



Archean Chemical Industries Limited

10th February 2023

BSE Limited
Listing Operations
Phiroze Jeejeebhoy Towers Dalal Street
Mumbai-400001

Dear Sir/Madam,

Subject: Submission of Unaudited Financial Results for the quarter and half year ended 30th September 2022 under regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Scrip Code 958408 – Privately placed Debt Securities (NCDs) Rs.739.70 crores allotted in November 2018, Rs. 40.30 crores allotted in May 2019 and Rs.60 crores allotted in July 2019 aggregating to Rs.840 crores - ISIN INE128X07028

In terms of the provisions of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit-

1. Unaudited standalone financial statements along with Statement of Assets and Liabilities and Cash Flow Statements of the Company for the quarter and half year ended 30th September 2022 along with Limited Review Report.

Note-

This to inform the equity shareholders of the company that as on 30th September 2022 the company's NCDs were listed on the BSE limited (Scrip Code 958408) and subsequently got delisted with effect from 02nd January 2023. The NCDs were repaid and redeemed on 19.11.2022. Since the company was debt listed as on 30th September 2022 the company is required to comply with the SEBI (LODR) Regulations 2015 as far as it is applicable to Debt listed companies. Hence the company is making the above intimation to BSE limited.

Kindly take the same on record.

Thanking you

Yours faithfully
For Archean Chemical Industries Limited

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G Arunmozhi
Company Secretary & Compliance Officer
M. No. A-18119

Encl: as above

PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

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

To the Board of Directors Archean Chemical Industries Limited

We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Archean Chemical Industries Limited ("the Company"), for the quarter and half year ended 30th September 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 initialed by us for identification.

1. 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 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

2. 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.

3. 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.

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: 10-2-2023

UDIN: 23212354BG7DT04679



Archean Chemical Industries Limited
CIN: L24298TN2009PLC072270
Regd Office: No.2, North Crescent Road, T Nagar, Chennai - 600 017
Statement of Unaudited Standalone Financial Results for the Quarter and Half Year ended 30 September, 2022

(Amount Rs. in Lakhs)

