SE/CS/2024-25/48

4th November, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code – 530871

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (W),
Mumbai – 400 051
Scrip Code – CHEMBOND

Ref: ISIN: INE995D01025

Sub: Notice convening meeting of the Equity Shareholders of Chembond Chemicals Limited pursuant to the directions of the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai bench in respect to the proposed composite scheme of arrangement.

Dear Sir / Madam,

Pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench, vide Order dated 11th October, 2024 and in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the Notice of National Company Law Tribunal convened meeting of Equity Shareholders of Chembond Chemicals Limited scheduled to be held on **Friday, 6th December, 2024** at **11.00 a.m**. (IST) through video-Conferencing **("VC")** or other audio-visual means **("OAVM")**, for the purpose of considering, and if thought fit, approving the proposed Scheme of Arrangement between Chembond Chemicals Limited ("Demerged Company"/ "Transferee Company"/ "Company") and Chembond Chemical Specialties Limited ("Resulting Company") and Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL") and Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL") and Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL") and Gramos Chemicals (India) Private Limited ("Transferor Company no. 4" or "GCIPL") and their respective shareholders and creditors.

The aforesaid Notice has been dispatched to the shareholders of the Company on even date and the said Notice and the Explanatory Statement together with the accompanying documents are also available on the Company's corporate website at www.chembondindia.com.

We request you to take the above on record.

Thanking You

Yours faithfully,

For CHEMBOND CHEMICALS LIMITED

Suchita Hemantkumar Singh
Digitally signed by Suchita Hemantkumar Singh
Date: 2024.11.04 19:55:40 +05'30'

Suchita Singh
Company Secretary

Encl: a/a

Chembond Chemicals Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
www.chembondindia.com
CIN: L24100MH1975PLC018235

CHEMBOND CHEMICALS LIMITED
CIN: L24100MH1975PLC018235
Registered Office
Chembond Centre, EL-71, Mahape MIDC,
Navi Mumbai - 400 710, Maharashtra, India,
Tel: +91 22 62643000 **Fax:** +91 22 27681294
Email: cs@chembondindia.com
Website: www.chembondindia.com

NOTICE OF NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF CHEMBOND CHEMICALS LIMITED

(Conducted pursuant to order dated October 11, 2024 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench)

MEETING

Day	Friday
Date	December 6, 2024
Time	11.00 a.m. (IST)
Mode of Meeting	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
E-voting during the Tribunal Convened Meeting	E-voting facility shall be available to the Equity Shareholders of the Company during the National Company Law Tribunal Convened Meeting of Equity Shareholders.
Deemed Venue	Chembond Centre, EL-71, Mahape MIDC, Navi Mumbai – 400 710 Maharashtra, India.

REMOTE E-VOTING

Commencing on	Sunday, December 1, 2024 at 9.00 a.m. (IST)
Ending on	Thursday, December 5, 2024 at 5.00 p.m. (IST)

Chembond Chemicals Limited

INDEX

SR NO.	CONTENTS	PAGE NO.
1	Notice of National Company Law Tribunal **("NCLT")** convened Meeting of the Equity Shareholders of Chembond Chemicals Limited ("Company" or "Demerged Company" or "Transferee Company").	4
2	Explanatory Statement under Section 230(3), read with Section 102 of the Companies Act, 2013 and Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	18
3	**Annexure 1:** Composite Scheme of Arrangement between Chembond Chemicals Limited (Demerged Company/ Transferee Company), Chembond Chemical Specialties Limited (Resulting Company), Chembond Clean Water Technologies Limited (Transferor Company No. 1), Chembond Material Technologies Private Limited (Transferor Company No. 2), Phiroze Sethna Private Limited (Transferor Company No. 3) and Gramos Chemicals (India) Private Limited (Transferor Company No. 4) and their respective shareholders under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder **("Scheme").**	92
4	**Annexure 2A:** Report adopted by the Board of Directors of the Demerged Company pursuant to the provisions of Section 232(2) (c) of the Companies Act, 2013.	159
5	**Annexure 2B:** Pre and Post demerger and arrangement (expected) capital structure and shareholding pattern of Demerged Company.	165
6	**Annexure 2C:** Copy of Audited Financial Statements for the year ended as on March 31, 2024 and Unaudited Limited Reviewed Financial Statements for six months ended September 30, 2024 of the Demerged / Transferee Company.	167
7	**Annexure 3A:** Report adopted by the Board of Directors of Resulting Company pursuant to the provisions of Section 232(2) (c) of the Companies Act, 2013.	181
8	**Annexure 3B:** Pre and Post demerger and arrangement (expected) capital structure and shareholding pattern of Resulting Company.	187
9	**Annexure 3C:** Copy of Audited Financial Statements for the year ended as on March 31, 2024 and Unaudited Limited Reviewed Financial Statements for six months ended September 30, 2024 of the Resulting Company.	190
10	**Annexure 4A:** Report adopted by the Board of Directors of Transferor Company No. 1 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	194
11	**Annexure 4B:** Copy of Audited Financial Statements for the year ended as on March 31, 2024 and Unaudited Limited Reviewed Financial Statements for six months ended September 30, 2024 of Transferor Company No. 1.	199
12	**Annexure 5A:** Report adopted by the Board of Directors of Transferor Company No. 2 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	204
13	**Annexure 5B:** Copy of Audited Financial Statements for the year ended as on March 31, 2024 and Unaudited Limited Reviewed Financial Statements for six months ended September 30, 2024 of Transferor Company No. 2.	209
14	**Annexure 6A:** Report adopted by the Board of Directors of Transferor Company No. 3 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	215
15	**Annexure 6B:** Copy of Audited Financial Statements for the year ended as on March 31, 2024 and Unaudited Limited Reviewed Financial Statements for six months ended September 30, 2024 of Transferor Company No. 3.	220
16	**Annexure 7A:** Report adopted by the Board of Directors of Transferor Company No. 4 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	226

SR NO.	CONTENTS	PAGE NO.
17	**Annexure 7B:** Copy of Audited Financial Statements for the year ended as on March 31, 2024 and Unaudited Limited Reviewed Financial Statements for six months ended September 30, 2024 of Transferor Company No. 4.	230
18	**Annexure 8A:** Report of the Audit Committee of the Demerged Company.	236
19	**Annexure 8B:** Report of the Committee of the Independent Directors of Demerged Company.	244
20	**Annexure 9:** Board Resolution of the Demerged Company, Resulting Company, Transferor Company No. 1 and Transferor Companies at their respective Board Meetings held on December 12, 2023.	252
21	**Annexure 10:** Observation Letter dated August 13, 2024 issued by BSE Limited ('BSE').	271
22	**Annexure 11:** Observation Letter dated August 14, 2024 issued by National Stock Exchange of India Limited ('NSE').	276
23	**Annexure 12:** Note in respect of details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against any of the Companies and its Promoters and Directors.	281
24	**Annexure 13A:** Nil Complaint Report dated February 23, 2024 filed by the Company with BSE.	282
25	**Annexure 13B:** Nil Complaint Report dated March 12, 2024 filed by the Company with NSE.	283
26	**Annexure 14:** Value of assets and liabilities of the Demerged Company, Resulting Company, Transferor Company No. 1 and Transferor Companies and Demerged Undertaking that are being transferred to and post-merger balance sheet of Demerged Company and Resulting Company.	285
27	**Annexure 15:** The additional information to be submitted to SEBI as advised by BSE.	290
28	**Annexure 16:** The additional information to be submitted to SEBI as advised by NSE.	335
29	**Annexure 17:** The applicable information of the Resulting Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.	368
30	**Annexure 18:** The applicable information of the Transferor Company No. 1 in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.	378
31	**Annexure 19:** The applicable information of the Transferor Company No. 2 in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.	389
32	**Annexure 20:** The applicable information of the Transferor Company No. 3 in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.	401
33	**Annexure 21:** The applicable information of the Transferor Company No. 4 in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.	412
34	**Annexure 22:** Valuation Report dated December 12, 2023 on the Share Exchange Ratio recommended by SSPA & Co.	422
35	**Annexure 23:** Fairness Opinion dated December 12, 2023, issued by Vivro Financial Services Private Limited, Category 1, Merchant Banker.	430

The Notice of the Meeting, Statement under Sections 102, 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable SEBI Circulars constitute a single and complete set of documents and should be read in conjunction with each other, as they form an integral part of this document.

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH

COMPANY SCHEME APPLICATION NO. CA (CAA)/162/MB-I/2024

FORM CAA.2

Under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 along with applicable rules made thereunder including the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

In the matter of the Companies Act, 2013

AND

In the matter of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

AND

In the matter of Composite Scheme of Arrangement of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company"), Chembond Chemical Specialties Limited ("Resulting Company"), Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL"), Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL"), Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL") and Gramos Chemicals (India) Private Limited ("Transferor Company No. 4" or "GCIPL") and their respective shareholders

Chembond Chemicals Limited
(CIN: L24100MH1975PLC018235)
A Company incorporated under the provisions of the Companies Act, 1956 and having its current Registered Office at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India – 400 710.....**Transferee Company / Demerged Company / Applicant Company**

Chembond Chemicals Limited

NOTICE OF NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF CHEMBOND CHEMICALS LIMITED

(Conducted pursuant to order dated October 11, 2024 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench)

To,

The Equity Shareholders of Chembond Chemicals Limited

Notice is hereby given that by order pronounced on October 11, 2024 ("Order"), the Mumbai Bench of the Hon'ble National Company Law Tribunal ("NCLT") in the above mentioned Company Application has directed a meeting of the Equity Shareholders of the Transferee Company to be convened and held as on **Friday, December 6, 2024 at 11.00 AM (IST)** ("Tribunal Convened Meeting" / "Meeting") through video conferencing or other audio-visual means ('VC/OAVM') to be held for the purpose of considering, and if thought fit, approving with or without modification, the proposed Composite Scheme of Arrangement between Chembond Chemicals Limited ("Demerged Company" or "Transferee Company" or "Company"), Chembond Chemical Specialties Limited ("Resulting Company" or "CCSL"), Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL"), Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL"), Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL") and Gramos Chemicals (India) Private Limited ("Transferor Company No. 4" or "GCIPL") and their respective shareholders ("Scheme") pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("the Act"). The Scheme, if approved by the equity shareholders of the Company, will be subject to subsequent approval of the Hon'ble Tribunal and such approvals, permissions and sanctions of regulatory and other authorities, as may be necessary.

Pursuant to the Order, the Meeting of the Equity Shareholders of the Company will be held through VC/OAVM in compliance with the provisions of the Act read with any other applicable provisions of the Act, along with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (including any statutory modifications (s) or re-enactment(s) thereof, for the time being in force), applicable general circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations) read with the SEBI master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Scheme Circular") and SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022 ("SEBI Scheme Circular - Debt") (together referred to as "SEBI Scheme Circulars"), and any other applicable circulars issued by SEBI and Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India ("SS-2"), each as amended from time to time.

That in compliance with the provisions of Section 230(4) read with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Regulation 44 and other applicable provisions of the SEBI Listing Regulations and Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, issued by the SEBI each as amended from time to time, (to the extent applicable), the Company has provided the facility of remote e-voting prior to the Meeting as well as during the Meeting, using the facility offered by National Securities Depository Limited ('NSDL') so as to enable the equity shareholders, to consider and if thought fit, approve the Scheme by way of the Resolution mentioned below. Accordingly, voting by equity shareholders of the Company to the Scheme shall be carried out through remote e-voting (prior to as well as during the Meeting). The above-mentioned Scheme, if approved at the meeting, will be subject to the subsequent approval of NCLT.

In terms of the SEBI Scheme Circulars, the Scheme shall be acted upon only if the votes cast by public shareholders in favour of the Resolution set out below are more than the number of votes cast by the public shareholders against the Resolution. For this purpose, the term "public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957 and the term "public shareholders" shall be

construed accordingly. In terms of the Securities and Exchange Board of India ("SEBI") Scheme Circulars, the Company has provided the facility of voting by e-voting to its public shareholders.

