(13,110.30)
Net Deferred Tax Asset / (Liability)	8,997.10	7,808.34	7,141.69

2018-19	Opening balance	Recognised in profit or loss	Recognised in other comprehensive	Closing balance
Deferred tax asset / (liabilities) in relation to :				
Property plant and equipment	(14,114.82)	(2,781.06)	-	(16,895.88)
Carried forward loss	20,882.79	3,956.11	-	24,838.90
Provision for Employee benefits	25.36	(9.91)	1.93	17.38
Disallowance u/s 40(a)	649.84	(597.28)	-	52.56
Provision for Doubtful Debts / Advances	365.17	618.97	-	984.14
Net Deferred Tax Asset / (Liability)	7,808.34	1,186.83	1.93	8,997.10

2017-18	Opening balance	Recognised in profit or loss	Recognised in other comprehensive	Closing balance
Deferred tax asset/ (liabilities) in relation to :				
Property plant and equipment	(13,110.30)	(1,004.52)	-	(14,114.82)
Carried forward loss	18,567.70	2,315.09	-	20,882.79
Provision for Employee benefits	13.98	9.13	2.25	25.36
Disallowance u/s 40(a)	1,670.31	(1,020.47)	-	649.84
Provision for Doubtful Debts / Advances	-	365.17	-	365.17
Net Deferred Tax Asset / (Liability)	7,141.69	664.40	2.25	7,808.34



Note 14 Non-Current Borrowings

Particulars	Non-Current Portion			Current Maturities		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Non- Current						
Optionally convertible debentures issued to banks	-	31,801.34	24,048.74	-	-	-
Non convertible debentures issued to others	73,970.00	-	-	-	-	-
Secured loans from banks						
Rupee Term Loan 1	-	3,497.57	6,965.47	-	4,316.74	4,561.61
Rupee Term Loan 2	-	3,421.79	7,337.45	-	4,177.00	3,861.60
Rupee Term Loan 3	-	2,161.14	3,352.73	-	1,535.00	1,538.04
ECB from Bank	-	-	6,590.75	-	-	-
Working Capital Term Loan	-	3,976.35	-	-	997.00	-
Secured loans from others						
Daimler Financial Services India Pvt. Ltd.	57.32	77.35	-	14.94	12.41	-
Toyota Financial Services India Ltd	12.55	-	-	8.98	-	-
Kotak Mahindra Prime Ltd	11.91	-	-	5.81	-	-
Unsecured loans						
From Sojitz	-	22,765.44	22,693.51	-	-	-
From related parties	-	10,830.00	8,500.00	-	-	-
From promoters under S4A	-	674.00	300.00	-	-	-
Total	74,051.78	79,204.98	79,788.65	29.73	11,038.15	9,961.25

Note 14A Current Borrowings

Particulars	Rs in lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Current			
Secured - at amortised cost			
Cash Credit	-	5,176.01	5,514.26
	-	5,176.01	5,514.26
Unsecured - at amortised cost			
Bills Discounting	1,278.62	1,420.14	1,052.58
Loans repayable on demand from related party	48.75	-	-
	1,327.37	1,420.14	1,052.58
Total	1,327.37	6,596.15	6,566.84



14.1 Summary of borrowing arrangements

(a) Loan covenants

All the stipulated covenants under the respective loan arrangement have been fully complied with.

(b) Restructuring of Borrowings under Scheme for Sustainable Structuring of Stressed Assets (S4A)

The borrowings of Archean Chemical Industries Private Limited from Consortium of Banks has been restructured under the Scheme for Sustainable Structuring of Stressed Assets (S4A) as prescribed by Reserve Bank of India (RBI). The scheme was found to be in conformity with RBI Circular dated 13th June 2016 by the Overseeing Committee (OC) mandated by RBI and they approved the scheme on 8th of March 2017. Under the scheme, total debt outstanding of the company as of 30th September 2016 (including interest overdues) as per table 1 has been bifurcated into sustainable debt (Part A), to be serviced as per existing terms and conditions of those debts, and remaining debts has been converted into OCDs allotted collectively to the Banks and a portion has been converted into equity shares held by Promoters (Part B) in favour of Banks by following principle of proportionate loss sharing as prescribed under the RBI Circular dated 13th June 2017. Details of debt outstanding as of 30th September 2016 and bifurcated debt are given below:

Table 1 : Debt outstanding as of 30 September 2016

Banks	RTL I	RTL II	RTL III	CC	ECB (USD Mn)	Ex. Rate*	ECB (INR Cr)	Total
Allahabad Bank	29.9	-	-	5.1	7.0	-	0.0	42.0
Bank of Baroda	21.2	-	-	6.9	12.4	3.5	64.8	62.9
Bank of India	18.2	-	37.7	18.4	23.2	10.2	64.6	163.7
Canara Bank	21.2	25.2	10.3	15.6	5.0	64.8	32.3	104.6
Punjab National Bank	39.9	41.6	-	23.5	7.7	64.9	50.1	155.1
Union Bank India	25.9	35.3	139.8	53.3	103.5	34.0	220.4	673.3
Total	156.3	139.8	53.3	103.5	34.0	220.4	673.3	673.3

*USD/INR ex.Rate considered as per actual rate of conversion

Table 2 : Bifurcated Debt as per S4A scheme

Banks	Part A			CC	Part B		Rs. in Crores	
	RTL I	RTL II	RTL III		Equity	OCD	Total	Grand Total
Allahabad Bank	14.8	-	2.6	3.5	1.2	19.9	42.0	3.0
Bank of Baroda	17.8	-	6.7	6.9	1.8	29.8	63.0	5.4
Bank of India*	15.6	32.8	18.0	15.2	4.7	77.5	163.8	12.3
Canara Bank	17.8	21.5	10.0	3.3	3.0	49.1	104.7	7.7
Punjab National Bank	33.2	29.3	-	14.4	4.5	73.8	155.2	10.8
Union Bank India	21.6	30.0	12.0	9.2	4.2	67.9	144.9	10.7
Total	120.8	113.6	49.3	52.5	19.4	318.0	673.6	49.9
								723.5

