



Archean Chemical Industries Limited

August 11, 2023

The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Tower
Mumbai-400001
Scrip Code- 543657

The Manager
Listing Department
National Stock Exchange of India Limited
Bandra-Kurla Complex, Bandra (E)
Mumbai-400051
Symbol-ACI

Dear Sir/Madam,

Subject: Standalone and Consolidated Unaudited Financial Results of the Company for the First Quarter ended June 30, 2023.

Reference: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), we enclose herewith the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter ended June 30, 2023.

The said Results were duly reviewed and recommended by Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on August 11, 2023.

Further, we enclose herewith Limited Review Report issued by the Statutory Auditors of the Company.

The above information will also be available on the website of the Company at www.archeanchemicals.com

We request you to take the above on records.

Thanking you

Yours faithfully
For Archean Chemical Industries Limited

P Ranjit
Managing Director
DIN: 01952929

Encl: A/a

PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

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

To the Board of Directors of Archean Chemical Industries Limited

We have reviewed the accompanying Statement of Unaudited standalone financial results ("the Statement") of Archean Chemical Industries Limited ("the Company") for the quarter ended 30th June 2023. The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing obligations) which has been initialed by us for identification purposes.

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.

Auditor's Responsibility

Our responsibility is to issue a report 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.

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 aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matter

Attention is drawn to the fact that the figures for the quarter ended 31st March 2023 as reported in these standalone financial results are the balancing figures between audited figures in respect of full previous financial year and the published year to date unaudited figures up to the end of the third quarter of the previous financial year which were subject to limited review by us.

Our conclusion is not modified in respect of this matter.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No. 003990S/S200018

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S.Prasana Kumar

Partner

Membership No. 212354

Place: Chennai

Date: 11th August 2023

UDIN No: 23212354BGYDVO4862

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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 ended 30th June, 2023

(Amount Rs. in Lakhs)

S.No	Particulars	Quarter ended June 30, 2023	Quarter ended March 31, 2023	Quarter ended June 30, 2022	Year ended March 31, 2023
		Unaudited	Audited	Unaudited	Audited
(I)	Revenue from operations	34,309.39	38,237.48	40,027.37	1,44,106.59
(II)	Other income	1,120.38	857.91	878.29	4,417.89
(III)	Total Income (I+II)	35,429.77	39,095.39	40,905.66	1,48,524.48
(IV)	Expenses				
	Cost of materials consumed	1,352.02	1,335.54	1,484.56	4,570.40
	Purchase of stock in trade	-	-	442.82	442.82
	Changes in inventories of finished goods and work-in-progress	1,634.19	(3,841.97)	(1,435.36)	(4,740.18)
	Employee benefits expense	2,033.64	2,434.93	976.90	7,202.44
	Finance costs	305.55	341.72	3,915.01	9,695.89
	Depreciation and amortisation expenses	1,746.64	1,725.57	1,762.06	6,850.89
	Other expenses	15,815.28	18,860.65	22,438.80	73,194.35
	Total Expenses	22,887.32	20,856.44	29,584.79	97,216.61
(V)	Profit before exceptional items and tax (III - IV)	12,542.45	18,238.95	11,320.87	51,307.87
(VI)	Exceptional item	-	-	-	-
(VII)	Profit before tax (V + VI)	12,542.45	18,238.95	11,320.87	51,307.87
(VIII)	Tax expense				
	(i) Current tax	2,841.49	2,362.62	-	2,362.62
	(ii) Deferred tax	283.87	2,194.27	2,857.07	10,579.87
	Total tax expenses	3,125.36	4,556.89	2,857.07	12,942.49
(IX)	Profit after tax (VII - VIII)	9,417.09	13,682.06	8,463.80	38,365.38
(X)	Other comprehensive income				
	(i) Items that will not be reclassified to profit or loss				
	- Remeasurement of defined benefit obligations	(9.44)	36.11	(4.87)	38.11
	(ii) Income tax relating to above	2.38	(9.09)	1.23	(9.59)
	Total other comprehensive income (i+ii)	(7.06)	27.02	(3.64)	28.52
(XI)	Total comprehensive income for the Quarter/year (IX + X)	9,410.03	13,709.08	8,460.16	38,393.90
(XII)	Paid-up equity share capital (Face value of Rs. 2 each)	2,461.06	2,461.06	1,926.67	2,461.06
(XIII)	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				1,40,790.85
(XIV)	Earnings per share of Rs.2 each (Not Annualised)				
	- Basic	7.65	11.12	8.20	34.76
	- Diluted	7.62	11.07	8.20	34.69