The Hon'ble Tribunal has appointed Mr. Sameer V. Shah, Chairman and Managing Director of the Company and failing him Mr. Nirmal V. Shah, Vice Chairman and Managing Director to be the Chairperson of the Meeting including for any adjournments thereof. The Hon'ble Tribunal has also appointed Mr. Virendra G. Bhatt, Practicing Company Secretaries as Scrutinizer for the Meeting, including any adjournments thereof to scrutinise the process of remote e-voting prior to the Meeting as well as e-voting during the Meeting to ensure that it is fair and transparent.

TAKE NOTICE that the equity shareholder shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes through remote e-voting prior to the Meeting during the period commencing from 9.00 am IST on Sunday, December 1, 2024 and ending at 5.00 pm IST on Thursday, December 5, 2024. The voting rights of equity shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date determined as per applicable law ("Cut-off Date"). A person who is not an equity shareholder as on the Cut-off Date, should treat the Notice for information purpose only. The equity shareholders opting to cast their votes by remote e-voting or e-voting during the Meeting through VC/OAVM are requested to read the instructions in the notes of this Notice for further details on remote e-voting and e-voting during the meeting.

The following resolution is placed before the shareholders to consider and if thought fit, be passed, with or without modification(s):

***"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013, and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) (**"the Act"**), the provisions of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India (to the extent applicable), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**"SEBI LODR"**) as amended from time to time, read with the No adverse observation letter / No objection letters dated August 13, 2024 and August 14, 2024 received from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), respectively and as provided under the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Mumbai Bench, (**"NCLT"**) and / or the National Company Law Appellate Tribunal or such other forum or authority as may be vested with the appellate jurisdiction in relation to approval of the Scheme and subject to such other approvals, permissions and sanctions of any regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed by Hon. NCLT or by any other appropriate authority, while granting such approval(s) or confirmation(s), and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board"), the proposed Scheme of Arrangement between Chembond Chemicals Limited ("Demerged Company" or "Transferee Company"), Chembond Chemical Specialties Limited ("Resulting Company"), Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL"), Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL"), Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL") and Gramos Chemicals (India) Private Limited ("Transferor Company No. 4" or "GCIPL") and their respective shareholders (**"the Scheme"**), which is placed before this meeting and initialed by the Chairperson of the meeting for the purpose of identification, be and is hereby approved with or without modification and for conditions, if any, which may be required and/or imposed and/or permitted by the National Company Law Tribunal or any other authority while sanctioning the Scheme and/or by any Governmental authority;*

***RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary, to give effect to the preceding Resolution and effectively implement the*

arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, at any time and for any reason whatsoever, which may be required and/or imposed by the Hon'ble NCLT or its Appellate Authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, as may be required for the purpose of resolving any questions or doubts or difficulties that may arise, while giving effect to the Scheme, as the Board may deem fit and proper and delegate all or any of its powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable;

RESOLVED FURTHER THAT *the Board of Directors of the Company be and are hereby jointly or severally authorized to take all actions and decide all matters relating to and / or incidental to the aforesaid Scheme, including but not limited to:*

a. *making any modifications /alterations /changes therein as may be suggested, prescribed, expedient or necessary for satisfying the requirement or conditions imposed by the Hon'ble NCLT Mumbai, Registrar of Companies, Regional Director, Income Tax authorities, Government authorities and / or any other authority:*

b. *withdrawing the Scheme at any stage in case the changes or modifications required in this Scheme or the conditions imposed by the Hon'ble NCLT or any other authority are not acceptable, and if the Scheme cannot be implemented otherwise and to do all such acts, deeds, matters and things as may be considered necessary in connection there with or incidental thereto:*

c. *settling any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution:*

d. *obtaining the order of NCLT Mumbai as the case may be, approving the Scheme and filing the same with the Registrar of Companies, Mumbai, Maharashtra so as to make the sanctioned Scheme effective:*

e. *doing all further acts, deeds, matters and things as it may be considered necessary, appropriate, or expedient to give effect to the scheme and for matters in connection there with or incidental thereto: and*

f. *filing a copy of the resolution duly certified and forward it to the concerned authorities including Hon'ble NCLT Mumbai, or any other authorities as the case may be:*

RESOLVED FURTHER THAT *the Board may delegate all or any of its powers herein conferred to any Director(s) and/or Officer(s) of the Company, to give effect to this resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable, without any further approval from shareholders of the Company."*

Dated this 25th day of October, 2024 at Mumbai

Sd/-
Sameer V. Shah

DIN: 00105721
Chairman appointed for the meeting

Registered Office:
Chembond Chemicals Limited
Chembond Centre, EI-71, Mahape MIDC,
Navi Mumbai - 400710 Maharashtra, India

Notes:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, May 5, 2022, December 28, 2022, September 25, 2023 and September 19, 2024 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India (SEBI), vide its circulars dated May 12, 2020, January 15, 2021, January 5, 2023, October 7, 2023 and October 3, 2024 ("SEBI Circulars") permitted to hold Equity Shareholders Meeting through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue.

   In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), MCA Circulars and SEBI Circulars, the Meeting is being held through VC / OAVM. Hence Members can attend the Meeting through VC/OAVM. The deemed venue for the Meeting shall be the Registered Office of the Company. The Members can join the e-Meeting 15 minutes before the scheduled time of the Meeting following the procedure mentioned in the Notice.

2. The Explanatory Statement pursuant to Sections 102, 230 to 232 of the Act read with other applicable provisions of the Act, and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, read with the Listing Regulations and other applicable SEBI Circulars in respect of the business set out in the Notice of the Meeting is annexed hereto.

3. The SEBI Scheme Circular, inter alia, provides that approval of Public Shareholders of the Company to the Scheme shall also be obtained by way of voting through e-voting. Since, the Company is seeking the approval of its Equity Shareholders (which includes Public Shareholders) to the Scheme by way of voting through e-voting, no separate procedure for voting through e-voting would be required to be carried out by the Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Scheme Circular. The aforesaid notice sent to the Equity Shareholders (which includes Public Shareholders) of the Company would be deemed to be the notice sent to the Public Shareholders of the Company. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. In terms of SEBI Scheme Circular, the Company has provided the facility of voting by e-voting to its Public Shareholders.

4. Further, in accordance with the SEBI Scheme Circular, the Scheme shall be acted upon only if the number of votes cast by the Public Shareholders in favour of the aforesaid resolution for approval of the Scheme is more than the number of votes cast by the Public Shareholders against it.

5. Only a person, whose name is recorded in the Register of Members maintained by the Company/Registrar and Transfer Agents ("RTA") or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-Off Date (i.e., November 29, 2024) shall be entitled to exercise his/her/its voting rights on the resolution proposed in the Notice and attend the Meeting. The voting rights of the Equity Shareholders shall be in proportion to their holding in the paid-up share capital of the Company as on close of business hours on the Cut-off date. A person who is not an Equity Shareholder as on the cut-off should treat the Notice for information purpose only.

6. The voting period for remote e-voting (prior to the Meeting) shall commence on and from Sunday, December 1, 2024 at 9:00 a.m. IST (0900 hours) till Thursday, December 5, 2024 at 5:00 p.m. IST (1700 hours). The remote e-voting module shall be disabled by NSDL thereafter. The Company is additionally providing the facility of e-voting during the Meeting. It is clarified that casting of votes by remote e-voting does not disentitle an Equity Shareholder from attending the Meeting, however any Equity Shareholder who has voted by remote e-voting cannot vote through e-voting at the Meeting. Once the vote on the resolution is cast by an Equity Shareholder by way of remote e-voting, he or she will not be allowed to change it subsequently.

7. Since this Meeting is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members is not required. Accordingly, the facility for appointment of proxies shall not be available for Meeting and hence Proxy Form and Attendance Slip are not annexed to this Notice.
8. The Institutional / Corporate shareholders intending to depute their authorised representatives to attend the Meeting through VC/OAVM and participate thereat and cast their votes through e-voting are requested to send a certified copy of its Board Resolution / authorisation letter, authorising its representative to attend the Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution / authorisation should be sent by email to cs@chembondindia.com or: evoting@nsdl.co.in or upload on the website of NSDL http://www.evoting.nsdl.com.
9. Since the Meeting will be held through VC/OAVM, the Route Map is not annexed in this Notice.
10. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the Meeting.
11. The Members can join the Meeting in the VC/OAVM mode 15 minutes before the scheduled time of the Meeting and the facility shall be made available to the Members on first-cum-first served basis. The facility to join the Meeting will close 15 minutes after the scheduled time or when the capacity is full whichever is earlier by following the procedure mentioned below. The facility of participation at the Meeting through VC/OAVM will be made available to 1000 Members only on a first-cum-first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Meeting without restriction on account of first-cum-first served basis.
12. Copies of the said Scheme and of the Explanatory Statement and other annexures under Sections 230-232 read with Section 66 of the Act are annexed herewith and can be obtained free of charge at the Registered Office of the Company on any working day up to the date of the Meeting between 10.00 A.M. to 5.00 P.M.(excluding Saturdays, Sundays and holidays).
13. Members may note that the Notice can also be accessed from websites of the Stock Exchanges i.e. BSE and NSE at www.bseindia.com and www.nseindia.com respectively. The Meeting Notice is also disseminated on the website of NSDL (agency for providing remote e-voting facility and e-voting system during the Meeting) i.e. www.evoting.nsdl.com.
14. It may be noted that the e-voting facility will also be provided at the Meeting and Equity Shareholders attending the Meeting who have not cast their vote through remote e-voting shall be entitled to exercise their vote at the venue of the Meeting.
15. The Notice convening the aforesaid Tribunal Convened Meeting will be published through advertisement in Business Standard (in English language and translation thereof in 'Mumbai Lakshadeep' in Marathi language, thereof indicating the day, date, place and time of the Meeting and stating that the copies of the Scheme, and the Explanatory Statement required to be furnished pursuant to Sections 230 to 232 of the Act shall be provided free of charge at the Registered Office of the Company.
16. The Scrutinizer shall, immediately after the conclusion of Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses, who are not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, within the prescribed time limit after the conclusion of the Meeting to the Chairman, who shall declare the result of the voting forthwith.
17. The results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at www.chembondindia.com and Service Provider's website at evoting@nsdl.co.in and the communication will also be sent to the BSE and NSE.

VOTING THROUGH ELECTRONIC MEANS

PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS (E-VOTING):

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations (as amended), and the Circulars issued by MCA, your Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the Meeting. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the Meeting will be provided by NSDL.

   The remote e-voting period begins on Sunday, December 1, 2024 at 9:00 A.M. and ends on Thursday, December 5, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

   The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, November 29, 2024 may cast their vote electronically.

   The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, November 29, 2024.

   Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	Existing IDeAS user can visit the e-Services website of NSDL viz.https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **"IDeAS"** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on **"Access to e-voting"** under e-voting services and you will be able to see e-voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon **"Login"** which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.

Type of shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.

Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is In300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

Password details for shareholders other than Individual shareholders are given below:

If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

How to retrieve your 'initial password'?

If your e-mail id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail id. Trace the email sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

If your e-mail id is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail ids are not registered.**

If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

Now, you will have to click on "Login" button.

After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of **Chembond Chemicals Limited** to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhattvirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: **022 - 4886 7000** and **022 - 2499 7000** or send a request to Mr. Sanjeev Yadav, Assistant Manager-NSDL at sanjeevy@nsdl.co.in or at evoting@nsdl.co.in

Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@chembondindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@chembondindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the **login method explained at step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail id correctly in their demat account in order to access e-voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE MEETING ARE AS UNDER:-

1. The procedure for e-voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the Meeting.
3. Members who have voted through remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the Meeting shall be the same person mentioned for remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the Meeting through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@chembondindia.com. The same will be replied by the company suitably.

6. Registration of Speaker –

   a. Shareholders who would like to speak during the meeting must register their request on or before Friday, November 22, 2024, mentioning their name, demat account number/folio number, e-mail id, mobile number at cs@chembondindia.com.

   b. Shareholders will get confirmation on first-cum-first served basis depending upon the provision made by the client.

   c. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

   d. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

   e. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

   f. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

   g. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the Meeting.

   h. The Members who do not wish to speak during the Meeting but have queries may send their queries in advance at least 10 days prior to meeting, mentioning their name, demat account number/folio number, e-mail id, mobile number at cs@chembondindia.com. These queries will be replied to by the Company suitably by e-mail.

   i. Members are encouraged to join the Meeting through laptops / tablets for better experience.

   j. Further, Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.