S.No	Particulars	Quarter ended September 30, 2022	Quarter ended June 30, 2022	Quarter ended September 30, 2021	Half Year ended September 30, 2022	Half Year ended September 30, 2021	Year ended March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(I)	Revenue from operations	29,349.46	40,027.37	24,975.05	69,376.83	45,051.01	1,13,043.71
(II)	Other income	1,915.27	878.29	757.18	2,793.56	857.76	1,264.29
(III)	Total Income (I+II)	31,264.73	40,905.66	25,732.23	72,170.39	45,908.77	1,14,308.00
(IV)	Expenses						
	Cost of materials consumed	847.26	1,484.56	1,086.01	2,331.82	2,156.91	4,488.29
	Purchase of stock in trade	-	442.82	-	442.82	-	-
	Changes in inventories of finished goods and work-in-progress	2,084.35	(1,435.36)	454.03	648.99	(615.90)	(556.20)
	Employee benefits expense	1,146.93	976.90	992.60	2,123.83	1,843.60	3,784.19
	Finance costs	3,497.25	3,915.01	4,164.17	7,412.26	8,173.84	16,166.86
	Depreciation and amortisation expenses	1,685.51	1,762.06	1,661.71	3,447.57	3,275.27	6,686.19
	Other expenses	13,400.47	22,438.80	12,034.04	35,839.27	23,252.27	58,596.92
	Total Expenses	22,661.77	29,584.79	20,392.56	52,246.56	38,085.99	89,166.25
(V)	Profit before exceptional items and tax (III - IV)	8,602.96	11,320.87	5,339.67	19,923.83	7,822.78	25,141.75
(VI)	Exceptional item	-	-	-	-	-	-
(VII)	Profit before tax (V + VI)	8,602.96	11,320.87	5,339.67	19,923.83	7,822.78	25,141.75
(VIII)	Tax expense						
	(i) Current tax	-	-	-	-	-	-
	(ii) (Excess) provision for tax relating to prior years	-	-	-	-	-	(1.55)
	(iii) Deferred tax	2,211.92	2,857.07	1,401.86	5,068.99	2,055.38	6,281.91
	Total tax expenses	2,211.92	2,857.07	1,401.86	5,068.99	2,055.38	6,280.36
(IX)	Profit after tax (VII - VIII)	6,391.04	8,463.80	3,937.81	14,854.84	5,767.40	18,861.39
(X)	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss						
	- Remeasurement of defined benefit obligations	(2.78)	(4.87)	(11.93)	(7.65)	(23.87)	13.19
	(ii) Income tax relating to above	0.70	1.23	3.00	1.93	6.01	(3.32)
	Total other comprehensive income (i+ii)	(2.08)	(3.64)	(8.93)	(5.72)	(17.86)	9.87
(XI)	Total comprehensive income for the period/year (IX + X)	6,388.96	8,460.16	3,928.88	14,849.12	5,749.54	18,871.26
(XII)	Paid-up equity share capital (Face value of Rs. 2 each)	1,926.67	1,926.67	1,926.67	1,926.67	1,926.67	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 (Not Annualised)						
	- Basic and diluted	6.19	8.20	3.81	14.38	5.58	18.26
	Ratios						
	Debt equity ratio	2.0	2.6	7.5	2.0	7.5	3.5
	Debt service coverage ratio (DSCR)	0.8	4.0	2.1	1.4	2.0	2.6
	Interest service coverage ratio (ISCR)	3.5	3.9	2.3	3.7	2.0	2.6
	Debenture redemption reserve (Refer 1 (g) of LODR) (Rs. In Lakhs)	8,400.0	8,400.0	-	8,400.0	-	8,400.0
	Current ratio	1.3	1.9	1.7	1.3	1.7	2.2
	Long term debt to working capital	7.1	3.8	6.0	7.1	6.0	3.9
	Bad debts to account receivable ratio	-	-	-	-	-	-
	Current liability ratio	0.3	0.2	0.1	0.3	0.1	0.1
	Total debts to total assets	0.5	0.6	0.7	0.5	0.7	0.6
	Debtors turnover (refer note 9)	2.9	3.0	2.7	5.7	5.7	10.2
	Inventory turnover (refer note 9)	2.3	3.1	2.1	5.9	3.9	9.8
	Operating margin %	34.7%	35.9%	35.0%	35.4%	33.6%	35.4%
	Net profit margin %	21.8%	21.1%	15.8%	21.4%	12.8%	16.7%

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Statement of Unaudited Standalone Financial Results for the Quarter and Half Year ended 30 September, 2022

