



Life's god with our chemistry

# Archean Chemical Industries Limited

**15<sup>th</sup> May 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 Monitoring agency report for the quarter ended 31<sup>st</sup> March 2023 under regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, please find enclosed a copy of the Monitoring agency report of the Company for the quarter ended 31<sup>st</sup> March 2023, issued by ICRA Limited, appointed to monitor the utilization of proceeds of an Initial Public Offering ("IPO") of the Company.

Kindly take the above information on your record.

Thanking you

Yours faithfully  
**For Archean Chemical Industries Limited**

GNANA VELU  
ARUNMOZHI  
Date: 2023.05.15  
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**G Arunmozhi**  
**Company Secretary & Compliance Officer**  
**M. No. A-18119**

**Enc: as above**

**Date: May 15, 2023**

**Mr. Raghunathan Rajagopalan**  
Chief Financial Officer  
**Archean Chemical Industries Limited**  
No. 2, Ground Floor, N. Cres Road.  
Parthasarathi Puram T. Nagar  
Chennai Tamilnadu – 600004

Dear Sir/Madam,

**Re: Final Monitoring Agency report of Archean Chemical Industries Limited for Q4 FY2023**

Please refer to agreement dated October 29, 2022 appointing ICRA Limited as the Monitoring Agency (MA) Archean Chemical Industries Limited's IPO.

After due consideration, ICRA has prepared the attached final Monitoring Agency report as per SEBI (Issue of Capital and Disclosure Requirements) Regulations for Q4 FY2023.

Please note that the Monitoring Agency report does not constitute a commentary on the quality of the objects of the issue, appropriateness or reasonableness of costs or spending by Archean Chemical Industries Limited against any objects / heads or assurance on outcome of such spending.

We thank you for your kind cooperation extended during the course of Q4 FY2023. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards

For ICRA Limited

**PARUL** Digitally signed  
**GOYAL** by PARUL GOYAL  
**NARANG** NARANG  
**NARANG** Date: 2023.05.15  
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Parul Goyal Narang  
Vice President & Head-Process Excellence  
Parul.goyal@icraindia.com

**MONITORING AGENCY REPORT****Name of the Issuer:** Archean Chemical Industries Limited**For quarter ended:** Q4 FY2023**Name of the Monitoring Agency:** ICRA Limited**(a) Deviation from the objects of the issue:**

No Material deviation\* - the utilization of the issuance proceeds is in line with the objects of the issue.

*\*The offer related expenses have increased from INR 35.032 crore to INR 36.683 due to which General Corporate Purpose amount has been revised by the issuer to INR 124.317 Crore from INR 125.968.*

**(b) Range of deviation:**

*Up to 10%*

**Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013. The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that we do not perceive any conflict of interest in such relationship/ interest while monitoring and reporting the utilization of the issue proceeds by the issuer. We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

**Signature:**

PARUL  
GOYAL  
NARANG

Digitally signed  
by PARUL  
GOYAL NARANG  
Date: 2023.05.15  
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Parul Goyal Narang

Vice President &amp; Head- Process Excellence

Analyst: Dhvani Vinchhi

QA: Parul Narang

**1. Issuer Details****Name of the Issuer:** Archean Chemical Industries Limited**Name(s) of the promoters:**

Promoters
P Ranjit
P Ravi
Chemikas Speciality LLP

Source: BSE

**Industry/ sector to which it belongs:** Specialty Chemicals**2. Issue Details****Issue Period:** Opening date- November 09, 2022

Closing date- November 11, 2022

**Type of Issue:** Initial Public Offer**Type of specified securities:** Equity shares**IPO Grading, if any:** No credit rating agency registered with SEBI has been appointed in respect of obtaining grading for the offer.**Issue Size (Rs. Crore): 1462.305 Crore***With OFS portion: INR 1462.305 Crore; Excluding OFS portion: INR 805.00 Crore.**Net proceeds: INR 769.968 Crore (Excluding Issue Related Expenses) \***\*The proceeds credited to the Net Proceeds account stood at INR 768.317 Crore as issue related expenses (IRE) incurred were higher than the estimated IRE by INR 1.651 Crore. Hence, ICRA will be monitoring the revised Net Proceeds amount of INR 768.317 Crore.*

**3. Details of the arrangement made to ensure the monitoring of issue proceeds**

Particulars	Reply	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	<b>Yes</b>	-Certification from Statutory Auditors -Confirmation from management -Bank statement of the proceeds account	No deviation observed.	
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	<b>Not Applicable</b>	As confirmed by the Issuer's management	No comments	
Whether the means of finance for the disclosed objects of the issue has changed?	<b>Yes</b>	As confirmed by the Issuer's management	The proceeds credited to the Net proceeds account stood at INR 768.317 Crore due to actual issue related expenses (IRE) being higher than the estimated IRE by 1.651 Crore. However, the deviation is not material.	
Is there any major deviation observed over the earlier monitoring agency reports?	<b>Not Applicable</b>	No deviation observed.	No comments	
Whether all Government/ statutory approvals related to the object(s) have been obtained?	<b>Not Applicable</b>	As confirmed by the Issuer's management	No comments	
Whether all arrangements pertaining to technical assistance/ collaboration are in operation?	<b>Not Applicable</b>	As confirmed by the Issuer's management	No comments	
Are there any favorable events improving the viability of these object(s)?	<b>No</b>	As confirmed by the Issuer's management	As understood from the Issuer's management	