OTHER INFORMATION:

   i. Attending the e-Meeting: Members will be able to attend the Meeting through VC/OAVM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.

   ii. The attendance of the Members attending the Meeting through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

   iii. Submission of Questions / queries prior to e-Meeting: Members desiring any additional information with regard to the Scheme or has any question or query are requested to write to the Company Secretary on the Company's email-id cs@chembondindia.com at least 10 days before the date of the Meeting, so as to enable the Management to keep the information ready. Please note that, member's questions will be answered only if they continue to hold the shares as of cut-off date.

   iv. Members who need technical assistance before or during the Meeting, can contact NSDL. Corporate members intending to send their authorized representatives to attend the Meeting through VC / OAVM pursuant to the provisions of Section 113 of the Act are requested to send a certified copy of the relevant Board Resolution to the Company.

   v. The Company has appointed Mr. Virendra G. Bhatt, (Membership no. ACS-1157, CP no. 124) Practicing Company Secretary as the Scrutinizer to scrutinize the remote e-voting as well as the votes cast through e-voting at the time of Meeting in a fair and transparent manner.

vi. The Scrutinizer shall, immediately after the conclusion of Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses, who are not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, within the prescribed time limit after the conclusion of the Meeting to the Chairman or the Company Secretary or a person authorised by the Chairman, who shall declare the result of the voting forthwith.

vii. The resolution(s) will be deemed to be passed on the Meeting date subject to receipt of the requisite number of votes in favour of the resolution(s). The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at www.chembondindia.com and Service Provider's website at evoting@nsdl.co.in the communication will be sent to the BSE and NSE.

Dated this 25th day of October 2024 at Mumbai

SD/-
Sameer V. Shah

DIN: 00105721
Chairman appointed for the meeting

Registered Office:
Chembond Chemicals Limited
Chembond Centre, EI-71, Mahape MIDC,
Navi Mumbai – 400 710 Maharashtra, India.

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH

COMPANY SCHEME APPLICATION NO. CA (CAA)/162/MB-I/2024

FORM CAA.2

Under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 along with applicable rules made thereunder including the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

In the matter of the Companies Act, 2013

AND

In the matter of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

AND

In the matter of Composite Scheme of Arrangement of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company"), Chembond Chemical Specialties Limited ("Resulting Company"), Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL"), Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL"), Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL") and Gramos Chemicals (India) Private Limited ("Transferor Company No. 4" or "GCIPL") and their respective shareholders

Chembond Chemicals Limited
(CIN: L24100MH1975PLC018235)
A Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Chembond Centre, EL-71, Mahape MIDC, Navi Mumbai, Maharashtra, India. 400 710.....**Transferee Company/ Demerged Company/Applicant Company**

EXPLANATORY STATEMENT UNDER SECTION 230(3) READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 AND RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016, TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF EQUITY SHAREHOLDERS OF CHEMBOND CHEMICALS LIMITED

1. Pursuant to the Order dated October 11, 2024 passed by the Hon'ble Tribunal, Mumbai Bench in the Company Scheme Application No. CA(CAA)/162/MB-I/2024, a meeting of the Equity shareholders of the Company is being convened and held on Friday, December 6, 2024 at 11.00 AM through video conferencing or other audio-visual means ('VC/OAVM'). The deemed venue shall be Registered Office of the Company at Chembond Centre, EL-71, Mahape MIDC, Navi Mumbai – 400 710 Maharashtra, India for

the purpose of demerger of the demerged undertaking of the Demerged Company into Resulting Company **("Demerger")**, amalgamation of Transferor Company No. 1 into Resulting Company **("Amalgamation-I")** and pursuant to that, amalgamation of Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 **("collectively defined as Transferor Companies")** into the Demerged Company **("Amalgamation - II") ("Scheme")**. Notice of the said meeting together with the copy of the Scheme, which has been, *inter alia* approved by the Board of Directors of the Company is sent herewith. This statement explaining the terms of the Scheme is being furnished as required under Section 230(3) of the Companies Act, 2013 ("the Act").

2. A copy of the Scheme which has been, *inter alia*, approved by the Board of Directors of the Demerged Company at their meeting held on **December 12, 2023** is enclosed as **"Annexure 1".**

3. Further, in terms of the said Order, the Hon'ble Tribunal has appointed Mr. Sameer V. Shah, Chairman and Managing Director of the Demerged Company as the Chairperson and failing him Mr. Nirmal V. Shah, Vice Chairman and Managing Director of the Demerged Company, as the Alternate Chairperson of the said meeting, including for any adjournment or adjournments thereof. The Hon'ble Tribunal has also appointed Mr. Virendra G. Bhatt, Practicing Company Secretaries, as the Scrutinizer for the Meeting, including for any adjournments thereof.

4. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be considered approved by the Equity Shareholders only if the Scheme is approved by majority of persons representing three-fourth in value of the members, of the Demerged Company, voting in person or by remote e-voting.

5. This statement is being furnished as required under Sections 230(3), 232(1) 232(2) and 102 of the Act, read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

6. Details of Chembond Chemicals Limited (Demerged Company/Transferee Company/Company):

6.1. Chembond Chemicals Limited, was incorporated on March 22, 1975, under the provisions of the Companies Act, 1956, originally as 'Chembond Chemicals Private Limited'. The name of the Company was changed to 'Chembond Chemicals Limited' on May 4, 1993. The Demerged Company is a listed public company within the meaning of the Companies Act, 2013. The Corporate Identification Number of the Demerged Company is L24100MH1975PLC018235 and the Permanent Account Number is AAACC5467A. The registered office address is Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra – 400 710, and the e-mail address is cs@chembondindia.com.

6.2. The Demerged Company is engaged in the manufacturing and marketing of a diverse range of specialty chemicals, including water and wastewater treatment chemicals, metal treatment chemicals, construction chemicals, high-performance coatings, industrial adhesives, and animal health products.

6.3. The equity shares of Demerged Company are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

6.4. There has been no change in the Name, Registered Office and Objects of the Demerged Company in the last 5 (five)years.

6.5. The Board of Directors of the Demerged Company has adopted a report dated December 12, 2023 setting out the salient features and commercial rationale behind the Scheme annexed as **"Annexure 2A".**

6.6. A copy of the Scheme has been filed by the Demerged Company with the Registrar of Companies, Mumbai in Form No. GNL-1 on October 19, 2024.

6.7. The main objects of the Demerged Company, *inter alia*, are as follows:

a. "To carry on the business whether in India or outside India of manufacturing, producing, processing, mixing, blending, refining, formulating, buying, selling, distributing or otherwise dealing in all kinds and varieties of chemicals including but not limited to speciality chemicals, intermediates, or

chemical mixtures, additives, adhesives, cleaning agents, bonding agents, waterproofing compound, chemicals for coating or otherwise, organic / inorganic chemicals, resins, resins based chemicals, corrosion inhibitors, surface treatment of ferrous and non-ferrous metals and other substrates for anti- corrosive, paint adhesion or lubricity purposes, electrolytic cleaners, chemical paint strippers, chemically treated cloth, face mask and other material for dust control and removal, chemicals and polishes for finished products, plastic compounds, particularly polyvinyl chloride, liquid plastic membranes, liquid plastic coating materials and chemicals of all types, all kinds of paints, enamels, varnishes, coatings, enzymes, sealants etc., whole range of water and waste water treatment chemicals, systems and machineries, water management solutions, water treatment membranes, oilfield and process chemicals, textile chemicals, bio-based chemicals, bio-remediation cultures and chemicals, engineering polymers and materials, Bio based polyamides used as engineering and performance plastics, high performance polymers for commodity and automobile applications, high performance and high temperature withstanding plasticisers as lubricating additive for rolling steel application, synthesise and characterization of monomers for high performance differentiated polyimides, Electronic instruments and smart automation products.

b. *To carry on all or any business of manufacturers, dealers or processors in the field of pretreatment of ferrous and non-ferrous metals for anti-corrosive and paint adhesion purposes.*

c. *To carry on all or any of the business of Chemical Engineers, Manufacturers, dealers in chemicals and as inventors, exploiters or all types of processes on the field of chemicals and the pre-treatment for anticorrosive and paint adhesive purposes of metals and metallic substances.*

d. *To undertake and execute or sub-contract whole or in part any engineering contracts for supply, manufacture, use or application of all types of the above products, either for construction, repairs, maintenance, coating, bonding or otherwise and to undertake and carry out construction and development activities, facility management, project management consultancy, technical equipments and installations, providing performance monitoring services, undertaking operating and maintenance contracts, offering EPC and design engineering services.*

e. *To establish, operate, propagate, manufacture, produce, cultivate, process, do research and development, test, analyze, collaborate, import, export, sell, purchase or otherwise deal in marketing or multi-marketing of healthcare and nutrition products, food or food supplements for cattle, livestock, poultry, pets, fishes and all living species, whether for healthcare, nutrition or bioscience (any of the life sciences) related purposes. Products can include any chemicals, drugs, intermediates, plants, herb and vegetable extracts, marine / sea foods, natural or genetically modified organisms or organism derived products, manufactured through plant & machinery, fermentation, membrane processing, or through any other processing.*

f. *To undertake, conduct, promote or carry on or to help to undertake, conduct, promote or carry on either the scientific and/ or industrial research and developmental activities to develop new products or substitute for existing / imported products and to develop and maintain testing house and laboratory for own use and for others either solely or in association with others in connection with the Company's object or trade or businesses or any of them.*

g. *To carry on any other business (whether manufacturing or otherwise), which may seem to the Company capable of being conveniently or advantageously carried on in connection with the Company's objects or which it may feel advisable to undertake with a view to developing, rendering valuable prospect or turning to account or in which the Company may be interested."*

6.8. The capital structure of the Demerged Company as on March 31, 2024 was as under:

Particulars	Amount (in ₹)
Authorized Capital	
2,00,00,000 Equity Shares of ₹5/- (Rupees Five only) each	100,000,000
Total	**100,000,000**
Issued, Subscribed and Paid-up Capital	
134,48,288 Equity Shares of ₹5/- (Rupees Five only) each	6,72,41,440
Total	**6,72,41,440**

6.9. The pre and post demerger and arrangement (expected) capital structure and shareholding pattern of the Demerged Company is annexed herewith as **"Annexure 2B"**.

6.10. The details of the promoter (including promoter group) of Demerged Company as on September 30, 2024 are as follows:

Sr No	Name of Promoter/ Promoter Group	Category	Shareholding	Address
1	Padma V Shah	Promoter	1,69,1100	Phalguni Apartment, Sarojini Road, Santacruz (West), Mumbai-400 054
2	Nirmal V Shah	Promoter	17,95,090	Phalguni Apartment, Sarojini Road, Santacruz (West), Mumbai-400 054
3	Sameer V Shah	Promoter	16,99,644	Sujata, Saraswati Road, Santacruz West Mumbai 400 054
4	Ashwin Nagarwadia	Promoter	5,00,000	Prabhat Society, Bhulabhai Desai Road, Mumbai 400 026
5	Kumud Ashwin Nagarwadia	Promoter Group	5,00,000	Prabhat Society, Bhulabhai Desai Road, Mumbai 400 026
6	Shah Bhadresh	Promoter	1,88,934	Sankalp CHS, Mistry Complex, J.B. Nagar, Andheri (E) – 400 059
7	Alpana Sandeep Shah	Promoter Group	1,29,644	J.B. House, Navrangpura, Ahmedabad 380009
8	Sameer Vinod Shah HUF	Promoter Group	1,17,481	Sujata, Saraswati Road, Santacruz West Mumbai 400 054
9	Mamta Nirmal Shah	Promoter Group	93,300	Phalguni Apartment, Sarojini Road, Santacruz (West), Mumbai-400054
10	Jyoti Nikhil Mehta	Promoter Group	94,480	Greenfields CHSL, S. V. Road, Santacruz (W), Mumbai 400054
11	Shilpa Sameer Shah	Promoter Group	66,695	Sujata, Saraswati Road, Santacruz West Mumbai 400 054

