

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
ARCHEAN CHEMICAL INDUSTRIES PRIVATE LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **ARCHEAN CHEMICAL INDUSTRIES PRIVATE LIMITED** ("the Company"), for the six months ended 30 September 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's 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. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 specified under section 143(10) of the Companies Act, 2013 and consequently does not 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.
4. Based on our review conducted as stated in paragraph 3 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 Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 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.

For Deloitte Haskins & Sells LLP

Chartered Accountants

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



Geetha Suryanarayanan
Partner
(Membership No. 29519)

(UDIN: 19029519AAAAEQ1908)



Place: Chennai

Date: November 13, 2019

Archean Chemical Industries Private Limited
CIN: U24298TN2009PTC072270
Regd Office: No.20/43, K.B Dasan Road, Teynampet, Chennai - 600 018
Statement of Unaudited Financial Results for the six months ended September 30, 2019

(Amount Rs .in Lakhs)

S.No	Particulars	Six months ended	Six Months ended	Year ended
		30 September 2019	31 March 2019	31 March 2019
		Unaudited	Unaudited, not subjected to review	Audited
(I)	Revenue from Operations	27,930.98	36,828.93	56,550.57
(II)	Other income	393.96	709.02	709.17
	Total Revenue (I+II)	28,324.94	37,537.95	57,259.74
(III)	Expenses			
	(a) Cost of materials consumed	1,344.64	1,918.60	3,423.86
	(b) Purchase of stock in trade	1,111.71	942.14	942.14
	(c) Changes in inventory of finished goods and work in progress	(393.62)	7,572.57	5,237.71
	(d) Employee benefit expenses	1,863.08	1,719.71	3,038.54
	(e) Finance cost	6,005.66	6,148.01	11,366.10
	(f) Depreciation and Amortization Expenses	2,526.78	2,363.06	4,726.70
	(g) Other expenses	19,242.04	23,921.36	37,031.25
	Total Expenses	31,700.29	44,585.45	65,766.30
(IV)	Profit/(Loss) before exceptional items and tax (I + II - III)	(3,375.35)	(7,047.50)	(8,506.56)
(V)	Exceptional items	-	11,426.11	11,426.11
(VI)	Profit/(Loss) before tax (IV + V)	(3,375.35)	4,378.61	2,919.55
(VII)	Tax Expense	796.32	(1,186.83)	(1,186.83)
(VIII)	Profit/(Loss) after tax (VI - VII)	(4,171.67)	5,565.44	4,106.38
(IX)	Other Comprehensive Income			
	(i) Items that will not be classified to profit or loss - Remeasurement of defined benefit obligations	(18.18)	(5.51)	(5.51)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	6.36	1.93	1.93
	Total Other Comprehensive Income (i+ii)	(11.82)	(3.58)	(3.58)
(X)	Total Comprehensive Income / (Loss) for the period (VIII + IX)	(4,183.49)	5,561.86	4,102.80
(XI)	Paid-up equity share capital	1,926.67	1,926.67	1,926.67
(XII)	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	2,415.17
(XIII)	Earnings per Share of Rs.10 each (not annualised)			
	- Basic	(21.65)	39.15	28.89
	- Diluted	(20.20)	37.84	27.92
(XIV)	Debt Equity Ratio	537.41	17.37	17.37
(XV)	Debt Service Coverage Ratio (without considering the exceptional items)	0.79	1.84	1.16
(XVI)	Interest Service Coverage Ratio	0.40	1.71	1.26



Statement of Unaudited Financial Results for the six months ended September 30, 2019

Notes :

1) **STATEMENT OF ASSETS AND LIABILITIES**

(Amount Rs .in Lakhs)