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 33 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 their meeting held on August 11, 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) 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 BSE 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 was utilised towards general corporate purpose.
- 5) 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.
- 6) 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 1597/1372/8 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 companies 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.
- 7) The implementation of the Code on Social Security, 2020 is getting postponed. The Company will assess the impact thereof and give effect in the Financial Statements when the date of implementation of the codes and the Rules / Schemes thereunder are notified.
- 8) 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 11, 2023

PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

Independent Auditor's Review Report on Review of interim consolidated financial results

To the Board of Directors of Archean Chemical Industries Limited

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial results of Archean Chemical Industries Limited (the "parent") and its subsidiary (the parent and subsidiary together referred to as the "Group"), for the quarter ended 30th June 2023 (the "Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") which has been initialed by us for identification purpose.

2. Management's Responsibility

The Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IndAS-34") prescribed under Section 133 of the Companies Act, 2013 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently doesn't enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entity: Acume Chemicals Private Limited (Subsidiary Company)

5. Conclusion

Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditors referred in paragraph 6 below, nothing has come to our attention that causes us to believe that the Statement prepared, in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

Other Matters

6. We did not review the interim financial information of the subsidiary included in the consolidated unaudited financial results, whose financial results reflect a total revenue of Rs. Nil, total loss after tax (net) of Rs.31.47 lakhs and total comprehensive income of (Rs.31.47 lakhs) for the quarter ended 30th June 2023. These interim financial information / results and other financial information have been reviewed by another auditor, whose report has been furnished to us and our conclusion, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of the other auditor and procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of this matter and according to the information and explanations given to us by the management, these financial information are not material to the group as per regulation 33(8).

7. Attention is drawn to the fact that the figures for the quarter ended 31st March 2023 as reported in these consolidated financial results are the balancing figures between audited figures in respect of full previous financial year and the published year to date unaudited figures up to the end of the third quarter of the previous financial year which were subject to limited review by us.

Our conclusion is not modified in respect of this matter.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No. 003990S/S200018

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S. Prasana Kumar

Partner

Membership No. 212354

Place: Chennai

Date: 11th August 2023

UDIN: 23212354BGYDVP1190

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CIN: L24298TN2009PLC072270
Regd Office: No.2, North Crescent Road, T Nagar, Chennai - 600 017
Statement of Unaudited Consolidated Financial Results for the Quarter ended 30th June, 2023

(Amount Rs. in Lakhs)

