

Archean Chemical Industries Limited
(Formerly known as Archean Chemical Industries Private Limited)
CIN: U24298TN2009PLC072270

Regd Office: No.2, North Crescent Road, T Nagar, Chennai - 600 017
Statement of Unaudited Standalone Financial Results for the quarter ended 30 June, 2022

(Amount Rs. in Lakhs)

S.No	Particulars	Quarter ended June 30, 2022	Quarter ended March 31, 2022	Year ended March 31, 2022
		Unaudited	Audited Note 11	Audited
(I)	Revenue from operations	40,027.37	37,260.21	113,043.71
(II)	Other income	878.29	379.53	1,264.29
(III)	Total Income (I+II)	40,905.66	37,639.74	114,308.00
(IV)	Expenses			
	Cost of materials consumed	1,484.56	1,066.69	4,488.29
	Purchase of stock in trade	442.82	-	-
	Changes in inventories of finished goods and work-in-progress	(1,435.36)	227.57	(556.20)
	Employee benefits expense	976.90	962.30	3,784.19
	Finance costs	3,915.01	3,939.57	16,166.86
	Depreciation and amortisation expenses	1,762.06	1,728.78	6,686.19
	Other expenses	22,438.80	18,988.57	58,596.92
	Total Expenses	29,584.79	26,913.48	89,166.25
(V)	Profit before exceptional items and tax (III - IV)	11,320.87	10,726.26	25,141.75
(VI)	Exceptional item	-	-	-
(VII)	Profit before tax (V + VI)	11,320.87	10,726.26	25,141.75
(VIII)	Tax expense			
	(i) Current tax	-	-	-
	(ii) (Excess) provision for tax relating to prior years	-	-	(1.55)
	(iii) Deferred tax	2,857.07	2,534.25	6,281.91
	Total tax expenses	2,857.07	2,534.25	6,280.36
(IX)	Profit after tax (VII - VIII)	8,463.80	8,192.01	18,861.39
(X)	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit obligations	(4.87)	22.12	13.19
	(ii) Income tax relating to above	1.23	(5.57)	(3.32)
	Total other comprehensive income (i+ii)	(3.64)	16.55	9.87
(XI)	Total comprehensive income for the period/year (IX + X)	8,460.16	8,208.56	18,871.26
(XII)	Paid-up equity share capital (Face value of Rs. 2 each)			1,926.67
(XIII)	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year			24,342.36
(XIV)	Earnings per share of Rs.2 each (Refer Note 5)			
	- Basic and diluted	8.20	7.93	18.26
	Ratios			
	Debt equity ratio	2.6	3.5	3.5
	Debt service coverage ratio (DSCR)	4.0	3.7	2.6
	Interest service coverage ratio (ISCR)	3.9	3.7	2.6
	Debenture redemption reserve (Refer 1 (g) of LODR) (Rs. In Lakhs)	8,400.0	8,400.0	8,400.0
	Current ratio	1.9	2.2	2.2
	Long term debt to working capital	3.8	3.9	3.9
	Bad debts to account receivable ratio	-	-	-
	Current liability ratio	0.2	0.1	0.1
	Total debts to total assets	0.6	0.6	0.6
	Debtors turnover (refer note 10)	3.0	2.8	10.2
	Inventory turnover (refer note 10)	3.1	3.1	9.8
	Operating margin %	35.9%	38.3%	35.4%
	Net profit margin %	21.1%	22.0%	16.7%

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Notes to the financial results:

- 1) Archean Chemical Industries Limited (formerly known as Archean Chemical Industries Private Limited) was incorporated on July 14, 2009. The Company is into manufacturing of Marine Chemicals. The manufacturing location is at Gujarat. On December 15, 2021, the Company has changed from private limited to public limited company.
- 2) The above financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and in conformity with Ind AS, as prescribed under sec 133 of Companies act, 2013 read with relevant rules issued thereunder and accounting principles generally accepted in India. These financial results have been reviewed by the Audit Committee, approved by the Board of Directors at its meeting held on August 10, 2022 and have been subject to audit by the Statutory auditor of the Company.
- 3) The Company is primarily engaged in the business of manufacture of marine chemicals which is considered as one reportable segment and hence, no separate additional disclosures of segment information have been made under Ind AS 108 - Operating Segments.
- 4) As on June 30, 2022, The following debentures are listed on BSE.
- a. 7397 secured Non-Convertible Debentures of Rs.10,00,000 each aggregating to Rs.73,970 lakhs issued to the Investors on November 22, 2018 which were listed in the Bombay Stock Exchange on December 07, 2018.
- b. 403 secured Non-Convertible Debentures of Rs.10,00,000 each aggregating to Rs.4,030 lakhs issued to the Investors on May 15, 2019 which were listed in the Bombay Stock Exchange on May 21, 2019.
- c. 600 secured Non-Convertible Debentures of Rs.10,00,000 each aggregating to Rs.6,000 lakhs issued to the Investors on July 18, 2019 which were listed in the Bombay Stock Exchange on July 29, 2019.
- 5) Earnings per share:
- Earnings per equity share for the quarter ended June 30, 2022 and March 31, 2022 have not been annualised.
- 6) The financial information for the quarter ended June 30, 2021 have not been furnished by the Company in the accompanying Statement pursuant to the relaxation provided in the SEBI Circular SEBI/HO/DDHS/CIR/2021/000000637 dated October 5, 2021.
- 7) Employee Stock Option Plan 2022:
Pursuant to the resolution passed by the Board and Shareholders on January 29, 2022 and February 1, 2022 respectively, the Company approved the ESOP 2022 for issue of options to eligible employees which may result in issue of not more than 1,290,926 Equity Shares. The objective of the ESOP 2022 is to reward the key employees for their association, dedication and contribution to the goals of the Company.
- 8) The Company entered into Memorandum of Undertaking (MOU) dated August 10, 2010, with Government of Gujarat (GOG) for the Land lease which expired on July 31, 2018 and the Company had made an application for renewal on December 28, 2017. As per the MOU with GOG, the lease term can be further extended for a duration and conditions as mutually agreed at that time. There is also a GOG circular no 1597/1372/3 dated October 9, 2017 which states that such leases can be extended for a period of thirty years.
The company has also been receiving demand note annually for the revised lease rents as per GoG circular and the company has been making these payments. Management made an assessment of the facts disclosed above and taking into consideration of similar experiences during renewal in group company, is confident of obtaining the renewal of land lease after expiry.
The Useful life of PPE and ROU assets have been determined by the management considering that the lease would be extended. The entire production facility is located on this leased land and the company's revenue comes from operations in this facility only.
- 9) Acume chemicals private limited (ACPL), wholly owned subsidiary of the company which was incorporated on November 18, 2021 has issued shares to Archean Chemical Industries Limited for an amount of INR 500 Lakhs. ACPL will be manufacturing the bromine derivatives products.
- 10)(a) Debt equity ratio represents total debt [long-term borrowings (including current maturities) + short-term borrowings + interest accrued on borrowings+ Liability portion of Compulsorily convertible debentures (CCD) (included in other financial liabilities)] / total equity [equity share capital+other equity].
(b) Debt Service Coverage Ratio represents [profit/ loss before tax + Interest on term loans, working capital, Interest on finance lease & interest on CCD + Depreciation] / [Interest on term loans, working capital & Interest on finance lease + Finance cost capitalised + Loans repaid + Reduction in lease liability]
(c) Interest Service Coverage Ratio represents [Profit/(Loss) before tax + Interest on term loans, working capital, Interest on finance lease & interest on CCD] / [+ Interest on term loans, working capital, Interest on finance lease & interest on CCD + interest on term loan capitalised]
(d) Capital Redemption Reserve / Debenture redemption reserve represents Capital Redemption Reserve (CRR) / Debenture redemption reserve (DRR).
(e) Current ratio represents total current assets / total current liabilities.
(f) Long term debt to working capital represents [non-current borrowings + Liability portion of CCD (included in other financial liabilities)] / [working capital (current assets-current liabilities)].
(g) Bad debts to account receivable ratio represents Bad debts incurred during the period / Average of opening and closing balances of Trade Receivables.
(h) Current liability ratio represents current liabilities / total liabilities.
(i) Total debts to total assets represents total debts [long-term borrowings, short-term borrowings and interest accrued & Liability portion of CCD (included in other financial liabilities)] / total assets.
(j) Debtors turnover represents Revenue from operations / Average of opening and closing balances of Trade Receivables.
(k) Inventory turnover represents [sales / Average of opening and closing balances of inventories].
(l) Operating margin % represents Operating profit [Profit before exceptional items and tax - Other income + Finance cost] / Revenue from operations.
Debtor turnover and inventory turnover ratios for the quarter ended June 30, 2022 and March 31, 2022 have not been annualised.
- 11) The statement of financial results includes the results for the quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and published unaudited year to date figures up to end of third quarter of the previous financial year.
- 12) Other Income (SI.No. II) and Other Expenditure (included in SI.No.IV) includes Net foreign exchange Gain / (Loss) and the effect of Provision for doubtful debts and advances and provision no longer required respectively for the period as detailed below:

Particulars	Quarter Ended March 31, 2022	Year Ended March 31, 2022
Net exchange gain /(loss)	(286.28)	238.96
Provision no longer required	-	369.99
Provision for doubtful debts and advances	291.06	-

13) Previous year / period figures have been regrouped wherever necessary.