*OCD to Bank of India were allotted during May 2017

**WCTL of Rs.50 Crore was sanctioned under part C debt which was availed during FY 2017-18

Under the scheme, promoters have diluted their shareholding in the same proportion of Part B to the total debt. In case of ACIPL, promoters hold 85% share capital and 48.64% (Part A/Part B) of the same in the capital of the company works out to 39.8%. The value of equity shares has been calculated at based on the book value as of 30th September 2016 which is Rs. 48.41 per equity share.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

(c) Optionally convertible debentures (OCDs)

OCDs have been issued to Banks as part of the S4A scheme. Salient features of OCDs are provided below:

S.No.	Particulars	Terms of Issue
1	Amount	As part of S4A scheme, total 31,80,134 OCDs with unit value of Rs. 1,000 each has been allotted to Banks. Out of the above, 24,04,874 OCDs valued at Rs. 240.49 Crore was issued during FY 2016-17 and 7,75,260 OCDs valued at Rs. 77.53 crore was issued during 2017-18.
2	Coupon	0.1% payable annually on 31st March of every year
3	Yield	Yield to maturity (YTM) at 10% p.a. compounded annually (Including coupon). The coupon of 0.1% shall be payable annually.
4	Repayment	Two equal annual instalments starting from March 31, 2022.
5	Security	First Ranking pari passu charge over the fixed assets (movable and immovable) and all other present and future assets of the Borrower (other than the current assets that are under a first charge to the working capital lenders) Second ranking charge on all current Assets, both present and future, of Borrower. Personal Guarantee of Mr. P. B. Anandam, Mr. P. Ravi & Mr. P. Ranjit Pledge of promoters shareholding Extension of negative lien on Nakhatrana property

(d) Security and interest rates:

Ruppee Term Loan 1

S.No.	Name of the Bank	Nature of Security
1	Bank of India	First Ranking pari passu charge over the fixed assets (movable and immovable) and all other present and future assets of the Borrower (other than the current assets that are under a first charge to the working capital lenders) Second ranking charge on all current Assets, both present and future, of Borrower. Personal Guarantee of Mr. P. B. Anandam, Mr. P. Ravi & Mr. P. Ranjit Pledge of promoters shareholding
2	Bank of Baroda	
3	Allahabad Bank	
4	Canara Bank	
5	Punjab National Bank	
6	Union Bank of India	

Ruppee Term Loan 2

S.No.	Name of the Bank	Nature of Security
1	Bank of India	First Ranking pari passu charge over the fixed assets (movable and immovable) and all other present and future assets of the Borrower (other than the current assets that are under a first charge to the working capital lenders) Second ranking charge on all current Assets, both present and future, of Borrower. Personal Guarantee of Mr. P. B. Anandam, Mr. P. Ravi & Mr. P. Ranjit Pledge of promoters shareholding Extension of negative lien on Nakhatrana property
2	Canara Bank	
3	Punjab National Bank	
4	Union Bank of India	

Ruppee Term Loan 3

S.No.	Name of the Bank	Nature of Security
1	Bank of India	First Ranking pari passu charge over the fixed assets (movable and immovable) and all other present and future assets of the Borrower (other than the current assets that are under a first charge to the working capital lenders) Second ranking charge on all current Assets, both present and future, of Borrower. Personal Guarantee of Mr. P. B. Anandam, Mr. P. Ravi & Mr. P. Ranjit Pledge of promoters shareholding Extension of negative lien on Nakhatrana property
2	Canara Bank	
3	Union Bank of India	
4	Allahabad Bank	



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Working Capital Term Loan

S.No.	Name of the Bank	Nature of Security
1	Bank of India	First Ranking pari passu charge over the fixed assets (movable and immovable) and all other present and future assets of the Borrower (other than the current assets that are under a first charge to the working capital lenders) Second ranking charge on all current Assets, both present and future, of Borrower. Personal Guarantee of Mr.P.B.Anandam, Mr. P.Ravi & Mr.P.Ranjit Pledge of promoters shareholding Extension of negative lien on Nakhatrana property
2	Bank of Baroda	
3	Allahabad Bank	
4	Canara Bank	
5	Punjab National Bank	
6	Union Bank of India	

These loans carry interest rate ranging from 12% to 13.65%. These loans are repayable in quarterly/half-yearly instalments commencing from June 2013 and ending March 2020.

Secured Loan from others - Vehicle purchased out of the loan are mortgaged as follows:

Mortgaged to	Applicable Interest rate	Amount Repayable in the next 12 months
Daimler Financial Services India Pvt. Ltd	10.35%	14.94 Lakhs
Toyota Financial Services India Ltd	8.99%	8.98 Lakhs
Kotak Mahindra Prime Ltd	9.81%	5.81 Lakhs

(e) Unsecured Loans

Sl.No	Unsecured Loans	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
1	From Others - Sojitz Asia Ptd Ltd - Singapore			
	Loan - A (USD 17.5 Million)	-	11,382.72	11,346.50
	Loan - B (USD 17.5 Million)	-	11,382.72	11,346.50
	Interest p.a	NA	(6M LIBOR+5%)	(6M LIBOR+5%)
	Repayable by April 2022 and August 2023			
	Overdue Interest payable	-	2,886.16	1,962.83
2	From Related Party - Goodearth Fertilisers Company LLP			
	Loan	-	2,330.00	-
	Interest p.a	Nil	Nil	-
	Overdue Interest payable	Nil	Nil	-
	Repayable by	NA	1-Apr-19	-
2	From Related Party - Archean Salt Holdings P Ltd			
	Loan	48.75	8,500.00	8,500.00
	Interest p.a	0%	12%	12%
	Overdue Interest payable	-	3,059.40	3,059.40
	Repayable by	31-Mar-20	1-Mar-24	1-Mar-24

As per SAA Agreement with the banks, Interest on Sub-Ordinate Debt by promoters / promoter companies are not payable. Hence Interest of Rs.1,020 Lakhs on Unsecured Loan from Archean Salt Holding Pvt Ltd For the financial Year -2017-18 is not considered in Accounts

(f) Debentures issued:

The Company entered into agreements with India Resurgence Fund Scheme - I, India Resurgence Fund Scheme - II and Piramal Glass Limited for issue of
a. 8,400 Non-Convertible Debentures with a face value of Rs.10,00,000 each aggregating to Rs.840,00,00,000 (Series A debentures)
b. 1,000 Non-Convertible Debentures with a face value of Rs.10,00,000 each aggregating to Rs.100,00,00,000 as a contingency facility when required (Series B Debentures)
c. 672,000 unsecured convertible debentures of Rs.100 each aggregating to Rs.6,72,00,00,000



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As a precondition for the investment in debentures by the Investors, the following transactions were executed:

- The dues to the consortium of banks under the S4A Scheme was settled and the shareholding of 39,82,441 shares were transferred to the Investors in the manner specified in Note 11.1
- The loans from promoters and from Goodearth Fertilisers Company LLP amounting to Rs.1,884 lakhs outstanding as on the date of conversion was converted into shares as specified in Note 11.2
- The loan from group company Archean Salt Holdings Private Limited was settled

Consequent to the above, the writeback of interest on such loans (including Rs. 446 Lakhs of principal) have been disclosed in the Statement of Profit and Loss as Exceptional items.

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

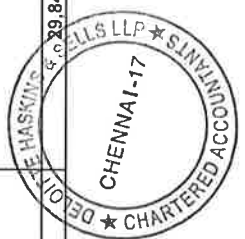
S.No.	Particulars	NCDs	CCDs
1	Amount	Total 7397 NCDs with unit value of Rs. 10,00,000 each has been allotted to Private investors during the year.	Total 6,72,000 CCDs with unit value of Rs. 100 each has been allotted to Private investors during the year.
2	Coupon	10 % payable monthly before every month end.	0.01% payable annually before 31st March of every year
3	Coupon	Yield to maturity (YTM) at 17% p.a. compounded annually (Including coupon). The coupon of 10 % upto 31.05.2020 and 12% upto 21.11.2024 shall be payable monthly before every month end.	Option of conversion in to equity within 10 years
4	Repayment	Payable before 21.11.2024	Maturity time is 10 years
5	Security	First charge over the fixed assets (movable and immovable) and all other present and future assets of the Borrower. First charge on all current Assets, both present and future, of Borrower.	NA

Note 15 Other financial liabilities

Particulars	Rs in lakhs			
	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
a. Salaries Payable	-	-	235.47	157.78
b. Retention Money	-	-	11.23	215.85
c. Liability on finance leases	1,156.05	1,282.81	-	-
d. Compulsorily convertible debentures carried at amortised cost	230.39	-	-	-
Total	1,386.44	1,282.81	246.70	373.63
				958.42

Note 16 Other Liabilities

Particulars	Rs in lakhs			
	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
a. Earnest Money Deposit	-	-	-	-
b. Customer advances	29,843.21	6,987.22	224.96	239.35
c. Statutory Remittances	-	-	150.42	3,614.77
d. Interest accrued and due on borrowings	-	-	1,562.83	4,873.60
e. Interest accrued and not due on borrowings	-	-	-	-
	29,843.21	6,987.22	1,938.21	8,727.72
				8,566.81



Archean Chemical Industries Private Limited
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Note 17 Trade Payables

Particulars	Rs in lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade payables	10,475.17	14,034.55	11,566.48
Total	10,475.17	14,034.55	11,566.48

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

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

17.3 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2019 / March 31, 2018/ March 31, 2017 which is on the basis of such parties having been identified by the management and relied upon by the auditors

Note 18 Provisions

Particulars	Rs in lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for employee benefit expenses (Refer Note 18.1)	14.28	11.50	10.56
Provision for tax (Net of advance tax and tax deducted at source Rs.18.91 lakhs (as at 31 March 2018 Rs.17.40 lakhs, as at 31 March 2017 Rs.735.64 lakhs)	33.71	138.74	143.00
Total	47.99	150.24	153.56

18.1 The provision for employee benefits includes annual leave and vested long service leave entitlements accrued and compensation claims made by employees.

NOTE 19 Revenue from operations

Particulars	Rs in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Sales of Products		
Domestic sales (Refer Note 19.1 below)	10,845.99	10,326.05
Export sales	45,462.17	33,755.91
(b) Other operating revenues		
Export Incentives	221.27	63.61
Scrap sales	21.14	30.30
Total	56,550.57	44,175.87

Note:

(i) Consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, revenue for the year ended March 31, 2019 and March 31, 2018 are presented net of GST in compliance with Indian Accounting Standard (Ind AS) 18 - "Revenue". The revenue from operations for the year ended March 31, 2018 are inclusive of excise duty till June 2017, and hence are not comparable with the revenue from operations for the year ended March 31, 2019 to that extent.

(ii) The company has applied Ind AS 115 'Revenue from contracts with customers' with effect from 1 April 2018. The performance obligations under all sales contracts are satisfied at a point of time. Ind AS 115 did not have a material impact on the amount or timing of recognition of reported revenue.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

19.1 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	Rs in lakhs	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Revenue by Geography		
India	11,088.40	10,419.96
Rest of the world	45,462.17	33,755.91
Total revenue from contracts with customers	56,550.57	44,175.87
Revenue by offerings		
Manufactured goods		
(a) Marine chemicals		
Salt	29,984.72	20,059.58
Bromine	22,525.75	19,078.04
Sulphate of Potash	4,018.95	5,007.93
(b) Others	21.15	30.30
Total revenue from contracts with customers	56,550.57	44,175.85

19.2 Trade Receivables

The Company classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

19.3 Transaction price allocated to the remaining performance obligation

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

Note 20 Other Income

Particulars	Rs in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest income earned on financial assets that are not designated as at fair value through profit or loss		
On bank deposits (at amortised cost)	3.64	4.97
Profit on sale from mutual funds	9.84	-
Miscellaneous Income	37.75	-
Net gain on exchange fluctuation	657.94	602.43
Total	709.17	607.40

Note 21 Cost of Materials Consumed

Particulars	Rs in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock of Raw Materials	482.80	152.23
Add: Purchases	3,527.34	2,564.12
Less: Closing Stock of Raw Materials	586.28	482.80
Consumption of Raw Materials	3,423.86	2,233.55

Note 22 Changes in Inventories of finished goods, work-in-progress and stock in trade