S.No	Particulars	Quarter ended June 30, 2023	Quarter ended March 31, 2023	Quarter ended June 30, 2022	Year ended March 31, 2023
		Unaudited	Audited	Unaudited	Audited
(I)	Revenue from operations	34,309.38	38,237.48	40,027.37	1,44,106.59
(II)	Other income	1,092.95	833.14	854.82	4,327.13
(III)	Total Income (I+II)	35,402.33	39,070.62	40,882.19	1,48,433.72
(IV)	Expenses				
	Cost of materials consumed	1,352.02	1,335.54	1,484.56	4,570.40
	Purchase of stock in trade	-	-	442.82	442.82
	Changes in inventories of finished goods and work-in-progress	1,634.19	(3,841.97)	(1,435.36)	(4,740.18)
	Employee benefits expense	2,033.75	2,435.10	976.90	7,204.70
	Finance costs	301.25	341.72	3,915.01	9,695.90
	Depreciation and amortisation expenses	1,750.77	1,729.66	1,762.42	6,863.34
	Other expenses	15,825.89	18,868.79	22,452.21	73,229.14
	Total Expenses	22,897.87	20,868.84	29,598.56	97,266.12
(V)	Profit before exceptional items and tax (III - IV)	12,504.46	18,201.78	11,283.63	51,167.60
(VI)	Exceptional item	-	-	-	-
(VII)	Profit before tax (V + VI)	12,504.46	18,201.78	11,283.63	51,167.60
(VIII)	Tax expense				
	(i) Current tax	2,841.49	2,362.62	-	2,362.62
	(ii) Deferred tax	277.35	2,188.21	2,843.76	10,549.06
	Total tax expenses	3,118.84	4,550.83	2,843.76	12,911.68
(IX)	Profit after tax (VII - VIII)	9,385.62	13,650.95	8,439.87	38,255.92
(X)	Other comprehensive income				
	(i) Items that will not be reclassified to profit or loss				
	- Remeasurement of defined benefit obligations	(9.44)	36.11	(4.87)	38.11
	(ii) Income tax relating to above	2.38	(9.09)	1.23	(9.59)
	Total other comprehensive income (i+ii)	(7.06)	27.02	(3.64)	28.52
(XI)	Total comprehensive income for the period/year (IX + X)	9,378.56	13,677.97	8,436.23	38,284.44
(XII)	Paid-up equity share capital (Face value of Rs. 2 each)	2,461.06	2,461.06	1,926.67	2,461.06
(XIII)	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				1,40,640.92
(XIV)	Earnings per share of Rs.2 each (Not Annualised)				
	- Basic	7.63	11.09	8.17	34.66
	- Diluted	7.60	11.05	8.17	34.59

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. Acume chemicals private limited, wholly owned subsidiary of the company was incorporated on November 18, 2021.
- 2) The above financial results of the Company and its wholly owned subsidiary (Group) have been prepared in accordance with the requirement of Regulation 33 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 their meeting held on August 11, 2023.
- 3) The Group 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) The Holding Company has completed the Initial Public Offer (IPO) of 3,59,28,869 Equity shares of face value of Rs. 2 each at an issue price of Rs. 407 per equity share comprising offer for sale of 1,61,50,000 equity shares by selling shareholders and fresh issue of 1,97,78,869 shares. The equity shares of the Company were listed on National Stock Exchange of India Limited ("NSE") and BSE 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 utilised towards general corporate purposes.
- 5) Pursuant to the resolution passed by the Board and resolution passed at the Nomination Remuneration Committee on October 07, 2022 the Holding Company has granted the issuance of 4,91,400 Employee Stock Options (ESOP's) to the eligible employees of the Company in accordance with Archean Chemical -Employee Stock Option Plan 2022. The Vesting Period of ESOP is between 12 months to 60 months.
- 6) The Holding Company entered into Memorandum of Undertaking (MOU) dated August 10, 2010, with Government of Gujarat (GOG) for the Land lease which expired on July 31, 2018 and the Holding Company had made an application for renewal on December 28, 2017. As per the MOU with GOG, the lease term can be further extended for a duration and conditions as mutually agreed at that time. There is also a GOG circular no 1597/1372/2017 dated October 9, 2017 which states that such leases can be extended for a period of thirty years. The Holding Company has also been receiving demand note annually for the revised lease rents as per GoG circular and the company has been making these payments. Management made an assessment of the facts disclosed above and taking into consideration of similar experiences during renewal in group company's 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.
- 7) The implementation of the Code on Social Security, 2020 is getting postponed. The Group will assess the impact thereof and give effect in the Financial Statements when the date of implementation of the codes and the Rules / Schemes thereunder are notified.
- 8) 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 11, 2023