Sr No	Name of Promoter/ Promoter Group	Category	Shareholding	Address
12	Sandip Shah	Promoter Group	63,135	J.B. House, Navrangpura, Ahmedabad 80009
13	Parul Shah	Promoter Group	55,600	Sankalp CHS, Mistry Complex, J.B. Nagar, Andheri (E) – 400 059
14	Amrita Sameer Shah	Promoter Group	45,218	Sujata, Saraswati Road, Santacruz West Mumbai 400 054
15	Kalpana Sunil Shah	Promoter Group	43,200	A Marquise CHS Ltd, Pandurang Budkar Marg, Lower Parel, Mumbai 400013
16	Nikhil Jaysukhlal Mehta	Promoter Group	40,400	Greenfields CHSL, S. V. Road, Santacruz (W), Mumbai 400054
17	Mallika Sameer Shah	Promoter Group	33,700	Sujata, Saraswati Road, Santacruz West Mumbai 400 054
18	Kshitija Nirmal Shah	Promoter Group	27,100	Phalguni Apartment, Sarojini Road, Santacruz (West), Mumbai-400 054
19	Sandeep H Shah HUF	Promoter Group	21,624	J.B. House, Navrangpura, Ahmedabad 380009
20	Raunaq Sameer Shah	Promoter Group	15,050	Sujata, Saraswati Road, Santacruz West Mumbai 400 054
21	Nikhil Jaysukhlal Mehta HUF	Promoter Group	8,400	Greenfields CHSL, S. V. Road, Santacruz (W), Mumbai 400054
22	Nirmal V Shah HUF	Promoter Group	7,134	Phalguni Apartment, Sarojini Road, Santacruz (West), Mumbai-400 054
23	Sunil Dahyalal Shah	Promoter Group	6,000	A Marquise CHS Ltd, Pandurang Budkar Marg, Lower Parel, Mumbai 400013
24	Rahil N Shah	Promoter Group	2,250	Phalguni Apartment, Sarojini Road, Santacruz (West), Mumbai-400 054
25	Visan Holdings Pvt Ltd	Promoter Group	13,10,630	Phalguni Apartment, Sarojini Road, Santacruz (W) Mumbai – 400 054
26	S and N Ventures Limited	Promoter Group	2,62,200	Phalguni Apartment, Sarojini Road, Santacruz (W), Mumbai – 400 054
27	Finor Piplaj Chemicals Ltd	Promoter Group	2,75,000	GIDC Ankleshwar, 393002

6.11. The details of the Directors and Key Managerial Personnel **('KMP')** of the Demerged Company are as follows:

Sr No	Name of the Director/ KMP	DIN	Designation
1.	Sameer V. Shah	00105721	Chairman and Managing Director
2.	Nirmal V. Shah	00083853	Vice Chairman and Managing Director
3.	Ashwin Nagarwadia	00466681	Non-Executive Director
4.	Mahendra Ghelani (retired w.e.f. August 8, 2024)	01108297	Independent Director
5.	Sushil Lakhani (retired w.e.f. August 8, 2024)	01578957	Independent Director
6.	Dr. Prakash D. Trivedi	00231288	Independent Director
7.	Saraswati Sankar	07133249	Independent Director
8.	Jayesh Shah	00138346	Independent Director
9.	Rashmi Gavli	-	Chief Financial Officer
10.	Suchita Singh	-	Company Secretary

6.12. As on March 31, 2024, the Demerged Company has nil secured creditors and unsecured creditors aggregating to Rs. 12,91,61,657 (Rupees Twelve crore ninety one lakhs sixty one thousand six hundred fifty seven only).

6.13. The copy of Audited Financial Statements as on March 31, 2024 and Unaudited Limited Reviewed Financial Statements for six months ended September 30, 2024 of the Demerged Company are annexed herewith as **"Annexure 2C"**.

6.14. The Scheme was approved by the Board of Directors of the Demerged Company at their meeting held on December 12, 2023, subject to approval by the requisite majority of the equity shareholders of the Demerged Company and subject to the sanction of the Hon'ble Tribunal and such other authorities as may be required. All the Directors were present at the meeting and voted unanimously in favour of the Scheme.

6.15. Effect of Scheme on Shareholders, Directors, Promoters, Key Managerial Personnel, Non-promoter members, Depositors, Creditors, Employees of the Demerged Company:

a. Effect on equity shareholders (promoter shareholders and non-promoter shareholders):

- As regards to demerger, all the equity shareholders of the Company (promoter and non-promoter), as on the Record Date *(as defined in the Scheme)* shall receive equity shares of the Resulting Company in the following ratio:

  "for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five only) each, in the Resulting Company"

  in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the

shareholders of the Demerged Company, before and after the Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE, thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

- As regards to Amalgamation – I, Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Demerged Company and there shall be no issue of shares by the Demerged Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Demerged Company and its public shareholders.
- All the shares held by the Demerged Company in the Transferor Companies shall stand cancelled without any further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Demerged Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Demerged Company.
- The proposed Scheme is expected to be beneficial to the Demerged Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.

b. Effect on Directors and Key Managerial Personnel:

- The Directors and Key Managerial Personnels (KMPs) of the Demerged Company shall continue as Directors and KMPs of the Demerged Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such Directors and KMPs who are also shareholders of the Demerged Company. Other than the above, the KMPs are not affected pursuant to the Scheme.
- Post Amalgamation the Transferor Companies shall stand dissolved without winding up and accordingly, they are not required to appoint any Directors and KMPs.

c. Effect on creditors:

- Under the Scheme, no arrangement is sought to be entered into between the Demerged Company and its creditors. The interest of the creditors of the Demerged undertaking of the Demerged Company shall not be impacted in any manner.
- Under the Scheme, there is no arrangement with the creditors of the Transferor Companies. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Companies shall become the creditors of the Demerged Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Companies. The liability of the creditors of the Transferor Companies, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Companies would in no way be affected by the Scheme.

d. Effect on staff or employees:

- Under the Scheme, no rights of the staff and employees of the Demerged undertaking of the Demerged Company are being affected.
- On the Scheme becoming effective, the employees of the Transferor Companies who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to

have become the employees of the Demerged Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Companies on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Companies would in no way be affected by the Scheme.

e. Effect on Deposit Holders and Deposit Trustees:

- As on date of Notice, the Company has not accepted any public deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise .
- As on date of Notice, the Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee (s) does not arise.

7. Details of Chembond Chemical Specialties Limited (Resulting Company):

7.1. Chembond Chemical Specialties Limited was incorporated on December 12, 2023, as an unlisted public company under the provisions of the Companies Act, 2013, in the state of Maharashtra. The company's Corporate Identification Number is U20116MH2023PLC415282 and Permanent Account Number is AALCC5030G. The registered office is located at EL-37, MIDC, Mahape, Navi Mumbai, Maharashtra – 400 710, and the e-mail address is cs@chembondindia.com.

7.2. The Resulting Company is primarily engaged in the manufacturing and trading of specialty chemicals, with a focus on construction chemicals and water treatment chemicals.

7.3. The Board of Directors of the Resulting Company has adopted a report dated December 12, 2023, setting out the salient features and commercial rationale behind the Scheme annexed as **"Annexure 3A".**

7.4. A copy of the Scheme has been filed by the Resulting Company with the Registrar of Companies, Mumbai in Form No. GNL-1 on October 19, 2024.

7.5. The main objects of the Resulting Company, *inter alia*, are as follows:

"To carry on the business whether in India or outside India of manufacturing, producing, processing, trading, mixing, blending, refining, formulating, buying, selling, distributing or otherwise dealing in all kinds and varieties of chemicals including but not limited to speciality chemicals, intermediates, or chemical mixtures, admixtures, repair and bonding chemicals, water proofing chemicals, surface treatment, tiling chemicals, sealants, additives, adhesives, grouts and anchors, cleaning agents, bonding agents, waterproofing compound, chemicals for coating or otherwise, organic / inorganic chemicals, resins, resins based chemicals, corrosion inhibitors, surface treatment of ferrous and non-ferrous metals and other substrates for anti-corrosive, paint adhesion or lubricity purposes, electrolytic cleaners, chemical paint strippers, chemically treated cloth, face mask and other material for dust control and removal, chemicals and polishes for finished products, plastic compounds, particularly polyvinyl chloride, liquid plastic membranes, liquid plastic coating materials and chemicals of all types, all kinds of paints, enamels, varnishes, coatings, enzymes, sealants etch, whole range of water and waste water treatment chemicals, systems and machineries, water management solutions, water treatment membranes, oilfield and process chemicals, textile chemicals, bio-based chemicals, bio-remediation cultures and chemicals, engineering polymers and materials, Bio based polyamides used as engineering and performance plastics, high performance polymers for commodity and automobile applications, high performance and high temperature withstanding plasticisers as lubricating additive for rolling steel application, synthesise and characterization of monomers for high performance differentiated polyimides, Electronic instruments and smart automation products."

7.6. The capital Structure of the Resulting Company as on March 31, 2024 was as under:

Particulars	Amount (in ₹)
Authorized Capital	
10,000 Equity Shares of ₹5/- (Rupees Five only) each	50,000
Total	**50,000**
Issued, Subscribed and Paid-up Capital	
10,000 Equity Shares of ₹5/- (Rupees Five only) each	50,000
Total	**50,000**

7.7. The pre-and-post-demerger and arrangement (expected) capital structure and shareholding pattern of the Resulting Company is annexed herewith as **Annexure 3B.**

7.8. The details of the promoter (including promoter group) of Resulting Company as on September 30, 2024 are as follows:

Sr No	Name of Promoter/Promoter Group	Category	Address
1	Chembond Chemicals Limited*	Promoter and Promoter Group	EL-71, Chembond Centre, MIDC, Mahape, Navi Mumbai 400710

**Includes shares held by nominee shareholders*

7.9. The details of the Directors and Key Managerial Personnel ("KMP") of the Resulting Company are as follows:

Sr No	Name of the Director/ KMP	DIN	Designation	Address
1.	Sameer V. Shah	00105721	Director	Sujata, Saraswati Road, Santacruz West Mumbai 400 054
2.	Nirmal V. Shah	00083853	Director	Phalguni Apartment, Sarojini Road, Santacruz (West), Mumbai-400 054
3.	Rashmi S. Gavli	08001649	Director	Keshav Kunj, Sector-15, Navi Mumbai 400705

7.10. As on March 31, 2024, the Resulting Company has Nil secured creditors and unsecured creditors aggregating to Rs. 89,667 (Rupees Eighty nine thousand six hundred sixty seven only).

7.11. The copy of Audited Financial Statements as on March 31, 2024 and a copy of Unaudited Limited Reviewed Financial Statements for six months ended September 30, 2024 of the Resulting Company is annexed herewith as **"Annexure 3C".**

7.12. The Scheme was approved by the Board of Directors of the Resulting Company at their meeting held on December 12, 2023, subject to approval of the equity shareholders of the Resulting Company and subject to the sanction of the Hon'ble Tribunal and such other authorities as may be required. All the Directors were present at the meeting and voted unanimously in favour of the Scheme.

7.13. Effect of Scheme on Shareholders, Directors, Promoters, Key Managerial Personnel, Non-promoter members, Depositors, Creditors, Employees of the Resulting Company:

a. Effect on equity shareholders (promoter shareholders and non-promoter shareholders):

- As regards to demerger, all the equity shareholders of the Company (promoter and non-promoter), as on the Record Date (as defined in the Scheme) shall receive equity shares of the Resulting Company in the following ratio:

  "for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five only) each, in the Resulting Company"

  in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and after the Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE, thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

- As regards to Amalgamation – I, Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Demerged Company and there shall be no issue of shares by the Demerged Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Demerged Company and its public shareholders.

- All the shares held by the Demerged Company in the Transferor Companies shall stand cancelled without any further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Demerged Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Demerged Company.

- The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.

b. Effect on Directors and KMP:

- The Directors and Key Managerial Personnels (KMPs) of the Resulting Company shall continue as Directors and KMPs of the Resulting Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such Directors and KMPs who are also shareholders of the Resulting Company. Other than the above, the Directors and KMPs are not affected pursuant to the Scheme.