b. Statement of assets and liabilities		(Amount Rs. in Lakhs)	
S.No	Particulars	As at	As at
		September 30, 2022	March 31, 2022
		UnAudited	Audited
I	ASSETS		
1	Non-Current Assets		
	(a) Property, plant and equipment	1,02,112.66	1,04,549.48
	(b) Capital work in progress	5,638.25	1,717.20
	(c) Right-of-use assets	3,649.62	4,055.44
	(d) Intangible assets	14.77	14.48
	(e) Intangible assets under development	1.50	3.50
	(f) Investments in Subsidiary	500.00	500.00
	(g) Financial assets:		
	(i) Investments	9.10	9.01
	(ii) Loans	1,255.06	1,255.06
	(iii) Other financial assets	242.77	202.45
	(h) Other non current assets	1,510.98	1,477.61
	Total Non-current assets	1,14,934.71	1,13,784.23
2	Current assets		
	(a) Inventories	11,431.28	12,078.75
	(b) Financial assets:		
	(i) Current investments	2,444.24	1,111.95
	(ii) Trade receivables	9,036.40	15,297.34
	(iii) Cash and cash equivalents	5,669.74	724.68
	(iv) Bank balances other than (iii) above	5,209.16	4,649.90
	(v) Loans	39.98	46.80
	(vi) Other financial assets	1,277.66	1,454.64
	(c) Current Tax Assets	800.00	-
	(d) Other current assets	4,594.70	4,020.77
	Total current assets	40,503.16	39,384.83
	TOTAL ASSETS	1,55,437.87	1,53,169.06
II	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	1,926.67	1,926.67
	(b) Other equity	39,191.48	24,342.36
	Total equity	41,118.15	26,269.03
2	Liabilities		
	Non-Current liabilities		
	(a) Financial liabilities:		
	(i) Borrowings	70,022.26	84,283.29
	(ii) Lease liabilities	3,608.19	4,548.95
	(iii) Other financial liabilities	342.27	7,698.94
	(b) Other non-current liabilities	3,773.31	11,822.95
	(c) Provisions	-	33.83
	(d) Deferred tax liabilities (Net)	6,023.05	956.00
	Total non-current liabilities	83,769.08	1,09,343.96
	Current Liabilities		
	(a) Financial liabilities:		
	(i) Borrowings	12,265.49	205.10
	(ii) Lease liabilities	1,234.14	686.05
	(iii) Trade payables		
	(A) total outstanding dues of micro and small enterprises	348.21	242.25
	(B) total outstanding dues of creditors other than above	8,637.95	10,986.97
	(iv) Other financial liabilities	180.74	489.53
	(v) Derivative liabilities	92.19	3.91
	(b) Other current liabilities	7,715.35	4,859.80
	(c) Provisions	76.57	82.46
	Total current liabilities	30,550.64	17,556.07
	Total Liabilities	1,14,319.72	1,26,900.03
	TOTAL EQUITY AND LIABILITIES	1,55,437.87	1,53,169.06

Archean Chemical Industries Limited
CIN: L24298TN2009PLC072270
Regd Office: No.2, North Crescent Road, T Nagar, Chennai - 600 017

Notes to the financial results:

- 1) Archean Chemical Industries Limited was incorporated on July 14, 2009. The Company is into manufacturing of Marine Chemicals. The manufacturing location is in Gujarat.
- 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 February 10, 2023.
- 3) The Company is primarily engaged in the business of manufacture of marine chemicals which is considered as one reportable segment and hence, no additional disclosures with respect to segment information have been made under Ind AS 108 - Operating Segments.
- 4) As on September 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.
- d. Post IPO, the Company has redeemed Non - Convertible debentures on November 19,2022. The delisting of redeemed debentures from BSE was completed on January 02,2023.
- 5) Compulsarily Convertible Debentures(CCDs)
Pursuant to resolution of the Board dated October 22, 2022, the Company had converted 672,000 CCDs into 6,940,715 equity shares of face value of ₹ 2 each for an aggregate consideration of ₹ 67.20 million, which was paid at the time of allotment of CCDs.
- 6) Initial Public Offering (IPO)
The Company has completed the Initial Public Offer (IPO) of 3,59,28,869 Equity shares of face value of Rs. 2 each at an issue price of Rs. 407 per equity share comprising offer for sale of 1,61,50,000 equity shares by selling shareholders and fresh issue of 1,97,78,869 shares. The equity shares of the company were listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange of India limited ("BSE") on November 21,2022. The Net Proceeds from IPO of Rs. 768.32 crores has been utilised towards repayment of Non Convertible Debentures amounting to Rs.644 Crores and the balance has been placed in Fixed Deposits towards general corporate purposes.
- 7) Employee Stock Option Plan 2022:
Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committee on October 07,2022 the company has granted the issuance of 4,91,400 Employee Stock Options (ESOPs) to the eligible employees of the company in accordance with Archean Chemical -Employee Stock Option Plan 2022. The Vesting Period of ESOP is between 12 months to 60 months.
- 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.
- 9)(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, September 30,2022 and Half Year ended September 30, 2022 have not been annualised.
- 10) Previous year / period figures have been regrouped wherever necessary.

