



Archean
Chemical
Industries
Limited

Life's good with our chemistry

ARCHEAN CHEMICAL INDUSTRIES LIMITED

Our Company was originally formed as a partnership firm under the name of "Archean Chemical Industries" at Chennai, Tamil Nadu, India pursuant to a partnership deed dated November 20, 2003 which was registered under the Indian Partnership Act, 1932 with the Registrar of Firms, Chennai, Tamil Nadu, India on November 25, 2003. Subsequently, the partnership firm was converted into private limited company under the Companies Act, 1956 with the name "Archean Chemical Industries Private Limited" and a certificate of incorporation dated July 14, 2009 was issued by the Registrar of Companies, Tamil Nadu at Chennai. Consequent upon conversion into a public limited company under the Companies Act, 2013 pursuant to a special resolution passed by our Shareholders on November 15, 2021 and fresh certificate of incorporation dated December 15, 2021 issued by the Registrar of Companies, Tamil Nadu at Chennai, the name of our Company was changed to "Archean Chemical Industries Limited". For details of change in name and Registered Office of our Company, see "History and Certain Corporate Matters" on page 174 of the Red Herring Prospectus dated October 31, 2022 ("RHP" or "Red Herring Prospectus").

Registered and Corporate Office: No. 2, North Crescent Road, T Nagar, Chennai - 600 017, Tamil Nadu, India. **Contact Person:** Gnanavelu Arunmozhi, Company Secretary and Compliance Officer; **Tel:** +91 44 6109 9999; **E-mail:** info@archeanchemicals.com; **Website:** www.archeanchemicals.com; **Corporate Identity Number:** U24298TN2009PLC072270



OUR PROMOTERS: CHEMIKAS SPECIALITY LLP, RAVI PENDURTHI AND RANJIT PENDURTHI

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF ARCHEAN CHEMICAL INDUSTRIES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 8,050.00 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 16,150,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY THE SELLING SHAREHOLDERS (THE "OFFER FOR SALE") COMPRISING UP TO 2,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY CHEMIKAS SPECIALITY LLP (THE "PROMOTER SELLING SHAREHOLDER"), UP TO 3,835,562 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY INDIA RESURGENCE FUND, SCHEME I, UP TO 6,478,876 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY INDIA RESURGENCE FUND, SCHEME II AND UP TO 3,835,562 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY PIRAMAL NATURAL RESOURCES PRIVATE LIMITED (COLLECTIVELY, THE "INVESTOR SELLING SHAREHOLDERS", AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

The Offer is being made in accordance with Regulation 6(2) of the SEBI ICDR Regulations

QIB Portion: Not less than 75% of the Offer

Non-Institutional Portion: Not more than 15% of the Offer

Retail Portion: Not more than 10% of the Offer

PRICE BAND: ₹386 TO ₹407 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH.

THE FLOOR PRICE IS 193 TIMES THE FACE VALUE OF THE EQUITY SHARES AND

THE CAP PRICE IS 203.50 TIMES THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 36 EQUITY SHARES AND

IN MULTIPLES OF 36 EQUITY SHARES THEREAFTER.