For and on behalf of the Board of Directors

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P. Ranjit
Managing Director
DIN : 01952929

Place : Chennai
Date : August 10, 2022

1 **Disclosures as per clause 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 :**

a. Details of credit rating and change in credit rating

Facility / Rating agency	Rating assigned (ICRA)
Redeemable non-convertible debentures	ICRA BB

The rating has been revised on March 04 2022 from ICRA BB- to ICRA BB.

b. Previous / next due date for the payment of interest / principal on non-convertible debt securities - redeemable non-convertible debentures

Particulars	Principal		Interest	
	Amount (INR In Lakhs)	Next due date	Previous due date	Next due date
Redeemable non-convertible debentures (YTM at 17% p.a)	84,000.00	22-Nov-24	Refer Note I	30-Aug-22

Notes:

I. There was no principal due for repayment prior to 30 June 2022. Interest payments for the year ended 30 June 2022 were made on or before the due dates as per the Debenture Trust Deed.

II. There was no deviation in the use of the proceeds of the issue of Non Convertible Debt Securities from the objects stated in the offer document.

	30-Jun-22	31-Mar-22
c. Debt-equity Ratio (Refer Foot note (i) below)	2.64	3.51
d. Debt Service Coverage Ratio (Nos. of times) (Refer Foot note (ii))	3.96	2.64
e. Interest Service Coverage Ratio (Nos. of times) (Refer Foot note (iii))	3.93	2.56
f. Outstanding redeemable preference shares	NA	NA
g. Debenture Redemption Reserve (Rs in Lakh) :	8,400.00	8,400.00
h. Net Worth (Rs in Lakh) (Refer Foot note (iv))	34,729.19	26,269.03
i. Net Profit/(Loss) After Tax	8,463.80	18,861.39
j. Basic earnings per Share	8.20	18.26
k. Asset Cover Available	1.27	1.26

Foot notes:

(i) Debt Equity Ratio = total debt [long-term borrowings (including current maturities) + short-term borrowings + interest accrued on borrowings+ Liability portion of Compulsorily convertible debentures (CCD) (included in other financial liabilities)] / total equity [equity share capital+other equity].

(ii) Debt Service Coverage Ratio = [profit/ loss before tax + Interest on term loans, working capital, Interest on finance lease & interest on CCD + Depreciation] / [Interest on term loans, working capital & Interest on finance lease + Finance cost capitalised + Loans repaid + Reduction in lease liability]

(iii) Interest Service Coverage Ratio = [Profit/(Loss) before tax + Interest on term loans, working capital, Interest on finance lease & interest on CCD] / [+ Interest on term loans, working capital, Interest on finance lease & interest on CCD + interest on term loan capitalised]

(iv) Net Worth = Equity Share capital + Other Equity

For and on behalf of the Board of Directors

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HI RANJIT

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PENDURTHI RANJIT
Date: 2022.08.10
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P. Ranjit
Managing Director
DIN : 01952929

Place : Chennai
Date : August 10, 2022

Independent Auditor's Review Report on review of Interim unaudited standalone financial results

To the Board of Directors Archean Chemical Industries Limited (Formerly known as Archean Chemical Industries Private Limited)

1. We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of **Archean Chemical Industries Limited** ("the Company"), for the quarter ended June 30, 2022 attached herewith, being submitted by the Company pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") which has been initialled by us for identification.

2. Management's Responsibility

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

3. Auditor's Responsibility

Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on **Review Engagement (SRE) 2410** 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Conclusion

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

5. Other Matters

Attention is drawn to the fact that the figures for the quarter ended 31st March 2022 as reported in these financial results are the balancing figures between audited figures in respect of full financial year and the published unaudited year to date figures up to the end of the third quarter of the relevant financial year which were subject to limited review by us.

Our opinion is not modified in respect of this matter.

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No. 003990S/S200018

S. Prasana Kumar



S. Prasana Kumar

Partner

Membership No. 212354

Place: Chennai

Date: 10th August 2022

UDIN: 22212354AOTRYR5736