For and on behalf of the Board of Directors

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Date : February 10, 2023

P. Ranjit
Managing Director
DIN : 01952929

Archean Chemical Industries Limited
Statement of Unaudited Standalone Cash flows for the Half year ended September 30, 2022
(Amount Rs. in Lakhs)

Particulars	For the Half Year ended September 30, 2022		For the Half Year ended September 30, 2021	
A. Cash flows from operating activities				
Profit before income tax		19,923.83		7,822.78
Adjustments for :				
Depreciation and amortisation expenses	3,447.57		3,275.27	
Finance costs recognised in profit or loss	7,412.26		8,173.84	
Profit on sale of mutual funds	(138.73)		(61.71)	
Interest income from fixed deposit	(183.18)		(57.52)	
(Profit)/Loss on sale of asset	(0.25)		-	
Provision for doubtful receivables / advances	817.15		(544.44)	
Unrealised net foreign exchange (gain) / loss	679.94		778.29	
Operating profit before working capital changes		12,034.76		11,563.73
Movements in working capital :				
(Increase) / decrease in trade receivables	6,162.22		(1,570.70)	
(Increase) / decrease in inventories	647.47		(848.33)	
(Increase) / decrease in other assets	(463.82)		182.07	
Increase / (decrease) in trade payables	(2,250.74)		664.84	
Increase / (decrease) in provisions	(39.72)		6.88	
Increase / (decrease) in other liabilities	(6,887.01)		(2,419.73)	
		(2,831.60)		(3,984.97)
Cash generated from operations		29,126.99		15,401.54
Income Tax paid		(800.00)		-
Net cash generated from operating activities		28,326.99		15,401.54
B. Cash flows from investing activities				
Interest received	183.18		41.71	
Proceeds from sale of Mutual funds	(1,193.65)		366.49	
Investment in / maturity of bank deposits, net	(559.26)		(1,817.47)	
Acquisition of property, plant and equipment	(4,525.79)		(6,797.77)	
Proceeds from sale of property, plant and equipment	1.77		-	
Net cash used in investing activities		(6,093.75)		(8,207.04)
C. Cash flows from financing activities				
Proceeds from borrowings	-		1,470.67	
Repayment of borrowings	(2,218.10)		(1,064.85)	
Repayment towards lease liabilities	(714.05)		(581.44)	
Interest paid - Others	(14,356.03)		(7,697.43)	
Net cash used in financing activities		(17,288.18)		(7,873.05)
Net increase/ (decrease) in cash and cash equivalents		4,945.06		(678.55)
Cash and cash equivalents as at the beginning of the Period/Year		724.68		3,150.41
Cash and Cash equivalents as at the end of the Period / Year		5,669.74		2,471.86

For and on behalf of the Board of Directors

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P. Ranjit
Managing Director
DIN : 01952929

Place : Chennai
Date : February 10, 2023

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)*	69,920.00	22-Nov-24	Refer Note I	31-Oct-22

* Post IPO, the Company has redeemed Non - Convertible debentures. The delisting of redeemed debentures from BSE was completed on January 02, 2023.

Notes:

I. There was no principal due for repayment prior to 30 September 2022. Interest payments for the period ended 30 September 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.

* Pursuant to IPO, the Company has redeemed Non - Convertible debentures. The delisting of redeemed debentures from BSE was completed on January 02, 2023.

	30-Sep-22	31-Mar-22
c. Debt-equity Ratio (Refer Foot note (i) below)	2.01	3.51
d. Debt Service Coverage Ratio (Nos. of times) (Refer Foot note (ii))	1.40	2.64
e. Interest Service Coverage Ratio (Nos. of times) (Refer Foot note (iii))	3.73	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))	41,118.15	26,269.03
i. Net Profit/(Loss) After Tax	14,854.84	18,861.39
j. Basic earnings per Share	14.38	18.26
k. Asset Cover Available	1.53	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

Place : Chennai
Date : February 10, 2023

For and on behalf of the Board of Directors
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Date: 2023.02.10
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P. Ranjit
Managing Director
DIN : 01952929