Particulars	Rs in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock:		
Work-in-process	9,368.96	10,379.95
Finished goods	1,019.32	1,828.06
Closing Stock:		
Work-in-process	4,076.07	9,368.96
Finished goods	1,074.50	1,019.32
(Increase)/Decrease in Stocks	5,237.71	1,819.73

Note 23 Employee Benefit expense

Particulars	Rs in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	2,897.28	2,509.20
Contribution to Provident and Other Funds	141.26	97.19
Total	3,038.54	2,606.39

Note 24 Finance Cost

Particulars	Rs in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest on term loans	3,834.14	5,144.08
Interest on debentures	6,139.42	3,319.69
Interest on working capital borrowings	1,031.08	1,311.35
Interest on finance lease	165.76	179.62
Effective interest on financial liability carried at amortised cost	13.68	-
Bank Charges	112.15	96.28
Interest on delayed payment of taxes	69.87	101.89
Total	11,366.10	10,152.91



Archean Chemical Industries Private Limited
Notes forming part of financial statements

Note 25 Depreciation and amortisation expense

Particulars	Rs in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Property, plant and equipment pertaining to continuing operations	4,714.58	7,263.71
Amortisation of Intangible assets	12.12	12.86
Total	4,726.70	7,276.57

Note 26 Other Expenses

Particulars	Rs in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spares	929.91	824.60
Power and Fuel	4,616.34	4,929.19
Rent expense	689.38	361.15
Travelling and Conveyance	557.74	378.49
Repairs and Maintenance		
- Buildings	38.62	46.52
- Plant and Machinery	797.45	803.38
- Others	115.59	197.46
Insurance	288.90	263.57
Rates and Taxes, excluding taxes on income	323.33	162.85
Packing, Despatching and Freight	21,949.30	15,189.70
Loading charges	2,478.00	1,493.31
Hire charges - equipment	878.35	995.15
Printing and stationery	11.76	10.35
Communication expenses	46.00	49.17
CSR Expenses (Refer Note 26.2)	86.81	6.28
Audit Fees (Refer Note 26.1)	35.64	15.07
Legal and professional charges	684.58	376.48
Selling and distribution expenses	288.83	271.36
Provision for Doubtful Debts and Advances	1,513.04	1,505.51
Impairment of fixed assets	457.05	-
Administration Expenses	244.63	165.01
Total	37,031.25	28,044.60

26.1 Payment to Statutory Auditors

Particulars	Rs in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
For Statutory Audit	31.50	11.00
For Tax Audit	1.00	1.00
For Other Services	-	2.63
For Reimbursement of Expenses	3.14	0.44
Total	35.64	15.07

26.2 Expenditure incurred for Corporate social responsibility

Particulars	Rs in lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Expenditure incurred for Corporate social responsibility		
- Towards Archean Foundation	86.81	6.28
Total	86.81	6.28



Note 27 Income Taxes Expense

Rs in Lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
27.1 Income tax recognised in Profit or Loss		
Income tax Expense		
Current tax		
Current tax on profits for the year		42.50
Deferred tax		
Deferred tax in respect of current year	(1,186.83)	(664.40)
Total income tax expense	(1,186.83)	(621.90)
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
27.2 Income tax recognised in other comprehensive income		
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	1.93	2.25
Total income tax recognised in other comprehensive income	1.93	2.25
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	1.93	2.25
Items that may be reclassified to profit or loss	-	-
Total income tax recognised in other comprehensive income	1.93	2.25

28. 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.

28.1 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

Rs in Lakhs

Particulars	Revenue from external customers		Non - current assets**		
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	As at April 1, 2017
India	11,088.40	10,419.96	1,04,821.77	1,09,502.49	1,09,665.32
Rest of the world	45,462.17	33,755.91	-	-	-
Total	56,550.57	44,175.87	1,04,821.77	1,09,502.49	1,09,665.32

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



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Note 29 Earnings per Share:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic Earnings per share (Rs.)	28.89	(79.16)
Diluted Earnings per share (Rs.)	27.92	(7.82)

Basic Earnings per share

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

Rs in Lakhs		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year attributable to owners of the Company	4,106.38	(7,916.20)
Earnings used in the calculation of basic earnings per share	4,106.38	(7,916.20)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Number of equity Shares of Re. 10 each outstanding at the end of the year	1,92,66,681	1,00,00,000
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,42,14,436	1,00,00,000

Diluted Earnings per share

The earnings used in the calculation of diluted earnings per share as follows.

Rs in Lakhs		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year attributable to owners of the Company	4,106.38	(7,916.20)
Earnings used in the calculation of diluted earnings per share	4,106.40	(5,756.54)

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average number of equity shares used in the calculation of basic earnings per share	1,42,14,436	1,00,00,000
Potential dilutive equity shares	4,94,407	6,36,29,539
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,47,08,843	7,36,29,539



30. 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. 78.86 lakhs (Year ended March 31, 2018 - Rs. 74.75 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the plans by the Company are at rates specified in the rules of the schemes.

B. Defined benefit plans :

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance Corporation of India(LIC). The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

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

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Longevity risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Particulars	Rs in lakhs	
	Gratuity (Funded)	
	2018-19	2017-18
Present Value of obligations at the beginning of the year	86.15	69.38
Current service cost	22.31	16.32
Interest Cost	6.19	4.63
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	0.68	5.87
Benefits paid	(6.82)	(10.05)
Present Value of obligations at the end of the year	108.51	86.15
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	40.12	34.87
Interest Income	2.88	2.33
Expected Return on plan assets	(4.83)	(0.56)
Contributions from the employer	66.70	3.88
Benefits Paid	(3.56)	(0.40)
Actuarial gain/ (loss) on plan assets		
Fair Value of plan assets at the end of the year	101.31	40.12

Particulars	As at	As at	As at
	31st March 2019	31st March 2018	1st April 2017
Amounts recognized in the Balance Sheet			
Projected benefit obligation at the end of the year	(108.51)	(86.15)	(69.38)
Fair value of plan assets at end of the year	101.31	40.12	34.87
Funded status of the plans – Liability recognised in the balance sheet	(7.20)	(46.03)	(34.51)