- Post Amalgamation the Transferor Company No. 1 shall stand dissolved without winding up and accordingly, they are not required to appoint any Directors and KMPs.

c. Effect on creditors:

- Under the Scheme, no arrangement is sought to be entered into between the Resulting Company and its creditors. Under the Scheme, there is no arrangement with the creditors of the Transferor Company No. 1. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Company No. 1 shall become the creditors of the Resulting Company. No compromise is

offered under the Scheme to any of the creditors of the Transferor Company No. 1. The liability of the creditors of the Transferor Company No. 1, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Company No.1 would in no way be affected by the Scheme.

d. Effect on staff or employees:

- Under the Scheme, no rights of the staff and employees of the Resulting Company are being affected.
- On the Scheme becoming effective, the employees of the Transferor Company No. 1 who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to have become the employees of the Resulting Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Company No. 1 on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Company No. 1 would in no way be affected by the Scheme.

e. Effect on Deposit Holders and Deposit Trustees:

- As on date of Notice, the Company has not accepted any public deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.
- As on date of Notice, the Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee(s) does not arise.

7.14. As on the date of the Notice, there are no investigations or proceedings pending against the Resulting Company under the provisions of the Companies Act, 2013.

8. Details of Chembond Clean Water Technologies Limited (Transferor Company No. 1):

8.1. Chembond Clean Water Technologies Limited was incorporated on April 17, 2010, as an unlisted public company in Maharashtra under the provisions of the Companies Act, 1956, initially named H2O Innovation India Limited. The company changed its name to Chembond Clean Water Technologies Limited on June 18, 2013. The Corporate Identification Number is U29248MH2010PLC202124 and the Permanent Account Number is AACCH3765Q. and its registered office is located at EL-37, MIDC, Mahape, Navi Mumbai, Maharashtra, India – 400 710. Transferor Company No. 1 is a step down subsidiary of the Demerged Company. Clause 25 of the 'objects incidental or ancillary to the attainment of the main objects' of the memorandum of association of the Transferor Company No. 1 allows/enables amalgamation of the Transferor Company No. 1 with any other company or companies and the e-mail address is cs@chembondindia.com.

8.2. The company is primarily engaged in the design, manufacturing, trading, and marketing of a wide range of water and wastewater systems, including membrane technologies and total water management solutions. It provides services such as detailed engineering, operations and maintenance (O&M) services, and consultancy in the field of water treatment.

8.3. There has been no change in the Name, Registered Office and Objects of the Transferor Company No. 1 in the last 5 (five)years.

8.4. The Board of Directors of the Transferor Company No. 1 has adopted a report dated December 12, 2023 setting out the salient features and commercial rationale behind the Scheme annexed as **"Annexure 4A"**.

8.5. A copy of the Scheme has been filed by Transferor Company No. 1 with the Registrar of Companies, Mumbai in Form No. GNL-1 on October 19, 2024.

8.6. The main objects of the Transferor Company No. 1, *inter alia*, are as follows:

1. "To carry on the business whether within India or outside of Design, Manufacturing, Trading and Marketing of the whole range of water and waste water systems and machineries, including but not limited to membrane technologies, conventional and membrane processes, wastewater treatment systems, total water management solutions, including services (detailed engineering, O&M manuals,

design centre) and equipment (sourcing, fabrication of BioWheel and BioBrane, vessels, etc) including but not limited to the parts and accessories required for the said plants or machineries.

2. *To carry on business as manufacturers, producers, processors, growers, fermentators, distillers, refiners, makers, inventors, convertors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockists, agents, subagents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in acids, alkalies, salts, all kinds and varieties of chemicals, substances and products whether-natural or artificial, including but not limited to water treatment chemicals including its compounds, intermediates, derivatives and by products thereof and all kinds, classes, charter and property of organic and inorganic chemicals and compounds which has been developed or known or which may be developed or invented in future as a result of any research and studies made in any part of the world.*

3. *To carry on business whether in India or outside of providing any type of services, including Advisory services, Consultancy services, Management services, Operations and Maintenance Services, in the field of Water Treatment and water projects.*

4. *To establish, provide, maintain and conduct research laboratories for scientific, technical or research activities and to undertake and carry on business whether directly or in collaboration with other agencies on contract or otherwise of Research and Development, technology development, analytical, experimental, investigations and other work for facilitating the manufacturing and / or processing of the products and / or services to be rendered by the Company or to promote in any way the business of the Companies including licensing, franchising or selling of the developed technologies."*

8.7. The capital Structure of the Transferor Company No. 1 as on March 31, 2024 was as under:

Particulars	**Amount (in ₹)**
Authorized Capital	
1,00,00,000 Equity shares of ₹10 (Rupees Ten only) each	10,00,00,000
Total	**10,00,00,000**
Issued, Subscribed and Paid-up Capital	
82,78,057 Equity shares of ₹10 (Rupees Ten only) each	8,27,80,570
Total	**8,27,80,570**

8.8. The copy of Audited Financial Statements as on March 31, 2024 and a copy of Unaudited Limited Reviewed Financial Statements for six months ended September 30, 2024 of the Transferor Company No. 1 is annexed herewith as **"Annexure 4B"**.

8.9. The details of the promoter (including promoter group) of Transferor Company No. 1 as on September 30, 2024 are as follows:

Sr No	**Name of Promoter/ Promoter Group**	**Category**	**Address**
1	Chembond Water Technologies Limited*	Promoter	Chembond Centre, EL-71, MIDC, Mahape, Navi Mumbai – 400 710

**Includes shares held by nominee shareholders*

8.10. The details of the Directors and Key Managerial Personnel ('KMP') of the Transferor Company No. 1 are as follows:

Sr No	Name of the Director/ KMP	DIN	Designation	Address
1.	Nirmal V. Shah	00083853	Director	Phalguni Apartment, Sarojini Road, Santacruz (W), Mumbai – 400 054
2.	Sushil U. Lakhani	01578957	Director	Jehanger Bhag, Cadell Road, Mahim, Mumbai – 400 016
3.	Vinod J. Deshpande	07529370	Director	Vijay Enclave, Ghodbunder Road, Waghbill Naka, Thane (W) – 400 615
4.	Dilpesh S. Patel	10601715	Director	Uxbridge Road, Pinner HA5 4SG
5.	Mahendra K. Ghelani	01108297	Director	Paradise Apt., L. Jagmohandas Marg., Mumbai – 400 006
6.	Pallavi Jamidar		Company Secretary	Vrindavandham Society, Sector 5, Ghansoli – 400 701

8.11. As on March 31, 2024, the Transferor Company No. 1 has nil secured creditors and unsecured creditors aggregating to ₹3,40,24,673 (Rupees Three crores forty lakhs twenty-four thousand six hundred seventy-three only)

8.12. The Scheme was approved by the Board of Directors of Transferor Company No. 1 at their meeting held on December 12, 2023, subject to approval by the requisite majority of the equity shareholders of Transferor Company No. 1 and subject to the sanction of the Hon'ble Tribunal and such other authorities as may be required. All the Directors were present at the meeting and voted unanimously in favour of the Scheme.

8.13. Effect of Scheme on Shareholders, Directors, Promoters, Key Managerial Personnel, Non-promoter members, Depositors, Creditors, Employees of the Transferor Company No. 1:

a. Effect on equity shareholders (promoter shareholders and non-promoter shareholders):

- As regards to demerger, all the equity shareholders of the Demerged Company (promoter and non-promoter), as on the Record Date (as defined in the Scheme) shall receive equity shares of the Resulting Company in the following ratio:

  "for every 1 (One) fully paid-up equity share having face value of ₹5 (Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of ₹5 (Rupees Five only) each, in the Resulting Company"

  in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and after the Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE, thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

- As regards to Amalgamation – I, Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of Transferor Company No. 1. With

regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Demerged Company and there shall be no issue of shares by the Demerged Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Demerged Company and its public shareholders.

- All the shares held by the Demerged Company in the Transferor Companies shall stand cancelled without any further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Demerged Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Demerged Company.
- The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.

b. Effect on Directors and KMP:

- The Directors and Key Managerial Personnels (KMPs) of the Resulting Company shall continue as Directors and KMPs of the Resulting Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such Directors and KMPs who are also shareholders of the Resulting Company. Other than the above, the Directors and KMPs are not affected pursuant to the Scheme.
- Post Amalgamation-I the Transferor Company No. 1 shall stand dissolved without winding up and accordingly, they are not required to appoint any Directors and KMPs.

c. Effect on creditors:

- Under the Scheme, no arrangement is sought to be entered into between the Resulting Company and its creditors. The interest of the creditors of the Transferor Company No. 1 shall not be impacted in any manner.
- Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Company No. 1 shall become the creditors of the Resulting Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Company No. 1. The liability of the creditors of the Transferor Company No. 1, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Company No. 1 would in no way be affected by the Scheme.

d. Effect on staff or employees:

- Under the Scheme, no rights of the staff and employees of the Transferor Company No. 1 are being affected.
- On the Scheme becoming effective, the employees of the Transferor Company No. 1 who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to have become the employees of the Resulting Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Company No. 1 on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Company No. 1 would in no way be affected by the Scheme.

e. Effect on Deposit Holders and Deposit Trustees:

- As on date of Notice, the Company has not accepted any deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.

- As on date of Notice, the Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee(s) does not arise.

8.14. As on the date of the Notice, there are no investigations or proceedings pending against the Transferor Company No. 1 under the provisions of the Companies Act, 2013.

9. Details of Chembond Material Technologies Private Limited (Transferor Company No. 2):

9.1. Chembond Material Technologies Private Limited is a Company incorporated on March 24, 2000 in the State of Maharashtra under the provisions of the Companies Act, 1956 in the name and style of "Protochem Industries Private Limited". Subsequently its name was changed to "Chembond Material Technologies Private Limited" on July 21, 2018. The Registered Office of the Transferor Company No. 2 is situated at Plot No.A-737/5, TTC MIDC Area, Mahape Village, Thane Belapur Road, Navi Mumbai, Maharashtra, India, 400710. The Corporate Identification Number of the Transferor Company No. 2 is U24200MH2000PTC125231 and Permanent Account Number is AABCP9509R. Transferor Company No. 2 is a wholly owned subsidiary of the Demerged Company. Clause 24 of the 'objects incidental or ancillary to the attainment of the main objects' of the memorandum of association of the Transferor Company No. 2 allows/enables amalgamation of the Transferor Company No. 2 with any other company or companies and the e-mail address is cs@chembondindia.com.

9.2. The Transferor Company No. 2 is engaged in the business of offering innovative & value delivering solutions to industrial customers in the areas of surface treatment, bonding & sealing, & coatings.

9.3. There has been no change in the Name, Registered Office of the Transferor Company No. 2 in the last 5 (five) years. The object clause of the company was amended in FY 2020-21.

9.4. The Board of Directors of the Transferor Company No. 2 has adopted a report dated December 12, 2023 setting out the salient features and commercial rationale behind the Scheme annexed as **"Annexure 5A".**

9.5. A copy of the Scheme has been filed by the Transferor Company No. 2 with the Registrar of Companies, Mumbai in Form No. GNL-1 on October 19, 2024.

9.6. The main objects of the Transferor Company No.2, inter alia, are as follows:

1. *"To manufacture, trade, import and export the chemicals for protection of metals against corrosion and manufacturing and marketing of speciality chemicals for various industries. These speciality ranges include metal pretreatment chemicals, sealants, coatings, adhesives, corrosion inhibitors, heat treatment salts, rust preventives and other cleaning chemicals meeting various defence and aviation specifications (whether by wholesale or by retail) and all kinds of drugs, chemicals, acids and compounds dyes, cosmetics, paints, pigments, oils, varnishes, resins and synthetic and manmade materials and fabrics of any / whatsoever nature.*

2. *To carry on all or any business of manufacturers, dealers, processors in the field of surface treatment of ferrous and non-ferrous metals and other substrates for anti-corrosive, paint adhesion or lubricity purposes and to carry on all or any of the business of inventors, exploiters of all types of processes in the field of chemicals and pre-treatment for anti-corrosive, paint adhesion and lubricity purposes of metallic and non-metallic substrates and industrial coatings.*

3. *To establish, operate, propagate, manufacture, produce, cultivate, process, do research and development, test, analyse, collaborate, import, export, sell, purchase or otherwise deal in marketing or multi marketing of health care and nutrition products, food, food supplements, input chemicals for humans & companion animals, feed, all feed supplements & farm products for all animal species that includes cattle, dairy, swine, equine, poultry, other livestock animals, aquaculture (including products for bioremediation), all products used as agriculture inputs that includes biofertilizers, bio-pesticides, soil nourishment, growth promoters, etc., all industrial input chemicals & biological entities used in distillery, oenology, winery, brewery and many other life science, microbiology, biochemical and*

sanitation related products. Products can also include any active probiotics (bacteria, yeast, fungus), their derivatives, metabolites, all types of enzymes, chemicals, drugs (other than those specified in Schedule C, C1 & X to the Drugs & Cosmetics Rule, 1945), APIs, intermediates, plant derivatives, herb & vegetable extracts, marine / sea foods, natural or genetically modified organisms or organism/animal derived products, manufactured through plant & machinery, fermentation, membrane processing, or through any other processing."