Risks to Investors

- **Manufacturing concentration risk:** Our business is dependent and will continue to depend on our single manufacturing facility located in Gujarat, and we are therefore subject to risks that could slow down or shut down our manufacturing processes, including breakdowns, geography-specific risks such as severe weather conditions and natural occurrences, regulatory and other changes in Gujarat, etc., any of which could interfere with our operations and have an adverse effect on our business, financial condition and results of operations.
- **Product concentration risk:** Our business is reliant on three principal products, bromine, industrial salt and sulphate of potash. In particular, bromine and industrial salt accounted for 53.54% and 45.37%, respectively, of our revenue from operations in Fiscal 2022 and 50.94% and 48.98%, respectively, of our revenue from operations in the three months ended June 30, 2022. Any decrease in sales of bromine or industrial salt, in particular, could have an adverse effect on our business.
- **An inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, financial condition, cash flows and credit rating.** As of June 30, 2022, March 31, 2022, our total debt was ₹ 9,155.84 million and ₹ 9,218.74 million, debt to equity ratio was 2.65 times 3.53 times and debt service coverage ratio was 3.95 times and 2.64 times, respectively. Any failure by us to comply with the terms of our financing agreements could adversely affect our business, financial condition, cash flows and credit rating.
- **Customer concentration risk:** We derive a significant part of our revenue from our top 10 customers. In the three months ended June 30, 2022 and Fiscal 2022 our top 10 customers contributed 60.69% and 61.99%, respectively, of our revenue from operations. If one or more of such customers choose not to source their requirements from us or to terminate their contracts with us, our business, financial condition and results of operations may be adversely affected.
- **Certain financial ratios of the Company based on FY 2022**

Particulars	At Floor Price	At Cap Price
P/E Ratio	21.14	22.29
Market Capitalisation to total income	4.19	4.38

- **Average cost of acquisition of Equity Shares for the Selling Shareholders ranges from ₹ 9.68 per Equity Share to ₹ 11.86 per Equity Share and Offer Price at upper end of the Price Band is ₹ 407 per Equity Share.**
- **The Weighted Average Cost of acquisition of all Equity Shares transacted in last one year and three years preceding the date of the RHP:**

Period	Weighted Average Cost of Acquisition (in ₹)*	Upper End of the Price Band (₹ 407) is 'X' times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest Price - Highest Price (in ₹)*#
Last 1 year	3.45 ⁽¹⁾	117.97	9.68 - 9.68
Last 18 months	3.45 ⁽¹⁾	117.97	9.68 - 9.68
Last 3 years	5.86 ⁽¹⁾	69.45	9.68 - 12.40

- * As certified by PKF Sridhar & Santhanam LLP, Chartered Accountants, by way of their certificate dated November 02, 2022.
- # Excluding 12,524,212 Equity Shares which were transferred by way of gift.
- ⁽¹⁾ 12,524,212 Equity Shares were transferred by way of gift, and 69,40,715 Equity Shares were acquired pursuant to conversion of CCDs.
- **Weighted Average Return on Net Worth for Fiscals 2022, 2021 & 2020 is (34.05)% and Return on Net Worth for the three months ended on June 30, 2022 is 24.44% (not annualised).**
 - **The three BRLMs associated with the Offer have handled 74 public issues in the past three Fiscal Years, out of which 24 issues closed below the offer price on the listing date:**

Name of the BRLMs	Total Issues	Issues closed below IPO price on listing date
IIFL Securities Limited*	11	5
ICICI Securities Limited*	24	10
JM Financial Limited*	13	0
Common Issues of above BRLMs	26	9
Total	74	24

* Issues handled where there were no common BRLMs.
For further details and definitions please refer the RHP.

...continued from previous page.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 2 each and the Offer Price is 193 times the Floor Price and 203.50 times the Cap Price of the Price Band.

- Investors should also see "Our Business", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" "Financial Information" and "Summary of Financial Information" on pages 150, 23, 280, 208 and 62, of the RHP, respectively, to have an informed view before making an investment decision.
- The Committee of Independent Directors of the Company has recommended that the price band is justified based on the qualitative and quantitative factors and the key performance indicators set out below and in the "Basis of Offer Price" on page 101 of the RHP and there has been no:
- (a) secondary sale/acquisition of shares (Equity Share/convertible securities), excluding gifts, where either acquisition or sale equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated on the date of completion of the sale), in a single transaction or a group of transactions in the 18 months prior to the date of filing of the Red Herring Prospectus; and
 - (b) primary/new issue of shares (Equity Shares/convertible securities), excluding grants of any options under the ESOP 2022, equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated on the pre-issue capital on the date of allotment), in a single transaction or a group of transactions in the 18 months prior to the date of filing of the Red Herring Prospectus.