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Particulars		2018-19	2017-18
Components of defined benefit cost recognised in profit or loss			
Current service cost		22.31	16.32
Net Interest Expense		6.19	4.63
Past service cost		(2.88)	(2.33)
Net Cost in Profit or Loss		25.62	18.62
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		0.68	5.87
Return on plan assets		4.83	0.56
Net Cost in Other Comprehensive Income		5.51	6.43
Assumptions	March 31,2019	March 31,2018	April 01,2017
Discount rate	6.76%	7.18%	6.67%
Expected rate of salary increases	9.00%	9.00%	9.00%
Expected rate of attrition	22.00%	22.00%	22.00%
Average age of members	34.38	34.32	33.79
Average Expected Future service	3 years	3 years	3 years

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

- (i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation
- (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)		
	March 31,2019	March 31,2018	April 01,2017
Discount rate			
- 1% increase (+100 BP)	(3.09)	(2.36)	(1.83)
- 1% decrease (-100 BP)	3.34	2.56	1.99
Salary growth rate			
- 1% increase (+100 BP)	2.97	2.45	1.92
- 1% decrease (-100 BP)	(2.82)	(2.32)	(1.81)
Attrition rate			
- 1% increase (+100 BP)	(0.25)	(0.21)	(0.22)
- 1% decrease (-100 BP)	0.26	0.23	0.24

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.33.45 lakh (2018-2019: Rs. 48.48 lakh).

C. Long Term Compensated Absence

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

The amount of provision of Rs.14.28 lakhs (March 31, 2018: Rs. 11.5 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Assumptions	2018-19	2017-18	2016-17
Discount rate	6.76%	7.18%	6.67%
Expected rate of salary increases	9.00%	9.00%	9.00%
Expected rate of attrition	22.00%	22.00%	22.00%



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Note 31 Financial Instruments

31.1 Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The company is not subject to any externally imposed capital requirements. The company has set up a green field project during 2013-14. The high gearing ratio as on March 31, 2019 was due to the debt continuing and existing as on that date.

The capital structure of the Company consists of net debt (borrowings as detailed in note 14 offset by cash and bank balances) and total equity of the Company.

The Company is in the process of framing the risk management policy and shall be reviewed periodically after its implementation.

31.1.1 Gearing ratio

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

Particulars	Rs in Lakhs		
	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Debt *	75,408.88	96,839.28	96,316.74
Cash and bank balances	4,750.35	1,276.08	6,107.13
Net debt	70,658.53	95,563.20	90,209.61
Equity	4,341.84	(2,774.35)	5,146.03
Total Equity**	4,341.84	(2,774.35)	5,146.03
Net debt to equity ratio (in times)	16.27	(34.45)	17.53

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

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

31.2 Categories of financial instruments

Particulars	Rs in Lakhs		
	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
Derivative instruments not designated in hedge accounting relationship	-	-	-
Measured at amortised cost			
a Cash and bank balances	4,750.35	1,276.08	6,107.13
b Other financial assets at amortised cost	7,946.67	3,684.16	2,959.52
Financial liabilities			
a Measured at amortised cost	89,225.01	1,21,257.99	1,18,781.50
b Measured at FVTPL	230.39	-	-

31.3 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 is in the process of devising a hedging policy to minimise the effects of foreign exchange fluctuations.

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

31.4 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.

31.5 Foreign Currency risk management

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

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

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

Currency	Amount in Lakhs					
	Liabilities as at					
	March 31,2019	March 31,2019	March 31,2018	March 31,2018	April 01,2017	April 01,2017
	FC	INR	FC	INR	FC	INR
EUR	-	-	0.39	31.65	1.19	90.71
GBP	0.00	0.45	-	-	-	-
SGD	-	-	-	-	0.01	0.42
USD	458.39	31,707.65	548.23	35,659.05	628.77	40,768.76
Total		31,708.10		35,690.70		40,859.89



Currency	Assets as at					
	March 31,2019	March 31,2019	March 31,2018	March 31,2018	April 01,2017	April 01,2017
	FC	INR	FC	INR	FC	INR
EUR	38.60	2,998.97	0.00	0.06	-	-
GBP	-	-	0.01	1.37	-	-
SGD	0.11	5.66	0.11	5.51	-	-
USD	87.62	6,060.69	49.40	3,213.19	109.75	7,116.34
Total		9,065.32		3,220.13		7,116.34

31.5.1 Foreign Currency sensitivity analysis

The company is mainly exposed to the currency of USD and EURO.

The following table details the company's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where the rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency, there would be a comparable impact on the profit.

Particulars	Rs in Lakhs	
	Impact on profit or loss for the year	
	2018-19	2017-18
Financial Assets (A)		
USD	303.03	160.66
EUR	149.95	0
Financial Liabilities (B)		
USD	1,585.38	1,782.95
EUR	-	1.58
Total (A) - (B)	(1,132.40)	(1,623.87)

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

31.6 Interest rate risk management

The long term borrowings appearing in the balance sheet carries a fixed rate of interest and hence the company is not exposed to interest rate variability. However a portion of customer advances appearing as non current liabilities is carries a variable rate and is exposed to rate fluctuations. The sensitivity analysis is carried out on customer advances and is shown below.

31.7 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the company's Profit for the year ended March 31, 2019 would decrease/increase by Rs. 28.24 lakhs (for the year ended March 31, 2018: decrease/ increase by Rs. 33.18 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

The Company's sensitivity to interest rates has decreased during the current year mainly due to the decrease in the quantum of variable rate debt instruments.

31.8 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.