9.7. The share capital of the Transferor Company No. 2 as on March 31, 2024 was as under:

Particulars	**Amount (in ₹)**
Authorized Capital	
25,00,000 Equity shares of ₹10/- (Rupees Ten only) each	2,50,00,000
Total	**2,50,00,000**
Issued, Subscribed and Paid-up Capital	
15,15,000 Equity shares of ₹10/- (Rupees Ten only) each	1,51,50,000
Total	**1,51,50,000**

The National Company Law Tribunal vide its order dated September 12, 2023 approved the merger of Chembond Polymers and Materials Limited a wholly owned subsidiary of the Transferee Company into Chembond Material Technologies Private Limited.

9.8. The copy of Audited Financial Statements as on March 31, 2024 and Unaudited Limited Reviewed Financial Statements for six months ended September 30, 2024 of the Transferor Company No. 2 is annexed herewith as **"Annexure 5B"**.

9.9. The details of the promoter (including promoter group) of Transferor Company No. 2 as on September 30, 2024 are as follows:

Sr No	**Name of Promoter/ Promoter Group**	**Category**	**Address**
1	Chembond Chemicals Limited*	Promoter	Chembond Centre, EL-71, MIDC, Mahape, Navi Mumbai – 400 710

**Includes shares held by nominee shareholders*

9.10. The details of the Directors and Key Managerial Personnel ('KMP') of the Transferor Company No. 2 are as follows:

Sr. No.	Name of the Director/ KMP	DIN	Designation	Address
1.	Sameer V. Shah	00105721	Director	Sujata, Saraswati Road, Santacruz West Mumbai 400054
2.	Nirmal V. Shah	00083853	Director	Phalguni Apartment, Sarojini Road, Santacruz (West), Mumbai-400054
3.	Harish L. Maheshwari	02411811	Director	Aricia's Solitaire C.H.C., Mulund (W), Mumbai 4000 080
4.	Raj K. Gupta	00107039	Director	East of Kailash New Delhi – 110065
5.	Jaywant K. Tawade	08231696	Director	Chaturshringi Road, Model Colony, Pune – 411016
6.	Subhash P. Kolhe	08237446	Director	Laxmi Sadan Bldg, Ramnagar, Dombivli (E) 421201.
7.	Mahendra K. Ghelani	01108297	Director	Paradise Apt., L Jagmohandas Marg, Mumbai- 400006
8.	Jayesh P. Shah	00138346	Additional Director	Pritam, Khar (W), Mumbai 400052

9.11. As on March 31, 2024, the Transferor Company No. 2 has secured creditor amounting to Rs. 83,91,302 (Rupees Eighty three lakhs ninety one thousand three hundred and two only) and unsecured creditors aggregating to Rs.39,43,16,324 (Rupees Thirty-Nine crore forty-three lakhs sixteen thousand three hundred twenty-four only)

9.12. The Scheme was approved by the Board of Directors of the Transferor Company No. 2 at their meeting held on December 12, 2023, subject to approval by the equity shareholders of the Transferor Company No. 2 and subject to the sanction of the Hon'ble Tribunal and such other authorities as may be required. All the Directors except Harish L. Maheshwari were present at the meeting and voted unanimously in favour of the Scheme.

9.13. Effect of Scheme on Shareholders, Directors, Promoters, Key Managerial Personnel, Non-promoter members, Depositors, Creditors, Employees of the Transferor Company No. 2:

a. Effect on equity shareholders (promoter shareholders and non-promoter shareholders):

- As regards to demerger, all the equity shareholders of the Company (promoter and non-promoter), as on the Record Date *(as defined in the Scheme)* shall receive equity shares of the Resulting Company in the following ratio:

  "for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five only) each, in the Resulting Company"

  in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and after the Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE,

thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

- As regards to Amalgamation – I, Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Transferee Company and there shall be no issue of shares by the Transferee Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Transferee Company and its public shareholders.
- All the shares held by the Transferee Company in the Transferor Companies shall stand cancelled without any further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Transferee Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Transferee Company.
- The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.

b. Effect on Directors and KMP:

- The Directors and Key Managerial Personnels (KMPs) of the Demerged Company shall continue as Directors and KMP of the Transferee Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such Directors and KMPs who are also shareholders of the Demerged Company. Other than the above, the Directors and KMPs are not affected pursuant to the Scheme.
- Post Amalgamation the Transferor Companies shall stand dissolved without winding up and accordingly, they are not required to appoint any Directors and KMPs.

c. Effect on creditors:

- Under the Scheme, no arrangement is sought to be entered into between the Demerged Company and its creditors.
- Under the Scheme, there is no arrangement with the creditors of the Transferor Companies. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Companies shall become the creditors of the Demerged Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Companies. The liability of the creditors of the Transferor Companies, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Companies would in no way be affected by the Scheme.

d. Effect on staff or employees:

- Under the Scheme, no rights of the staff and employees of the Demerged Company are being affected.
- On the Scheme becoming effective, the employees of the Transferor Companies who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to have become the employees of the Demerged Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Companies on the Effective Date. In the circumstances, the rights of the

staff and employees of the Transferor Companies would in no way be affected by the Scheme.

e. Effect on Deposit Holders and Deposit Trustees:

- As on date of Notice, the Company has not accepted any public deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.
- As on date of Notice, the Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee(s) does not arise.

9.14. As on the date of the Notice, there are no investigations or proceedings pending against the Transferor Company No. 2 under the provisions of the Companies Act, 2013.

10. Details of Phiroze Sethna Private Limited (Transferor Company No. 3):

10.1. Phiroze Sethna Private Limited is a Company incorporated on June 24, 1975 in the State of Maharashtra under the provisions of the Companies Act, 1956 in the name and style of "Phiroze Sethna Private Limited". The Registered Office of the Transferor Company No. 3 is situated at Chembond Centre, EL-71, MIDC, Mahape, Navi Mumbai, Maharashtra, India – 400 710. The Corporate Identitification Number of the Transferor Company No. 3 is U25209MH1975PTC018396 and Permanent Account Number is AAACP6098G. The Transferor Company No. 3 is a wholly owned subsidiary of the Transferee Company. Clause 6 of the 'objects incidental or ancillary to the attainment of the main objects' of the Memorandum of Association of the Transferor Company No. 3 allows/enables amalgamation of the Transferor Company No. 3 with any other company or companies and the e-mail address is cs@chembondindia.com.

10.2. The Transferor Company No. 3 is manufacturing and marketing a wide range of products to automobiles manufacturers, ancillary industries and other manufacturing sectors.

10.3. There has been no change in the name and objects of the Transferee Company in the last 5 (five) years. However, the Registered office address was changed in FY 2022-23.

10.4. The Board of Directors of the Transferor Company No. 3 has adopted a report dated December 12, 2023 setting out the salient features and commercial rationale behind the Scheme annexed as **"Annexure 6A"**.

10.5. A copy of the Scheme has been filed by the Transferor Company No. 3 with the Registrar of Companies, Mumbai in Form No. GNL-1 on October 19, 2024.

10.6. The main objects of the Transferor Company No.3, inter alia, are as follows:

1. *"To carry on all or any of the business, of manufacturers, purchasers, sellers, developers of & dealers in plastic products such as rollers used for duplicating, printing, textile, industrial and domestic machines, plastic compounds, plastic coating materials, consumer products using thermo setting & thermo plastic raw materials particularly poly vinyl chloride.*
2. *To carry on the business of manufacturers of ferrous & non-ferrous castings & other light engineering goods involving fabrication or castings.*
3. *To carry on the business of processing cotton including ginning and pressing cotton and the business of cotton spinners, doublers and worsted spinners and generally to manufacture, deal in all kinds of textile yarns and fabrics made of cotton, jute, wool or synthetic fibres or a combination of one or more of them and to carry on the business of exporters and importers of and traders and dealers in any of the aforesaid products"*

10.7. The Authorized, subscribed and paid-up share capital of the Transferor Company No. 3 as on March 31, 2024, was as under:

Particulars	Amount (in ₹)
Authorized Capital	
5,000 Equity Shares of ₹100/- each	5,00,000
4,950 Unclassified Shares of ₹100/- each	4,95,000
9.50% Cumulative Redeemable Preference Shares of ₹100/- each	5,000
Total	**10,00,000**
Issued, Subscribed and Paid-up Capital	
4,000 Equity Shares of ₹100/- each	4,00,000
Total	**4,00,000**

10.8. The copy of Audited Financial Statements as on March 31, 2024 and Unaudited Limited Reviewed Financial Statements, for six months ended September 30, 2024 of the Transferor Company No. 3 is annexed herewith as **"Annexure 6B"**.

10.9. The details of the promoter (including promoter group) of Transferor Company No. 3 as on Monday, September 30, 2024 are as follows:

Sr No	Name of Promoter/ Promoter Group	Category	Address
1	Chembond Chemicals Limited*	Promoter	Chembond Centre, EI-71, MIDC, Mahape, Navi Mumbai - 400 710

**Includes shares held by nominee shareholders*

10.10. The details of the Directors and Key Managerial Personnel ('KMP') of the Transferor Company No. 3 are as follows:

Sr. No.	Name of the Director/ KMP	DIN	Designation	Address
1.	Sameer V. Shah	00105721	Director	Sujata, Saraswati Road, Santacruz West Mumbai-400054
2.	Nirmal V. Shah	00083853	Director	Phalguni Apartment, Sarojini Road, Santacruz (West), Mumbai-400054
3.	Mahendra K. Ghelani	01108297	Director	Paradise Apt., L Jagmohandas Marg, Mumbai- 400006
4.	Rashmi Gavli	08001649	Director	Keshav Kunj, Sector-15, Navi Mumbai – 400705

10.11. As on March 31, 2024, the Transferor Company No. 3 has nil secured creditor and unsecured creditors aggregating to Rs. 1,61,53,660 (Rupees One crore sixty one lakhs fifty three thousand six hundred sixty only).

10.12. The Scheme was approved by the Board of Directors of the Transferor Company No. 3 at their meeting held on December 12, 2023, subject to approval by the requisite majority of the equity shareholders of the Transferor Company No. 3 and subject to the sanction of the Hon'ble Tribunal and such other authorities as may be required. All the Directors were present at the meeting and voted unanimously

in favour of the Scheme.

10.13. Effect of Scheme on Shareholders, Directors, Promoters, Key Managerial Personnel, Non-promoter members, Depositors, Creditors, Employees of the Transferor Company No. 3:

a. Effect on equity shareholders (promoter shareholders and non-promoter shareholders):

- As regards to demerger, all the equity shareholders of the Demerged Company (promoter and non-promoter), as on the Record Date *(as defined in the Scheme)* shall receive equity shares of the Resulting Company in the following ratio:

  "for every 1 (One) fully paid-up equity share having face value of ₹5 (Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of ₹5 (Rupees Five only) each, in the Resulting Company"

  in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and the after Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE, thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

- As regards to Amalgamation – I, Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Demerged Company and there shall be no issue of shares by the Demerged Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Demerged Company and its public shareholders.

- All the shares held by the Demerged Company in the Transferor Companies shall stand cancelled without further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Demerged Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Demerged Company.

  The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.

b. Effect on Directors and KMP:

- The Directors and Key Managerial Personnels (KMPs) of the Demerged Company shall continue as Key Managerial Personnel of the Demerged Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such Directors and KMPs who are also shareholders of the Demerged Company. Other than the above, the Directors and KMPs are not affected pursuant to the Scheme.