For further details, please see "Capital Structure" and "Basis of Offer Price" on page 78 and 101 of the RHP, respectively.

Qualitative Factors: Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are: • Leading market position, expansion and growth in bromine and industrial salt; • High entry barriers in the specialty marine chemicals industry; • Established infrastructure and integrated production with cost efficiencies; • Focus on environment and safety; • Indian exporter of bromine and industrial salt with global customer base; • Strong and consistent financial performance; and • Experienced management team, promoters and financial investors and stakeholders. For details, see "Our Business – Strengths" on page 152 of the RHP.

Quantitative Factors: Certain information presented below relating to our Company is derived from the Restated Financial Information. For details, see "Financial Information" on page 208 of the RHP.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Share ("EPS") at face value of ₹ 2, as adjusted for change in capital, as per Ind AS 33:

As derived from the Restated Financial Information:

Financial Year/ Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2020 (Consolidated)	(3.51)	(3.51)	1
March 31, 2021 (Standalone)	6.45	6.45	2
March 31, 2022 (Consolidated)	18.26	18.26	3
Weighted Average	10.70	10.70	-
Three months ended June 30, 2022 (Consolidated)	8.17	8.17	-

Notes:

⁽¹⁾ Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.

⁽²⁾ Pursuant to a resolution of Board dated October 12, 2021 and Shareholders' resolution dated November 15, 2021, each equity share of our Company of face value of ₹ 10 was sub-divided into equity shares of face value of ₹ 2 each. Consequently, the issued and subscribed share capital of our Company comprising 19,266,681 equity shares of face value of ₹ 10 each was sub-divided into 96,333,405 equity shares of face value of ₹ 2 each. All per share data has been calculated after giving effect to such sub-division in accordance with principles of Ind AS 33- Earnings per share. The face value of each Equity Share is ₹ 2 each.

⁽³⁾ Basic and diluted earnings/ (loss) per equity share: Profit/ (loss) attributable to equity shareholders for the period or year/weighted average number of Equity Shares (which is after giving effect of conversion of CCDs into equity shares and split of face value from ₹ 10 to ₹ 2), computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

⁽⁴⁾ Weighted average number of shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of shares issued during the period multiplied by the time weighting factor (after giving effect of conversion of CCDs into equity shares and split of face value from ₹ 10 to ₹ 2). The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

⁽⁵⁾ The above statement should be read with significant accounting policies and the Notes to the Restated Financial Information as appearing in "Financial Information" on page 208.

⁽⁶⁾ The basic and diluted EPS for the three months period ended June 30, 2022 has not been annualized.

B. Price/Earning ("P/E") ratio in relation to the Price Band of ₹386 to ₹407 per Equity Share:

Particulars	P/E at the Floor Price (no of times)	P/E at the Cap Price (no of times)
Based on basic EPS of ₹ 18.26 as per the Restated Financial Information for year ended March 31, 2022	21.14	22.29
Based on diluted EPS of ₹ 18.26 as per the Restated Financial Information for year ended March 31, 2022	21.14	22.29

Industry Peer Group P/E ratio

Particulars	Industry P/E
Highest	79.79
Lowest	19.18
Average	38.00

Notes:

⁽¹⁾ The industry high and low has been considered from the industry peer set provided later in this section. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

C. Return on Net Worth ("RoNW")

As derived from the Restated Financial Information:

Financial Year/ Period ended	RoNW (%)	Weight
March 31, 2020 (Consolidated)	(605.06)	1
March 31, 2021 (Standalone)	92.02	2
March 31, 2022 (Consolidated)	72.24	3
Weighted Average	(34.05)	-
Three months ended June 30, 2022 (Consolidated)	24.44	-

Notes:

⁽¹⁾ Return on Net Worth (%): Restated Profit/ (loss) for the year/ period attributable to equity shareholders divided by the Net worth at the end of the year/period.