31.9 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 31.9.2 below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

31.9.1 Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019

Particulars	Weighted average effective interest rate (%)						Rs in Lakhs	
		Less than 1 year	1-3 year	3 - 5 year	5+years	Total contractual cash flows	Carrying amount	
Accounts payable and acceptances		10,475.17			-	10,475.17	10,475.17	
Interest accrued but not due on borrowings					1,562.83	1,562.83	1,562.83	
Interest accrued and due on borrowings		150.42				150.42	150.42	
Customer advances	4.87%				29,843.21	29,843.21	29,843.21	
Others		471.66				471.66	471.66	
Non-interest bearing		48.75				48.75	48.75	
Finance lease liability		-			1,386.44	1,386.44	1,386.44	
Fixed interest rate instruments	10.06%	1,308.35	81.78		73,970.00	75,360.13	75,360.13	
Variable interest rate instruments						-	-	



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The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018

Particulars	Weighted average effective interest rate (%)	Rs in Lakhs					Carrying amount
		Less than 1 year	1-3 year	3 - 5 year	5+years	Total contractual cash flows	
Accounts payable and acceptances		14,034.55			-	14,034.55	14,034.55
Interest accrued but not due on borrowings		4,873.60				4,873.60	4,873.60
Interest accrued and due on borrowings		3,614.77				3,614.77	3,614.77
Customer advances	3.84%				6,987.22	6,987.22	6,987.22
Others		612.98				612.98	612.98
Non-interest bearing		-	-				
Finance lease liability					1,282.81	1,282.81	1,282.81
Fixed interest rate instruments	12%	12.41	77.35	10,830.00		10,919.76	10,919.76
Variable interest rate instruments	13.65%	17,621.89	68,297.63			85,919.52	85,919.52

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at April 01, 2017

Particulars	Weighted average effective interest rate (%)	Rs in Lakhs					Carrying amount
		Less than 1 year	1-3 year	3 - 5 year	5+years	Total contractual cash flows	
Accounts payable and acceptances		11,566.48			-	11,566.48	11,566.48
Interest accrued but not due on borrowings		1,585.71				1,585.71	1,585.71
Interest accrued and due on borrowings		3,595.40				3,595.40	3,595.40
Customer advances	2.42%				7,251.68	7,251.68	7,251.68
Others		4,344.12				4,344.12	4,344.12
Non-interest bearing		-	-				
Finance lease liability					1,373.05	1,373.05	1,373.05
Fixed interest rate instruments	10%			8,500.00		8,500.00	8,500.00
Variable interest rate instruments	13.65%	16,528.09	71,288.65			87,816.74	87,816.74

The carrying amounts of the above are as follows:

Particulars	Rs in Lakhs		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Non-interest bearing	10,995.58	14,647.53	15,910.60
Finance lease liability	1,386.44	1,282.81	1,373.05
Fixed interest rate instruments	76,922.96	10,919.76	8,500.00
Variable interest rate instruments	29,993.63	1,01,395.11	1,00,249.53
	1,19,298.61	1,28,245.21	1,26,033.18

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

Particulars	Weighted average effective interest rate (%)	Rs in Lakhs				
		Less than 1 year	1-3 year	3 - 5 year	5+years	Total
March 31, 2019						
Non-interest bearing	-	11,450.57	206.65	-	207.09	11,864.31
March 31, 2018						
Non-interest bearing	-	3,922.94	-	-	290.09	4,213.03
April 1, 2017						
Non-interest bearing	-	7,983.97			243.20	8,227.17

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.

31.9.2 Financing facility

As per the debenture trust deed, the company has issued NCDs worth Rs. 73970 lakhs under tranche I programme and further issued NCDs of Rs. 4030 lakhs under tranche III programme. During the current year company will issue NCDs worth Rs. 6000 lakhs towards bromine expansion.

31.10 Fair value measurements

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

31.10.1 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	Fair Value hierarchy	Rs in Lakhs					
		As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets							
Measured at amortised cost							
(a) Cash and bank balances	Level 3	4,750.35	4,750.35	1,276.08	1,276.08	6,107.13	6,107.13
(b) Other financial assets at amortised cost	Level 3	7,946.67	7,946.67	3,684.16	3,684.16	2,959.52	2,959.52
Financial liabilities							
Measured at amortised cost	Level 3	89,225.01	89,225.01	1,21,257.99	1,21,257.99	1,18,781.50	1,18,781.50

The fair values of the financial assets and financial liabilities included in the 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.



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Note 32 Related party transaction

32.1 Names of Related Parties & Nature of Related Parties relationship

i. Entities or persons having significant influence	Goodearth Fertilisers Company LLP
ii. Enterprise over which Key Management Personnel exercise significant influence.	Goodearth Maritime Ltd Marine Chemicals Pte Ltd Jakhau Salt Company P Ltd Bharath Salt Refineries Ltd Archean Salt Holdings P Ltd
iii. Key Management Personnel	Mr. P Ranjit - Whole-time Director (w.e.f November 27, 2018) (Group Managing Director (Not a Board Member) - upto November 26, 2018) Mr. A Subramanyam - Director (resigned on November 23, 2018) Mr. S Meenakshisundaram - Director Mr. E Sairam - Group CFO (w.e.f June 27, 2018) Mr. A R Balaji - CFO (w.e.f September 10, 2018) Mr. G Balaji - CS (w.e.f June 25, 2018)

32.2 Transactions with related parties

Particulars	Transaction Value		Amount Outstanding	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Jakhau Salt Co P Ltd				
-Reimbursement of Jetty Expenses	459.10	409.02		
-Salt Purchase	800.22	475.08	(1,205.21)	(1,185.68)
-Rent Receivable	7.08	14.07		
-Earnest Money Deposit Received	-	2,330.00	-	-
Goodearth Fertilisers Company LLP				
-Share Capital Issued	1,884.00	-	-	-
-Loan waived	446.00	-	-	-
-Advance Received	-	2,330.00	-	(2,330.00)
Bharath Salt Refineries Ltd				
-Reimbursement of Expenses	23.50	5.39		
-Salt Purchase	141.92	347.08	(183.07)	(319.89)
-Rent Receivable	7.08	14.07		
Archean Salt Holdings P Ltd				
-Subordinated Loan received	-	-	(48.75)	(11,559.41)
-Sale of SOP	53.08	-	53.08	-
-Rent Receivable	0.35	0.70	-	1.56
P. Ranjit				
-Share Capital Issued	2,602.00	-	-	-
-Office Rent (GDM)	42.48	28.14	(3.88)	3.29
-Unsecured Loan	-	374.00	-	(2,602.00)
Goodearth Maritime Limited				
-Reimbursement of Expenses	211.74	164.38	-	85.16
-Sale of Bromine	50.00	-	50.00	-



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32.3. Compensation of Key management personnel

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

Particulars	Rs in lakhs	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Employee benefits expense		
Mr. P Ranjit	360.00	360.00
Mr. E Sairam	70.94	-
Mr. A R Balaji	31.37	-
Mr. G Balaji	15.78	-

Note 33 Lease arrangements

The Company has taken land on lease for a period of 10 years initially and has applied for renewal of 30 years. The lease has been considered as operating lease and the lease rentals has been recognised in the Statement of Profit and Loss to the extent of Rs. 145.03 Lakhs (Previous year Rs.178.81 Lakhs) as per the Lease terms.