- Post Amalgamation the Transferor Companies shall stand dissolved without winding up and

accordingly, they are not required to appoint any Directors and KMPs.

c. Effect on creditors:

- Under the Scheme, no arrangement is sought to be entered into between the Demerged Company and its creditors.
- Under the Scheme, there is no arrangement with the creditors of the Transferor Companies. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Companies shall become the creditors of the Demerged Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Companies. The liability of the creditors of the Transferor Companies, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Companies would in no way be affected by the Scheme.

d. Effect on staff or employees:

- Under the Scheme, no rights of the staff and employees of the Demerged Company are being affected.
- On the Scheme becoming effective, the employees of the Transferor Companies who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to have become the employees of the Demerged Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Companies on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Companies would in no way be affected by the Scheme.

e. Effect on Deposit Holders and Deposit Trustees:

- As on date of Notice, Company has not accepted any public deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.
- As on date of Notice, Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee (s) does not arise.

10.14. As on the date of the Notice, there are no investigations or proceedings pending against the Transferor Company No. 3 under the provisions of the Companies Act, 2013.

11. Details of Gramos Chemicals (India) Private Limited ("Transferor Company No. 4"):

11.1. Gramos Chemicals (India) Private Limited is a Company incorporated on February 26, 1985 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Sunbeam Solvents Private Limited". Subsequently its name was changed to "Gramos Chemicals (India) Private Limited on March 24, 1988. The Registered Office of the Transferor Company No. 4 is situated at Chembond Centre, EL- 71, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Corporate Identification Number of the Transferor Company No. 4 is U99999MH1985PTC035486 and Permanent Account Number is AAACG1732C. The Transferor Company No. 4 is a step down subsidiary of the Transferee Company and wholly owned subsidiary of Transferor Company No. 3. Clause 5 of the 'objects incidental or ancillary to the attainment of the main objects' of the Memorandum of Association of the Transferor Company No. 4 allows/enables amalgamation of the Transferor Company No. 4 with any other company or companies, and the e-mail address is cs@chembondindia.com.

11.2. The Transferor Company No. 4 is engaged in the business of manufacturing products for paint shop with a presence in the leading automotive and industrial plants of the country.

11.3. There has been no change in the name and objects of the Transferor Company No. 4 in the last 5 (five) years. However, the Registered office address was changed in FY 2022-23.

11.4. The Board of Directors of the Transferor Company No. 4 has adopted a report dated December 12, 2023 setting out the salient features and commercial rationale behind the Scheme annexed as **"Annexure 7A".**

11.5. A copy of the Scheme has been filed by Transferor Company No. 4 with the Registrar of Companies, Mumbai in Form No. GNL-1 on October 19, 2024.

11.6. The main objects of the Transferor Company No.4, inter alia, are as follows:

"To carry on the business of manufacturing, purchasing, selling, developing, importing of and dealing in chemicals and electrolytic cleaners, chemical paint strippers, chemically treated cloths, face mask and othermaterials for dust control and removal, chemicals and - polishes for finished products, plastics compounds, particularly, polyvinyl chloride, liquid plastic -membranes, liquid plastic coating materials and chemicals of all types."

11.7. The Authorized, subscribed and paid-up share capital of the Transferor Company No. 4 as on March 31, 2024, was as under:

Particulars	**Amount (in ₹)**
Authorized Capital	
1,00,000 Equity Shares of ₹100/- each	1,00,00,000
Total	**1,00,00,000**
Issued, Subscribed and Paid-up Capital	
48,000 Equity Shares of ₹100/- each	48,00,000
Total	**48,00,000**

11.8. The copy of Audited Financial Statements as on March 31, 2024 and Unaudited Limited Reviewed Financial Statements for six months ended September 30, 2024 of the Transferor Company No. 4 is annexed herewith as **"Annexure 7B".**

11.9. The details of the promoter (including promoter group) of Transferor Company No. 4 as on September 30, 2024 are as follows:

Sr No	**Name of Promoter/ Promoter Group**	**Category**	**Address**
1	Phiroze Sethna Private Limited*	Promoter	Chembond Centre, EL - 71, MIDC, Mahape, Navi Mumbai, Thane – 400 710

**Includes shares held by nominee shareholder.*

11.10. The details of the Directors and Key Managerial Personnel ('KMP') of the Transferor Company No. 4 are as follows:

Sr. No.	Name of the Director/ KMP	DIN	Designation	Address
1.	Sameer V. Shah	00105721	Director	Sujata, Saraswati Road, Santacruz West Mumbai 400054
2.	Nirmal V. Shah	00083853	Director	Phalguni Apartment, Sarojini Road, Santacruz (West), Mumbai-400054
3.	Rashmi Gali	08001649	Director	Keshav Kunj, Sector-15, Near Palm Beach Road, Navi Mumbai – 400705

11.11. As on March 31, 2024, the Transferor Company No. 4 has Nil secured creditor and unsecured creditors aggregating to Rs.7,01,25,778 (Rupees Seven crores one lakh twenty-five thousand seven hundred seventy-eight only).

11.12. The Scheme was approved by the Board of Directors of the Transferor Company No. 4 at their meeting held on December 12, 2023, subject to approval by the requisite majority of the equity shareholders of the Transferor Company No. 4 and subject to the sanction of the Hon'ble Tribunal and such other authorities as may be required. All the Directors were present at the meeting and voted unanimously in favour of the Scheme.

11.13. Effect of Scheme on Shareholders, Directors, Promoters, Key Managerial Personnel, Non-promoter members, Depositors, Creditors, Employees of the Transferor Company No. 4:

a. Effect on equity shareholders (promoter shareholders and non-promoter shareholders):

- As regards to demerger, all the equity shareholders of the Demerged Company (promoter and non-promoter), as on the Record Date *(as defined in the Scheme)* shall receive equity shares of the Resulting Company in the following ratio:

  "for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five only) each, in the Resulting Company"

  in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and after the Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE, thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

- As regards to Amalgamation – I, Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Demerged Company and there shall be no issue of shares by the Demerged Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Demerged Company and its public shareholders.

- All the shares held by the Demerged Company in the Transferor Companies shall stand cancelled without any further act or deed on amalgamation coming into effect. There would neither be any

change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Demerged Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Demerged Company.

- The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.

b. Effect on Directors and KMP:

- The Directors and Key Managerial Personnels (KMPs) of the Demerged Company shall continue as Directors and KMPs of the Demerged Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such Directors and KMPs who are also shareholders of the Demerged Company. Other than the above, the Directors and KMPs are not affected pursuant to the Scheme.
- Post Amalgamation the Transferor Companies shall stand dissolved without winding up and accordingly, they are not required to appoint any Directors and KMPs.

c. Effect on creditors:

- Under the Scheme, no arrangement is sought to be entered into between the Demerged Company and its creditors. The interest of the creditors of the Transferor Companies shall not be impacted in any manner.
- Under the Scheme, there is no arrangement with the creditors of the Transferor Companies. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Companies shall become the creditors of the Demerged Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Companies. The liability of the creditors of the Transferor Companies, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Companies would in no way be affected by the Scheme.

d. Effect on staff or employees:

- Under the Scheme, no rights of the staff and employees of the Demerged Company are being affected.
- On the Scheme becoming effective, the employees of the Transferor Companies who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to have become the employees of the Demerged Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Companies on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Companies would in no way be affected by the Scheme.

e. Effect on Deposit Holders and Deposit Trustees:

- As on date of Notice, the Company has not accepted any deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.
- As on date of Notice, the Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee (s) does not arise.

11.14. As on the date of the Notice, there are no investigations or proceedings pending against the Transferor Company No. 4 under the provisions.

12. Rationale of the Scheme:

12.1. The Chembond group, represented by the Demerged Company, viz. Chembond Chemicals Limited and its subsidiaries, step-down subsidiaries and step-down associates, is a well known name in India and engaged in manufacturing a diverse range of specialty chemicals and all products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The Demerged Company has excellent infrastructure facilities like a well-equipped R & D laboratory, multiple regional offices, and production plants, well trained personnel and references across several business segments from the best-known companies in the field. The Demerged Company has come a long way and evolved from being a fledging start-up to India's leading specialty chemicals manufacturer. Based on the aforesaid, the Demerged Company's several businesses carried on by itself and through its subsidiary and step down subsidiary companies and associate companies can broadly be segregated into the following areas: (i) Water Technologies; (ii) Material Technologies; (iii) Construction Chemicals; (iv) Biotechnology; (v) Distribution; (vi) Tolling (vii) Adhesives; and (viii) Industrial Sealants.

12.2. Each of the several businesses carried on by the Demerged Company by itself and through its subsidiaries, step-down subsidiaries and step-down associate, including CC & WT Business (as defined hereinafter) has significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking can attract a different set of investors, strategic partners, lenders, and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, Demerged Company proposes to re-organize and segregate, by way of a demerger of its Demerged Undertaking and vesting of the same in the Resulting Company and subsequently, amalgamation of the Transferor Companies with the Transferee Company.

12.3. The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits:

a. segregation and unbundling of the CC & WT Business of the Demerged Company into the Resulting Company, which will enable enhanced focus on Retained Business (as defined hereinafter) the Demerged Company and Resulting Company for exploiting opportunities of each of their businesses;

b. unlocking of value for the shareholders of the Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth;

c. logistics alignment leading to economies of scale for the Resulting Company and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and

d. enhancing competitive strength, achieving cost optimisation, ensuring benefits through focused management of the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Company and the Demerged Company thereby significantly contributing to future growth and maximizing shareholders' value.

12.4. Upon completion of proposed demerger, Transferor Company No. 1 will become a step-down subsidiary of the Resulting Company. The proposed Amalgamation – I and Amalgamation - II of the subsidiary companies (direct and indirect) into their respective holding company pursuant to this Scheme is expected, inter alia, to result in the following benefits:

a. It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;

b. It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition;

c. It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholders value;

d. It will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and

e. In summary, the proposed restructuring focuses on optimizing the operational structure to enable better focus, specialization, and efficiency across different business segments, ultimately leading to increased shareholder value and sustained growth for the entities involved.

The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the Companies.

13. Relationship between the Demerged Company, Resulting company, Transferor Company No.1 and Transferor Companies

The Resulting Company, Transferor Company No. 1, and the Transferor Companies are wholly owned subsidiaries (direct and indirect) of Demerged Company.

14. Appointed Date, Effective Date, Record Date, Share Exchange Ratio and other considerations:

- Appointed Date : means the commencement of business hours of April 1, 2024 with effect from which all the sections of this Scheme will be deemed to be effective.
- Effective Date : means the date on which the last of the conditions in Clause 46 of Section IV of the Scheme are complied with and Section I, Section II, Section III and Section IV of the Scheme are made effective with effect from the Appointed Date
- Record Date : has the meaning ascribed to it in Clause 11.1 of Section I of this Scheme;
- Share Exchange Ratio for the purposes of Section I of this Scheme: (a) for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five) each, in the Resulting Company .
- Share Exchange Ratio for the purposes of Section II of this Scheme: Transferor Company No. 1 will become an indirect wholly owned subsidiary company of the Resulting Company post the effectiveness of the Scheme. Its entire share capital will be indirectly held by the Resulting Company. Hence, upon Amalgamation – I becoming effective, no shares of Resulting Company shall be allotted in lieu or exchange of the shares of the Transferor Company No. 1. Upon the Scheme becoming effective, the entire share capital of the Transferor Company No. 1 shall be cancelled and extinguished.
- Share Exchange Ratio for the purposes of Section III of this Scheme: The Transferor Companies are wholly owned subsidiary and / or step down subsidiary companies of Transferee Company. Their entire share capital is directly or indirectly held by the Transferee Company. Hence, upon the Scheme becoming effective, no shares of Transferee Company shall be allotted in lieu or exchange of the shares of the Transferor Companies. Upon the Scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished.

15. Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities in relation to the Scheme.

15.1. The Scheme was placed before the Audit Committee of the Transferee Company at its meeting held on December 12, 2023. The Audit Committee, inter alia, recommended the Scheme to the Board of Directors of the Transferee Company for its favourable consideration. The report adopted by the Audit Committee of the Company and by the committee of the Independent Directors are annexed here with as **"Annexure 8A** and **Annexure 8B".**

15.2. The Scheme was also placed before the Audit Committee of the Transferor Company No. 2 at its meeting held on December 12, 2023. The Audit Committee, inter alia, recommended the Scheme to the Board of Directors of the Transferor Company No. 2 for its favourable consideration.

