



Archean Chemical Industries Limited

10th February 2023

BSE Limited
Listing Operations
Phiroze Jeejeebhoy Towers Dalal Street
Mumbai-400001
Scrip Code- 543657

National Stock Exchange of India Limited
Exchange Plaza
Bandra-Kurla Complex, Bandra (E)
Mumbai-400051
Symbol-ACI

Dear Sir/Madam,

Subject: Submission of Unaudited standalone and consolidated financial results for the quarter ended 31st December 2022 under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In terms of the provisions of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit-

1. Unaudited standalone and consolidated financial statements for the quarter ended 31st December 2022 along with Limited Review Report.

Please take on record of the above.

Thanking you

Yours faithfully

For Archean Chemical Industries Limited

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ARUNMOZHI
ARUNMOZHI Date: 2023.02.10
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G Arunmozhi
Company Secretary & Compliance Officer
M. No. A-18119

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 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 nine months ended 31st December 2022 attached herewith, being submitted by the Company pursuant to Regulation 33 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 as amended, 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.

SEBI Listing

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: 10th February 2023

UDIN: 23212354B6YDTP9559



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 Nine Months ended 31st December, 2022

(Amount Rs. in Lakhs)

S.No	Particulars	Quarter ended December 31, 2022	Quarter ended September 30, 2022	Quarter ended December 31, 2021	Nine Months ended December 31, 2022	Nine Months ended December 31, 2021	Year ended March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(I)	Revenue from operations	36,492.28	29,349.46	30,732.49	1,05,869.11	75,783.50	1,13,043.71
(II)	Other income	766.42	1,915.27	604.34	3,559.98	1,462.10	1,264.29
(III)	Total Income (I+II)	37,258.70	31,264.73	31,336.83	1,09,429.09	77,245.60	1,14,308.00
(IV)	Expenses						
	Cost of materials consumed	903.04	847.26	1,264.69	3,234.86	3,421.60	4,488.29
	Purchase of stock in trade	-	-	-	442.82	-	-
	Changes in inventories of finished goods and work-in-progress	(1,547.20)	2,084.35	(167.87)	(898.21)	(783.77)	(556.20)
	Employee benefits expense	2,643.68	1,146.93	978.29	4,767.51	2,821.89	3,784.19
	Finance costs	1,941.91	3,497.25	4,053.45	9,354.17	12,227.29	16,166.86
	Depreciation and amortisation expenses	1,677.75	1,685.51	1,682.14	5,125.32	4,957.41	6,686.19
	Other expenses	18,494.43	13,400.47	16,933.42	54,333.70	40,185.69	58,596.92
	Total Expenses	24,113.61	22,661.77	24,744.12	76,360.17	62,830.11	89,166.25
(V)	Profit before exceptional items and tax (III - IV)	13,145.09	8,602.96	6,592.71	33,068.92	14,415.49	25,141.75
(VI)	Exceptional item	-	-	-	-	-	-
(VII)	Profit before tax (V + VI)	13,145.09	8,602.96	6,592.71	33,068.92	14,415.49	25,141.75
(VIII)	Tax expense						
	(i) Current tax	-	-	-	-	-	-
	(ii) (Excess) provision for tax relating to prior years	-	-	(1.55)	-	(1.55)	(1.55)
	(iii) Deferred tax	3,316.61	2,211.92	1,692.28	8,385.60	3,747.66	6,281.91
	Total tax expenses	3,316.61	2,211.92	1,690.73	8,385.60	3,746.11	6,280.36
(IX)	Profit after tax (VII - VIII)	9,828.48	6,391.04	4,901.98	24,683.32	10,669.38	18,861.39
(X)	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss						
	- Remeasurement of defined benefit obligations	9.65	(2.78)	14.94	2.00	(8.93)	13.19
	(ii) Income tax relating to above	(2.43)	0.70	(3.76)	(0.50)	2.25	(3.32)
	Total other comprehensive income (i+ii)	7.22	(2.08)	11.18	1.50	(6.68)	9.87
(XI)	Total comprehensive income for the period/year (IX + X)	9,835.70	6,388.96	4,913.16	24,684.82	10,662.70	18,871.26
(XII)	Paid-up equity share capital (Face value of Rs. 2 each)	2,461.06	1,926.67	1,926.67	2,461.06	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	8.77	6.19	4.75	23.24	10.33	18.26
	- Diluted	8.73	6.19	4.75	23.20	10.33	18.26

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. 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 its meeting held on February 10, 2023.
- 2) 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.
- 3) 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.
- 4) 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) 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.
- 7) 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 1597/1372/88 dated October 9, 2017 which states that such leases can be extended for a period of thirty years.
- 8) 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) Previous year / period figures have been regrouped wherever necessary.

For and on behalf of the Board of Directors

PENDURTHI
RANJIT

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P. Ranjit
Managing Director
DIN : 01952929

Place : Chennai
Date : February 10, 2023

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

To the Board of Directors of Archean Chemical Industries Limited

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 and period ended 31st December 2022 (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.

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.

Auditor's Responsibility

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

We conducted our review 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 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.