The company has taken 52 ISO containers on lease for a period of 7 years, out of which 32 containers qualify as finance lease due to repurchase option granted by the lessor. Lease rentals to the extent of Rs. 271.66 lakhs (Previous year Rs.285.07 Lakhs) for the balance 20 containers, considered as operating lease, has been recognised in the Statement of Profit and Loss as per the lease terms.

The company enters into operating lease for office space and residential accommodation for a period of 1 to 5 years generally. This may be renewed for a further period with escalation based on mutual agreement of the parties. As per the lease terms a sum of Rs 89.50 lakhs (Previous year Rs 80.17 lakhs) has been recognized in the Statement of Profit and Loss.

Note 34: Additional information to the financial statements

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

Particulars	Rs in Lakhs		
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Contingent liabilities			
a. Disputed Service tax, Sales tax, Income tax and Wealth tax dues under appeal (refer Note 34.1 (a))	540.02	1,040.76	1,040.76
b. Capital Commitments	6,423.00	5,866.42	Nil
Total	6,963.02	6,907.18	1,040.76

Note 34.1 (a) Details of disputed statutory dues

Name of Statute	Nature of Dispute	Rs in Lakhs				
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	Period to which the amount relates	Forum where dispute is pending
Income Tax act, 1961	Disallowance (Refer note below)	540.02	540.02	540.02	2012-13	CIT Appeals
	Disallowance	-	500.74	500.74	2013-14	CIT Appeals
		540.02	1040.76	1040.76		

Note: Amounts paid under protest Rs.206.65 lakhs (Previous year NIL)

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



Archean Chemical Industries Private Limited
Notes forming part of financial statements

35. First-time Ind AS adoption reconciliations

Note 35.1: Note on First Time Adoption of Indian Accounting Standards

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet as at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

The Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value adjusted for the impact of opening transition adjustments and use the value so arrived as the deemed cost of the property, plant and equipment and intangible assets.

A.1.2 Leases

The Company has elected to assess whether a contract or arrangement contains a lease on a prospective basis i.e. on the basis of facts and circumstances existing at the date of transition to Ind AS.

A.1.3 Exchange fluctuation on translation of long-term borrowings

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements and accordingly continue the practice of charging the exchange fluctuation on long-term borrowings in foreign currency for the acquisition of property plant and equipment (PPE) to the carrying value of the PPE acquired in accordance with the previous GAAP.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

On assessment of estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates except impairment of financial asset based on expected credit loss model as the same was not required under previous GAAP.

A.2.2 Classification and measurement of financial assets

The Company has done the assessment of classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.3 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

A.2.4 Government Grants and Loans

The Company has applied Ind AS 109 'Financial Instruments' and Ind AS 20 'Accounting for Government Grants and disclosure of Government Assistance' prospectively to Government loans existing at the date of transition and the Company has not recognised the corresponding benefit of the Government loans at the below market rate of interest as a Government grant. Consequently, the Company has used the previous GAAP carrying amount of the Government loans at the date of transition as the carrying amount of these loans in the opening Ind AS Balance Sheet.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

35.2 Effect of Ind AS adoption on the balance sheet as at March 31, 2018 and April 1, 2017

Particulars	Notes	As at March 31, 2018			As at April 1, 2017		
		(End of last period presented under previous GAAP)			(End of last period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets							
Property, plant and equipment	2	92,884.24	1,098.69	93,982.93	99,344.61	1,301.49	1,00,646.10
Capital Work in Progress	2	-	-	-	-	-	-
Other intangible assets	3	18.56	-	18.56	30.78	-	30.78
Financial assets							
(i) Investment	4	0.69	-	0.69	0.69	-	0.69
(ii) Loans	5	-	-	-	-	-	-
(iii) Other financial assets	5	289.40	-	289.40	242.51	-	242.51
Advance Tax (net)	6	586.62	-	586.62	629.12	-	629.12
Deferred tax assets	13	7,808.34	-	7,808.34	7,141.69	-	7,141.69
Other non-current assets	7	6,815.95	-	6,815.95	974.43	-	974.43
Total non-current assets		1,08,403.80	1,098.69	1,09,502.49	1,08,363.83	1,301.49	1,09,665.32
Current assets							
Inventories	8	11,253.61	-	11,253.61	12,695.22	-	12,695.22
Financial assets							
(i) Trade receivables	9	3,396.69	(749.83)	2,646.86	2,660.26	(783.42)	1,876.84
(ii) Cash and cash equivalents	10	1,276.08	-	1,276.08	6,107.13	-	6,107.13
(iii) Loans	5	-	-	-	-	-	-
(iii) Other financial assets	6	942.06	-	942.06	988.26	-	988.26
Other current assets	7	-	-	-	-	-	-
Total current assets		16,868.44	(749.83)	16,118.61	22,450.87	(783.42)	21,667.45
Total assets		1,25,272.24	348.86	1,25,621.10	1,30,814.70	518.07	1,31,332.77



Archean Chemical Industries Private Limited
Notes forming part of financial statements