Particulars	Reply	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
Are there any unfavorable events affecting the viability of the object(s)?	<b>No</b>	<i>As confirmed by the Issuer's management</i>	<i>As understood from the Issuer's management</i>	
Is there any other relevant information that may materially affect the decision making of the investors?	<b>No</b>	<i>As confirmed by the Issuer's management</i>	<i>As per prospectus Section 3 – objects of offer (Interim use of Net proceeds ) the unutilized net proceeds , shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. However, the company has parked the fund in various Liquid funds</i>	

# Where material deviation is defined to mean:

- (a) Deviation in the objects or purposes for which the funds had been raised.
- (b) Deviation in the amount of funds utilized by more than 10% of the amount specified in the offer document.

**4. Details of the object(s) to be monitored.**
**(i) Cost of object(s)**

S.N.	Item Head	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Original cost (as per the offer document) [Rs. Crore]	Revised cost [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	<i>Redemption or earlier redemption, in part or full of NCD's issued by company</i>	<i>Letter of Offer</i>	<i>644.00</i>	<i>-</i>				
2	<i>General Corporate Purpose</i>	<i>Letter of Offer</i>	<i>125.968</i>	<i>124.317</i>	<i>Revision in General Corporate Purpose is on account of actual offer related expenditure being higher than estimated by INR 1.651 Crore.</i>			
	<b>Total</b>		<b>769.968</b>					

**(ii) Progress in the object(s)**

S.N.	Item Head*	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Amount as proposed in the offer document [Rs. Crore]	Amount utilized [Rs. Crore]			Total unutilized amount [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors	
				As at the beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Redemption or earlier redemption, in part or full of NCD's issued by company	-Certification from Statutory Auditors -Bank statement of the proceeds account -Redemption certificate as per SEBI -Debenture Trustee Confirmation	644.00	644.00	-	644.00	Nil	No comments		
2	General corporate purposes	-Issuer Management	125.968 (124.317)*	-	35.959	35.959	88.358	The General Corporate Purpose amount has been revised to 124.317 due to increase in offer related expense.		
<b>Total</b>			<b>769.968</b>	<b>-</b>	<b>35.959</b>	<b>679.959</b>	<b>88.358</b>			

\*Revised cost as per point no 4 (i) above.



**(iii) Deployment of unutilized proceeds**

S.N.	Type of instrument and name of the entity invested in	Amount invested [Rs. Crore]	Maturity date	Earning [Rs. Crore]	Return on Investment [%]	Market Value as at the end of quarter* [Rs. Crore]
1	Investment in Invesco India Liquid Fund- Direct Growth	24.000	-	-	-	24.324
2	Investment in HSBC Liquid Fund- Direct Growth (formerly Known as HSBC Cash Fund- Growth Direct Plan)	28.000	-	-	-	28.293
3	Investment in Bandhan Liquid Growth (Direct plan) (erstwhile IDFC cash fund Growth- Direct plan)	17.149	-	-	-	17.375
4	Investment in ICICI Prudential Overnight Fund Direct plan Growth	20.000	-	-	-	20.200
3	Proceeds Account	0.145	-	-	-	0.145
	<b>Total</b>	<b>89.294#</b>	-	-	-	<b>90.337</b>

Source: As certified by PKF Sridhar & Santhanam LLP, the statutory auditor of the Issuer.

\*As per prospectus Section 3 – objects of offer (Interim use of Net proceeds) the unutilized net proceeds, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. However, the company has parked the fund in various Liquid Schemes of Mutual funds, as outlined above.

# Includes Interest/ Returns on Fixed Deposit and Mutual Funds.

**(iv) Delay in the implementation of the object(s)**

Object(s)	Completion date		Delay [Number of days or months]	Comments of the Issuer's Board of Directors	
	As per the offer document	Actual <sup>^</sup>		Reason for delay	Proposed course of action
<i>Not Applicable</i>				NA	NA

Source: As confirmed by the Issuer's management

<sup>^</sup>Refers to the latest estimate of the completion date

**5. Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document**

S.N.	Item Head	Amount [Rs. Crore]	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
1	Capex	20.553	-Certification from Statutory Auditors -Bank statement of the proceeds account	No Comments	
2	Ocean Freight	15.406	-Certification from Statutory Auditors -Bank statement of the proceeds account	No comments	
<b>Total</b>		<b>35.959</b>			