⁽²⁾ Net worth (total equity) means the aggregate of paid up equity share capital and other equity.

⁽³⁾ The Weighted Average Return on Net Worth is a product of Return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight.

⁽⁴⁾ The RoNW for the three months period June 30, 2022 has not been annualized.

D. Net Asset Value ("NAV") per Equity Share

Financial Year ended/ Period ended	NAV per Equity Share (₹)
As on June 30, 2022 (Consolidated)	33.45
As on March 31, 2022 (Consolidated)	25.28
After the completion of the Offer	At Floor Price: 92.95 At Cap Price: 93.76
Offer Price	•

Notes: (1) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

(2) Net Asset Value per equity share represents net worth attributable to owners of the parent, as restated, divided by the outstanding number of equity shares at the end of the year (which is after giving effect of conversion of CCDs into equity shares).

(3) Net worth (total equity) means the aggregate of paid up equity share capital and other equity.

E. Comparison of Accounting Ratios with Listed Industry Peers as at/for the year ended March 31, 2022

Name of the company	Total income (₹ in million)	Face value per equity share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
Archean Chemical Industries Limited*	11,428.27	2	[•]	18.26	18.26	72.24	25.28
Listed Peers							
Tata Chemicals Limited	12,878.10	10	24.16	49.17	49.17	6.89	716.48
Deepak Nitrite Limited	68,448.00	2	28.88	78.20	78.20	31.95	244.77
Aarti Industries Limited	70,007.60	5	19.18	36.06	36.06	22.10	163.16
Neogen Chemicals Limited	4,883.20	10	79.79	18.70	18.70	10.16	176.12

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports as available of the respective company for the year ended March 31, 2022 available on the website of stock exchanges.

Notes:

⁽¹⁾ P/E Ratio has been computed based on the closing market price of equity shares on NSE on October 27, 2022, divided by the Diluted EPS.

⁽²⁾ Return on Net Worth (%) = Net Profit after Tax attributable to owners of the parent divided by Net worth at the end of the year attributable to owners of the parent. Net worth represents the equity share capital and other equity.

⁽³⁾ NAV is computed as the net worth at the end of the year attributable to owners of the parent divided by the outstanding number of equity shares at the end of the year.

⁽⁴⁾ Source for our Company: Based on the Restated Financial Information for the year ended March 31, 2022 (which is after giving effect of conversion of CCDs into equity shares).

F. Set forth below are the details of comparison of key performance of indicators with our listed industry peers: (in ₹ millions except percentages and ratios)

Name of the company	Archean Chemical Industries Limited*	Tata Chemicals Limited*	Deepak Nitrite Limited*	Aarti Industries Limited*	Neogen Chemicals Limited*
	Fiscal 2022	Fiscal 2022	Fiscal 2022	Fiscal 2022	Fiscal 2022
Revenue from operations	11,304.37	126,221.20	68,021.90	69,999.60	4,883.20
EBITDA ⁽¹⁾	4,795.40	27,755.90	16,461.90	19,296.10	878.40
EBITDA margin ⁽²⁾	42.42%	21.55%	24.05%	27.56%	17.99%
Profit/(loss) after tax	1,885.83	14,051.30	10,666.40	13,071.90	446.30
PAT margin ⁽³⁾	16.68%	10.91%	15.58%	18.67%	9.14%
Net cash generated from operations	3,145.22	16,443.30	8,238.40	4,707.60	14.10
ROCE ⁽⁴⁾	34.62%	10.86%	24.49%	10.09%	5.46%

* Source: Annual report for Fiscal 2022 on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports as available of the respective company for the year ended March 31, 2022 available on the website of stock exchanges.

* Source: Based on the Restated Financial Information for the year ended March 31, 2022.

(1) EBITDA is calculated as Profit Before plus finance cost and depreciation & amortization

(2) EBITDA Margin is calculated as EBITDA divided by total revenue

(3) PAT Margin in calculated as Profit after tax divided by total revenue

(4) ROCE is calculated as Earnings before Interest and Tax divided by total assets less current liabilities

For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 280 of the RHP.