Conclusion

Based on our review conducted as stated above and based on the financial information of the subsidiary reviewed by its auditors, nothing has come to our attention that causes us to believe that the Statement prepared, in accordance with the Indian Accounting Standards notified under the Section 133 of the Companies Act, 2013, 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.



Other Matters

The Statement includes the results of the following entity: Acume Chemicals Private Limited

We did not review the financial information of Acume Chemicals Private Limited included in the consolidated unaudited financial results, whose financial results reflect total revenue of Rs. Nil, total loss after tax (net) of Rs.22.41 lakhs and Rs. 78.35 lakhs, and total comprehensive income of (Rs.22.41 lakhs) and (Rs. 78.35 lakhs) for the quarter ended 31st December 2022 and for the period from 1 April 2022 to 31 December 2022, respectively. These financial information / results and other financial information have been reviewed by its auditors, whose report has been furnished to us by the Management and our conclusion on the statement to the extent they have been derived from such financial information / results is based solely on such statements reviewed by the other auditor. Our report on the Statement is not modified in respect of this matter, as in our opinion 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).

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 February 2023

UDIN: 23212354 BGY DT 04143



Archean Chemical Industries Limited
CIN: L24298TN2009PLC072270
Regd Office: No.2, North Crescent Road, T Nagar, Chennai - 600 017
Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months ended 31st December, 2022

(Amount Rs. in Lakhs)

S.No	Particulars	Quarter ended December 31, 2022	Quarter ended September 30, 2022	Quarter ended December 31, 2021	Nine Months ended December 31, 2022	Nine Months ended December 31, 2021	Year ended March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(I)	Revenue from operations	36,492.28	29,349.46	30,732.49	1,05,869.11	75,783.50	1,13,043.71
(II)	Other income	747.37	1,891.80	604.34	3,493.99	1,462.10	1,239.01
(III)	Total Income (I+II)	37,239.65	31,241.26	31,336.83	1,09,363.10	77,245.60	1,14,282.72
(IV)	Expenses						
	Cost of materials consumed	903.04	847.26	1,264.69	3,234.86	3,421.60	4,488.29
	Purchase of stock in trade	-	-	-	442.82	-	-
	Changes in inventories of finished goods and work-in-progress	(1,547.20)	2,084.35	(167.87)	(898.21)	(783.77)	(556.20)
	Employee benefits expense	2,645.77	1,146.93	978.29	4,769.60	2,821.89	3,784.19
	Finance costs	1,941.91	3,497.26	4,053.45	9,354.18	12,227.29	16,166.88
	Depreciation and amortisation expenses	1,681.76	1,689.50	1,682.14	5,133.68	4,957.41	6,686.19
	Other expenses	18,496.43	13,411.71	16,933.42	54,360.35	40,185.69	58,612.09
	Total Expenses	24,121.71	22,677.01	24,744.12	76,397.28	62,830.11	89,181.44
(V)	Profit before exceptional items and tax (III - IV)	13,117.94	8,564.25	6,592.71	32,965.82	14,415.49	25,101.28
(VI)	Exceptional item	-	-	-	-	-	-
(VII)	Profit before tax (V + VI)	13,117.94	8,564.25	6,592.71	32,965.82	14,415.49	25,101.28
(VIII)	Tax expense						
	(i) Current tax	-	-	-	-	-	-
	(ii) (Excess) provision for tax relating to prior years	-	-	(1.55)	-	(1.55)	(1.55)
	(iii) Deferred tax	3,311.87	2,205.22	1,692.28	8,360.85	3,747.66	6,281.91
	Total tax expenses	3,311.87	2,205.22	1,690.73	8,360.85	3,746.11	6,280.36
(IX)	Profit after tax (VII - VIII)	9,806.07	6,359.03	4,901.98	24,604.97	10,669.38	18,820.92
(X)	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss						
	- Remeasurement of defined benefit obligations	9.65	(2.78)	14.94	2.00	(8.93)	13.19
	(ii) Income tax relating to above	(2.43)	0.70	(3.76)	(0.50)	2.25	(3.32)
	Total other comprehensive income (i+ii)	7.22	(2.08)	11.18	1.50	(6.68)	9.87
(XI)	Total comprehensive income for the period/year (IX + X)	9,813.29	6,356.95	4,913.16	24,606.47	10,662.70	18,830.79
(XII)	Paid-up equity share capital (Face value of Rs. 2 each)	2,461.06	1,926.67	1,926.67	2,461.06	1,926.67	1,926.67
(XIII)	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						24,301.89
(XIV)	Earnings per share of Rs.2 each (Not Annualised)						
	- Basic	8.75	6.16	4.75	23.16	10.33	18.22
	- Diluted	8.71	6.16	4.75	23.13	10.33	18.22

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. 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 its meeting held on February 10, 2023.
- 2) 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.
- 3) **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.
- 4) 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) **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 (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.
- 7) 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 1597/1372/38 dated October 9, 2017 which states that such leases can be extended for a period of thirty years.
- 8) 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) Previous year / period figures have been regrouped wherever necessary.

For and on behalf of the Board of Directors

PENDURTHI RANJIT Digitally signed by PENDURTHI RANJIT
Date: 2023.02.10 18:12:50 +05'30'

Place : Chennai
Date : February 10, 2023

P. Ranjit
Managing Director
DIN : 01952929