S.No	Particulars	As at 30 September 2019	As at 31 March 2019
I	ASSETS		
1	Non-Current Assets		
	Property, plant and equipment	90,294.83	91,341.28
	Other Intangible Assets	5.66	8.35
	Right to use assets	2,221.66	-
	Capital Work in Progress	3,838.06	907.03
	Financial Assets		
	(i) MAT credit entitlement	586.62	586.62
	(ii) Other financial assets	419.25	413.74
	Deferred tax assets (net)	8,159.50	8,997.10
	Other Non Current Assets	6,005.68	2,567.65
	Total Non-current assets	1,11,531.26	1,04,821.77
2	Current Assets		
	Inventories	6,735.31	6,275.10
	Financial Assets		
	(i) Current investments	8,802.37	-
	(ii) Trade Receivables	1,846.21	6,700.22
	(iii) Cash and Cash Equivalents	3,073.72	4,750.35
	Other Current Assets	1,412.59	1,141.00
	Total current assets	21,870.20	18,866.67
	Total assets	1,33,401.46	1,23,688.44
II	LIABILITIES AND EQUITY		
1	Equity		
	Share Capital	1,926.67	1,926.67
	Other Equity	(1,768.32)	2,415.17
	Total equity	158.35	4,341.84
2	Liabilities		
	Non-Current Liabilities		
	Financial Liabilities		
	(i) Long-term borrowings	84,727.28	74,051.78
	(ii) Other financial Liabilities	3,862.51	1,386.44
	Other Non-Current Liabilities	28,719.22	29,843.21
	Total non-current liabilities	1,17,309.01	1,05,281.43
	Current Liabilities		
	Financial Liabilities		
	(i) Short Term Borrowings	373.54	1,357.10
	(ii) Trade Payables:		
	(a) total outstanding dues of micro enterprises and small enterprises	-	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	11,095.01	10,475.17
	(iii) Other financial Liabilities	31.75	246.70
	Short Term Provisions	1.73	47.99
	Other Current Liabilities	4,432.07	1,938.21
	Total current liabilities	15,934.10	14,065.17
	Total Liabilities	1,33,243.11	1,19,346.60
	TOTAL LIABILITIES AND EQUITY	1,33,401.46	1,23,688.44



2) The Financial Results for the six months ended September 30, 2019 have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. These financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 13, 2019.

3) During the six months ended March 31, 2019, the Company issued and allotted 7,397 listed secured redeemable non-convertible debentures of Rs.10,00,000 each aggregating to Rs.73,970 lakhs and 672,000 Compulsorily Convertible Debentures of Rs.100 each aggregating to Rs.672 lakhs in November 2018. The non-convertible debentures were listed on the Bombay Stock Exchange on December 7, 2018. The Company has published unaudited financial results for the first time for the six months ended March 31, 2019 and hence financial results for the corresponding six months ended September 30, 2018 are not furnished in this document.

4) Exceptional items for the six months and year ended March 31, 2019 comprises write back of interest on loans.

5) The Company is primarily engaged in the business of manufacture of marine chemicals and hence, does not have any additional disclosures to be made under Ind AS 108 - Operating Segments.

6) During the six months ended September 30, 2019, the Company issued and allotted the following listed debentures:

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

b. 600 secured Non-Convertible Debentures of Rs.10,00,000 each aggregating to Rs.6,000 lakhs to the Investors on July 18, 2019 which were listed in the Bombay Stock Exchange on July 26, 2019.

7) The Company has adopted Indian Accounting Standards ("Ind AS") 116 "Leases" to all its lease contracts existing on April 1, 2019 adopting modified prospective method. Consequently the company recorded the lease liability of Rs. 2451.16 lakhs calculated at present value of remaining lease payments discounted at the incremental borrowing rate. Right to use asset has been recognised at Rs. 2451.16 lakhs. Due to transition, the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right-to-use assets and for interest accrued on lease liability respectively, and therefore these expenses for the current period are not comparable to the previous period disclosed.

8) The figures for the six months ended March 31, 2019 is the balancing figure between the audited figures in respect of the full financial year and the figures for the six months ended September 30, 2018. These half yearly results for the six months ended September 30, 2018 as prepared by the management, were not required to be subject to a limited review by the statutory auditors of the Company.

9) Previous year / period figures have been regrouped wherever necessary to conform to the current year presentation.

For and on behalf of the Board of Directors


P Ranjit
Whole-time Director
DIN : 01952929

Place : Chennai
Date : November 13, 2019