G. Some of the key performance indicators which may form the basis for computing the Offer Price are as follows: (in ₹ millions except percentages and ratios)

Particulars	June 30, 2022*	Fiscal 2022*	Fiscal 2021*	Fiscal 2020*
Revenue from operations	4,002.74	11,304.37	7,407.64	6,081.70
EBITDA	1,696.11	4,795.40	2,762.53	1,568.29
EBITDA margin	42.37%	42.42%	37.29%	25.79%
Profit/(loss) after tax	844.09	1,885.83	666.06	(362.19)
PAT margin	21.09%	16.68%	8.99%	(5.96)%
Net cash generated from operations	1,709.38	3,145.22	1,190.97	1,475.51
ROCE	11.71%	34.62%	21.01%	11.24%

* As certified by PKF Sridhar & Santhanam LLP, Chartered Accountants vide their certificate dated October 31, 2022.

* Not annualised

Notes:

⁽¹⁾ **Revenue from Operations** represents the income generated by our Company from its core operating operations. Reason for inclusion: This gives information regarding the scale of operations.

⁽²⁾ **EBITDA** represents the aggregate of restated profit/loss before tax, tax expense, finance cost, depreciation and amortization. Reason for inclusion: This gives information regarding the operating profits generated by our Company.

⁽³⁾ **EBITDA margin** represents the EBITDA divided by the revenue from operations of our Company. Reason for inclusion: This gives information regarding operating profitability of our Company in comparison to the revenue from operations of our Company.

⁽⁴⁾ **Profit/(loss) after tax** represents the restated profits of our Company after deducting all expenses. Reason for inclusion: This gives information regarding the overall profitability of our Company.

⁽⁵⁾ **PAT margin** is calculated at restated profit/loss after tax for the period divided by revenue from operations. Reason for inclusion: This gives information regarding the overall profitability of our Company in comparison to revenue from operations of our Company.

⁽⁶⁾ **Net cash generated from operations** is calculated as the cash generated from operational activities by our Company less the cash outflows from operational activities and movements from working capital. Reason for inclusion: This gives information regarding the cashflow generated by our Company from its operational activities.

⁽⁷⁾ **Return on capital employed** is calculated as earnings before interest and tax divided by total assets less current liabilities. Reason for inclusion: This gives information regarding profitability of our Company on the capital employed in the business.

For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 280 of the RHP.

Further, for details on key performance indicators which are not considered for basis of Offer price, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Key Performance Indicators and Non-GAAP Financial Measures" on page 299 of the RHP.

H. The Offer price is [•] times of the face value of the Equity Shares

The Offer Price of ₹ [•] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 23, 150, 280 and 208, of the RHP, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the "Risk Factors" on page 23 of the RHP and you may lose all or part of your investment.

FOR FURTHER DETAILS, SEE "BASIS FOR OFFER PRICE" BEGINNING ON PAGE 101 OF THE RHP.

ANCHOR INVESTOR BIDDING DATE: MONDAY, NOVEMBER 7, 2022

BID/OFFER OPENS ON: WEDNESDAY, NOVEMBER 9, 2022*

BID/OFFER CLOSES ON: FRIDAY, NOVEMBER 11, 2022^

* Our Company and the Selling Shareholders in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date, i.e., Monday, November 7, 2022.

^ UPI mandate end time and date shall be at 5:00 p.m. IST on Bid/Offer Closing Date.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Portion (excluding Anchor Investor Portion) ("Net QIB Portion") shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Bidders, of which (a) one-third portion shall be reserved for applicants with Bid size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds portion shall be reserved for applicants with Bid size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Portion, subject to valid Bids being received at or above the Offer Price, and not more than 10% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA Accounts, and UPI ID in case of UPI Bidders using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 367 of the RHP.