Particulars	Notes	As at March 31, 2018			As at April 1, 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Equity							
Equity share capital	11	1,000.00	-	1,000.00	1,000.00	-	1,000.00
Other equity	12	(4,733.34)	958.99	(3,774.35)	3,082.35	1,063.68	4,146.03
Total equity (Shareholders' funds under previous GAAP)		(3,733.34)	958.99	(2,774.35)	4,082.35	1,063.68	5,146.03
Non-current liabilities							
Deferred tax liabilities (Net)	14						
Financial Liabilities							
(i) Borrowings	14	81,132.88	(1,927.90)	79,204.98	81,716.55	(1,927.90)	79,788.65
(ii) Other financial liabilities	15	-	1,282.81	1,282.81	-	1,373.05	1,373.05
Other Non-Current Liabilities	16	6,987.22	-	6,987.22	7,251.68	-	7,251.68
Total non-current liabilities		88,120.10	(645.09)	87,475.01	7,251.68	(554.85)	88,413.38
Current liabilities							
Financial liabilities							
(i) Borrowings	14A	17,634.30	-	17,634.30	16,528.09	-	16,528.09
(ii) Trade payables	17	14,034.55	-	14,034.55	11,566.48	-	11,566.48
(iii) Other financial liabilities	15	373.63	-	373.63	958.42	-	958.42
Provisions	18	150.24	-	150.24	153.56	-	153.56
Other current liabilities	16	8,692.76	34.95	8,727.71	8,557.56	9.25	8,566.81
Total current liabilities		40,885.48	34.95	40,920.43	37,764.11	9.25	37,773.36
Total liabilities		1,29,005.58	(610.14)	1,28,395.44	45,015.79	(545.60)	1,26,186.74
Total equity and liabilities		1,25,272.24	348.85	1,25,621.09	49,098.14	518.08	1,31,332.77



Archean Chemical Industries Private Limited
Notes forming part of financial statements

35.3 Reconciliation of total equity as at March 31, 2018 and April 01, 2017

Rs in Lakhs

Particulars	Notes	As at March 31, 2018 (End of last period presented under previous GAAP)	As at 01/04/2017 (Date of Transition)
Total equity (shareholders' funds) under previous GAAP	12	(3,733.34)	4,082.35
Ind AS transition effects:			
(i) Finance lease adjustments		(71.55)	(71.55)
(ii) Impact due to provision for expected credit loss on receivables		(783.42)	(783.42)
(iii) Remeasurement of employee defined benefit obligations		(9.25)	(9.25)
(iv) Equity component of loan from promoters		1,927.90	1,927.90
Effect in the Statement of Profit & Loss:			
Effect of provision for expected credit loss		33.56	-
Finance Lease adjustment		(112.55)	-
Gratuity entry		(21.52)	-
Remeasurements of the defined benefit plans net of tax effect		(4.18)	-
		958.99	1,063.68
Total equity under Ind AS		(2,774.35)	5,146.03

35.4 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2018

Rs in Lakhs

Particulars	Notes	Year ended March 31, 2018		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations	19	43,882.92	292.95	44,175.87
Other income	20	607.40	-	607.40
Total Income (A)		44,490.32	292.95	44,783.27
Expenses				
Cost of materials consumed	21	2,233.55	-	2,233.55
Purchases of Stock-in-Trade		894.67	-	894.67
Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	1,819.73	-	1,819.73
Excise duty on sale of goods	23	-	292.95	292.95
Employee benefits expense	24	2,587.12	19.27	2,606.39
Finance costs	25	9,973.29	179.62	10,152.91
Depreciation and amortisation expense	26	7,073.78	202.79	7,276.57
Other expenses		28,280.89	(236.29)	28,044.60
Total expenses (B)		52,863.03	458.34	53,321.37
Profit Before Tax		(8,372.71)	(165.39)	(8,538.10)
Tax expense				
(1) Current tax	27	42.50	-	42.50
(2) Deferred tax	27	(664.40)	-	(664.40)
Profit After Tax for the period		(7,750.81)	(165.39)	(7,916.20)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plans		-	(6.43)	(6.43)
Income tax relating to the same		-	2.25	2.25
Total other comprehensive income		-	(4.18)	(4.18)
Total comprehensive income for the period		(7,750.81)	(169.57)	(7,920.38)



Archean Chemical Industries Private Limited
Notes forming part of financial statements

35.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2018

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	4,240.82	(332.57)	3,908.25
Net cash flows from investing activities	(600.72)	602.43	1.71
Net cash flows from financing activities	(8,473.50)	(269.86)	(8,743.36)
Net increase (decrease) in cash and cash equivalents	(4,833.40)	-	(4,833.40)
Cash and cash equivalents at the beginning of the period	6,054.78	-	6,054.78
Cash and cash equivalents at the end of the period	1,221.38	-	1,221.38

Analysis of cash and cash equivalents as at March 31, 2018 and as at April 1, 2017 for the purpose of statement of cash flows under Ind AS

Particulars	As at March 31, 2018	As at April 01, 2017
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	1,221.38	6,054.78
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	1,221.38	6,054.78

Notes to first time adoption :

(i) Determination of whether a contract contains a lease

Under previous GAAP, the Company has taken plant and machinery on lease, considering them as operating leases. Under Ind AS, one of the lease contracts should be considered as finance lease only. Hence, the lease is classified as a finance lease and the leased asset and lease liability are considered in these financial statements.

(ii) Expected credit losses

Under previous GAAP, provision for bad and doubtful debts was recognised as per the internal policy of the Company based on ageing of Trade Receivables. Under Ind AS, the impairment loss allowance on account of Trade receivables is created based on a provision matrix computed under the Expected credit loss method.

(iii) Actuarial gain and loss

Under previous GAAP, actuarial gains or losses were recognised as Employee Benefit expenses in profit or loss. Under Ind AS, the actuarial gains or losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of Profit or Loss.

(iv) Fair valuation of financial liabilities

Under previous GAAP, financial liabilities were stated at their face values. Under Ind AS, the financial liabilities have been disclosed at their fair values in these financial statements. The resultant differences have been adjusted against the components of other equity as appropriate.

(v) Excise Duty

Under previous GAAP, excise duty on sale of goods was adjusted in revenue from sale of products whereas under Ind AS, it is considered as a production cost and hence, disclosed separately as an expense in the statement of profit and loss.



Archean Chemical Industries Private Limited
Notes forming part of financial statements

36. Events after the reporting date

Subsequent to the year end, the Company issued and allotted 403 secured Non-Convertible Debentures of Rs.10,00,000 each aggregating to Rs.4,030 lakhs to the Investors on 15 May 2019 which were listed in the Bombay Stock Exchange on 21 May 2019.


37. Approval of financial statements

The financial statements were approved by the Board of Directors on May 21, 2019.

For and on behalf of the Board of Directors



S.Meenakshisundaram
Director
DIN: 01176085



P. Ranjit
Wholetime Director
DIN: 01952929



E Sairam
Group C F O



A.R. Balaji
C F O



G. Balaji
Company Secretary

Place : Chennai
Date : May 21, 2019