Bidders'/Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders'/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders'/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders'/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar

and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

Contents of the Memorandum of Association of the Company as regards its objects: For information on the main objects of the Company, please see the section "History and Certain Corporate Matters" on page 174 of the RHP. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, please see the section entitled "Material Contracts and Documents for Inspection" on page 410 of the RHP.

Liability of the members of the Company: Limited by shares

Amount of share capital of the Company and Capital structure: As on the date of the RHP, the authorised share capital of the Company is ₹ 320,000,000 divided into 160,000,000 Equity Shares of ₹ 2 each. The issued, subscribed and paid-up share capital of the Company is ₹ 206,548,240 divided into 103,274,120 Equity Shares of ₹ 2 each. For details, please see the section entitled "Capital Structure" beginning on page 78 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: The initial signatories to the Memorandum of Association are Pendurthi Brahmanandam (50,000 equity shares of ₹ 10 each), Pendurthi Pramila (50,000 equity shares of ₹ 10 each), Ranjit Pendurthi (10 equity shares of ₹ 10 each), P Sita Mahalakshmi (10 equity shares of ₹ 10 each), Ravi Pendurthi (10 equity shares of ₹ 10 each), Subrahmanyam Meenakshisundaram (10 equity shares of ₹ 10 each) and Kunnakad Jaishankar (10 equity shares of ₹ 10 each). For details of the share capital history and capital structure of our Company, please see the section entitled "Capital Structure" beginning on page 78 of the RHP.

Listing: The Equity Shares once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated May 6, 2022. For the purposes of the Offer, the Designated Stock Exchange shall be National Stock Exchange of India Limited. A copy of the RHP and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the RHP up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 410 of the RHP.

Disclaimer Clause of the Securities and Exchange Board of India ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 341 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of BSE: It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 347 of the RHP for the full text of the disclaimer clause of BSE.

Disclaimer Clause of NSE (Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 347 of the RHP for the full text of the disclaimer clause of NSE.

General Risks: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 23 of the RHP.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

ASBA # Simple, Safe, Smart way of Application!!!

Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA.

Mandatory in public issues. No cheque will be accepted.

UPI UNIFIED PAYMENTS INTERFACE

UPI-Now available in ASBA for UPI Bidders applying through Registered Brokers, DPs and RTAs. All UPI Bidders also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion and (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in Bid cum Application form and abridged prospectus and also please refer to the section "Offer Procedure" on page 367 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. Bid cum Application Forms and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. ICICI Bank Limited and HDFC Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.ipo@npci.org.in.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER	Company Secretary and Compliance Officer
				Gnanavelu Arunmozhi Archean Chemical Industries Limited No. 2, North Crescent Road, T Nagar, Chennai - 600 017 Tamil Nadu, India. Tel: +91 44 6109 9999 E-mail: info@archeanchemicals.com
IIFL Securities Limited 10 th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013, Maharashtra, India Tel: +91 22 4646 4728 E-mail: acil.ipo@iiflcap.com Investor Grievance E-mail: ig_ib@iiflcap.com Website: www.iiflcap.com Contact Person: Mukesh Gargi/ Yogesh Malpani SEBI Registration No.: INM000010540	ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi Mumbai - 400 025, Maharashtra, India Tel: +91 22 6807 7100 E-mail: archean.ipo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Gaurav Mittal/ Harsh Thakkar SEBI Registration No.: INM000011179	JM Financial Limited 7 th Floor, Energy, Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025, Maharashtra, India Tel: + 91 22 6630 3030/ +91 22 6630 3262 E-mail: archean.ipo@jmfml.com Investor Grievance E-mail: grievance.ibd@jmfml.com Website: www.jmfml.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361	Link Intime India Private Limited C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India Tel: +91 810 811 4949 E-mail: archean.ipo@linkintime.co.in Investor Grievance E-mail: archean.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shantli Gopalkrishnan SEBI Registration No.: INM000004058	Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-offer or post-offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Investors may also write to the BRLMs.