15.3. The Board of Directors of the Demerged Company, Resulting Company, Transferor Company No. 1 and Transferor Companies at its respective Board Meetings held on December 12, 2023, have approved the proposed Scheme. A copy of the said Board Resolutions of the Companies is annexed hereto as **"Annexure 9".**

16. NSE was appointed as the Designated Stock Exchange by the Company for the purpose of co-ordinating with the SEBI for obtaining approval of SEBI in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

17. The Company by its two separate letters, both dated January 2, 2024 applied to both the Stock Exchanges for their no-objection to the Scheme enclosed. Thereafter, certain information/details/queries were sought/raised by BSE/NSE and the same were submitted by the Company.

18. The Company received no-objection letter regarding the Scheme from BSE dated August 13, 2024. The Company received letter regarding the Scheme from NSE dated August 14, 2024, conveying its no-objection for filing the Scheme with NCLT pursuant to the letter addressed by SEBI to NSE. Copies of the no-objection/ no adverse observations letters, received from BSE and NSE, respectively, are enclosed as **"Annexure 10"** and **"Annexure 11".**

19. Pursuant to the aforesaid advice of SEBI, separate note in respect of details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against Demerged Company, Resulting Company, Transferor Company No. 1 and the Transferor Companies and their promoters and directors are enclosed as **"Annexure 12".**

20. As required by the SEBI circular, the Transferee Company has filed the Complaint report with BSE and NSE respectively. The report indicates no complaints from equity shareholders with respect to the Scheme. A copy of the no complaints report submitted by the Company dated February 23,2024 and March 12, 2024 to BSE and NSE, respectively is enclosed as **"Annexure 13A"** and **"Annexure 13B".**

21. Salient Features of the Scheme

Section I of the Scheme deals with the demerger of the demerged Undertaking and vesting of the same in Resulting Company.

The Company received no-objection letter regarding the Scheme from BSE

7. DEFINITIONS

For the purposes of Section I of this Scheme, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as mentioned herein below:

7.1 **"Act"** means the Companies Act, 2013, and ordinances, rules and regulations made thereunder, and

shall include any statutory modifications, re-enactments or amendments thereof for the time being in force. References in this Scheme to particular provisions of the Act, are references to particular provisions of the Companies Act, 2013, unless stated otherwise.

7.2 **"Applicable Laws"** shall mean any statute, notification, bye-laws, rules, regulations, guidelines, common law, policy, code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India including any modifications or re-enactment thereof for the time being in force.

7.3 **"Appointed Date"** means the commencement of business hours of April 1, 2024 with effect from which all the sections of this Scheme will be deemed to be effective.

7.4 **"Board of Directors"** or **"Board"** in relation to each of the Parties, means the board of directors of such company, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto.

7.5 **"BSE"** means BSE Limited and includes any successor thereof.

7.6 **"CC & WT Business"** means the construction chemicals, water technologies and cleaning & hygiene businesses of manufacturing, selling, distribution and trading of chemicals, including chemicals used in construction and civil repair industry as well as in relation to chemicals, equipment and services required for water treatment.

7.7 **"Companies"** means collectively the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 and the Transferor Company No. 4.

7.8 **"Demerged Company"** means Chembond Chemicals Limited a listed company, incorporated on March 22, 1975 in the State of Maharashtra under the Companies Act, 1956 and having its Registered Office at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India – 400710.

7.9 **"Demerged Undertaking"** means the CC & WT Business of the Demerged Company as identified by the board of directors of Demerged Company and Resulting Company, to be transferred to Resulting Company on a going concern basis with effect from the Appointed Date, comprising, inter alia, of all assets, movable and immovable properties, liabilities, permits, licenses, registrations, approvals, contracts, and employees, in relation to and pertaining to such business and shall include without limitation:

a. all properties and assets including all movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, furniture, fixtures, office equipment, appliances, accessories, vehicles, investments, stocks, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licenses, permits, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company with respect to the CC & WT Business;

b. all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of

intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the CC & WT Business;

c. all investments in equity shares, securities, working capital and loans & advances in so far as it related to the CC & WT Business, including equity investments of the Demerged Company in Chembond Water Technologies Limited, Chembond Calvatis Industrial Hygiene Systems Limited, and Chembond Distribution Limited

d. all applications (including hardware, software, licenses, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the CC & WT Business under;

e. all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals and minimum alternate tax paid under Section 115JA/115JB of the Income-tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income-tax Act or any other taxation statute enjoyed by the Demerged Company with respect to CC & WT Business;

f. all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Demerged Company pertaining to the CC & WT Business and/or arising out of and/or relatable to the CC & WT Business including:

g. the debts, liabilities, duties and obligations of the Demerged Company which arises out of the activities or operations of the CC & WT Business;

h. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the CC & WT Business;

i. in cases other than the specifically identified borrowings, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bears to the total value of the assets of the Demerged Company immediately prior to the Effective Date;

j. all Proceedings of whatsoever nature that pertain to the CC & WT Business;

k. all Permits, licenses, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents, and other intellectual property rights of the Demerged Company pertaining to CC & WT Business, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to CC & WT Business;

l. all books, records, files, papers, process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and

advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to CC & WT Business;

m. all permanent and/or temporary employees, workmen, staff, contract staff or workers of the Demerged Company engaged in the business of the CC & WT Business;

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by the Board of Directors of the Demerged Company and the Resulting Company.

Further the Board of Directors of the Demerged Company and the Resulting Company may mutually decide the modalities/commercial arrangement between the said companies with regard to utilization of resources to ensure smooth transition and functioning of the respective businesses.

7.10 **"Effective Date"** means the date on which the last of the conditions in Clause 46 of Section IV of the Scheme are complied with and Sections I, Section II, Section III and Section IV of the Scheme are made effective with effect from the Appointed Date.

7.11 **"Governmental Authority"** means any applicable Central, State or Local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any Court, Tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Official Liquidators, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, Insurance Regulatory and Development Authority of India or arbitration or arbitral body having jurisdiction, Tribunal and other government and regulatory authorities of India.

7.12 **"Income-tax Act or IT Act"** means the Income-tax Act, 1961 (43 of 1961), the rules made thereunder and will include any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force.

7.13 **"Intellectual Property Rights"** means and includes patents, trademarks, service marks, registered designs, data base rights, trade or business names, know-how, dossiers, marketing authorizations, copy-rights, domain name rights and any other intellectual property rights and rights of a similar and corresponding nature in any part of the world, whether registered or not and whether capable of registration or not.

7.14 **"NSE"** means National Stock Exchange of India Limited and includes any successor thereof;

7.15 **"Tribunal"** means the National Company Law Tribunal, Mumbai bench having jurisdiction in relation to the Companies and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of Tribunal to sanction the Scheme under the Act.

7.16 **"Resulting Company"** means Chembond Chemical Specialties Limited, an unlisted company, incorporated on December 12, 2023, in the State of Maharashtra under the Companies Act, 2013 and having its Registered Office at EL-37 MIDC Mahape, Navi Mumbai 400710, Maharashtra, India;

7.17 **"Record Date"** has the meaning ascribed to it in Clause 11.1 of Section I of this Scheme;

7.18 **"Registrar of Companies or ROC"** shall mean the relevant Registrar of Companies having territorial jurisdiction in the states(s) in which the respected Registered Office of the Companies are located;

7.19 **"Retained Business of the Demerged Company"** means all undertakings, investments, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking.

7.20 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Composite Scheme of Arrangement in its

present form or with any modification(s) made hereunder in this Scheme as approved or directed by the Hon'ble Tribunal and which is acceptable to the Board of Directors of the Companies;

7.21 **"SEBI"** means the Securities and Exchange Board of India;

7.22 **"SEBI Circulars"** means Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the SEBI on June 20, 2023 (as amended from time to time) or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

7.23 **"Stock Exchanges"** means BSE Limited and National Stock Exchange of India Limited collectively;

The expressions, which are used in this Section I of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section II, Section III or Section IV of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

10. DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY AND VESTING OF THE SAME IN THE RESULTING COMPANY

10.1 Subject to the provisions of Section I of the Scheme in relation to the modalities of demerger and vesting, upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Demerged Undertaking, together with all their respective properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall demerge from the Demerged Company be transferred to, and stand vested in, the Resulting Company, and shall become the property of and an integral part of the Resulting Company, subject to existing encumbrances (unless otherwise agreed to by the encumbrance holders), without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, the Demerged Undertaking shall stand transferred and vested in the Resulting Company, in the manner described in sub-paragraphs (a) – (m) below:

a. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all immovable property pertaining to the Demerged Undertaking, whether freehold or leasehold (including the right to use the land on which the CC & WT Business is located and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company, and without any approval or acknowledgement of any third party. Upon Section I of the Scheme coming into effect on the Effective Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Resulting Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Tribunal and Section I of the Scheme becoming effective on the Effective Date in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Demerged Undertaking is given to the Resulting Company in accordance with the terms hereof.

b. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by

vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.

c. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts and receivables as of Appointed Date due to the Resulting Company from the Demerged Company as a result of the implementation of Section I of the Scheme), outstanding loans and advances, if any, relating to the Demerged Undertaking, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, without any act, instrument or deed required by either the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party become the property of the Resulting Company.

d. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Demerged Undertaking, whether provided for or not in the books of accounts of the Demerged Company or disclosed in the balance sheet of such Demerged Undertaking, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT Act, shall become and be deemed to be, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company. The Resulting Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, the Demerged Company and the Resulting Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Tribunal or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Resulting Company as part of the Demerged Undertaking and/or in relation to the assets remaining in the Demerged Company after the demerger and vesting of the Demerged Undertaking in the Resulting Company pursuant to Section I of this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to the Demerged Undertaking have been discharged by the Demerged Company on behalf of the Demerged Undertaking after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Demerged Company for and on behalf of the Resulting Company.

e. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of or in relation to the Demerged Undertaking shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed required by either the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.

f. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all letters of intent, memoranda of understanding, memoranda of agreements, tenders, bids, experience and/or performance statements, contracts, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, shall be in full force and effect against or in favour of the Resulting Company and may be enforced by or against it as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.

g. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all rights, entitlements, licenses, permits, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered, unregistered or pending registration, including the joint right to use the brand name "Chembond" and its logo and other brands, and the goodwill arising therefrom, relatable to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, shall be extended (including joint right to use the brand name "Chembond" and its logo and other brands) to the Resulting Company. Accordingly, the joint rights to use the Chembond brand and other brands shall remain with both, the Demerged Company and the Resulting Company.

h. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses comprising of unabsorbed depreciation), sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit, goods and service tax credit), facilities of every kind and description of whatsoever nature, in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.

i Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any statutory or regulatory licenses, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Demerged Undertaking or granted to the Demerged Company in relation to the Demerged Undertaking shall stand transferred and vested in the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Demerged Undertaking shall also stand transferred and vested in and become available to the Resulting Company pursuant to Section I of this Scheme without any further act, instrument or deed required by either the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. If the consent or recordal of any licensor or authority is required

to give effect to the provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section I of the Scheme becoming effective in accordance with the terms hereof.

j. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resulting Company shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Demerged Company in connection with the Demerged Undertaking. If any suit, appeal or other proceeding of whatever nature by or against the Demerged Company in connection with the Demerged Undertaking be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of such Demerged Undertaking and transfer and vesting of the same in the Resulting Company or of anything contained in Section I of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if Section I of this Scheme had not been made effective. Upon Section I of the Scheme becoming effective, the Resulting Company undertakes to have such legal or other proceedings initiated by or against the Demerged Company in relation to the Demerged Undertaking transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company also undertakes to handle all legal or other proceedings which may be initiated against the Demerged Company in connection with the Demerged Undertaking after the Effective Date in its own name and account and further undertakes to pay all amounts including interest, penalties, damages etc. pursuant to such legal/ other proceedings.

k. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all persons that were employed in the Demerged Company in connection with the Demerged Undertaking immediately before such date shall become employees of the Resulting Company, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. It is clarified that such employees of the Demerged Company that become employees of the Resulting Company by virtue of Section I of this Scheme coming into effect, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer (including in relation to stock options except to the extent modified by this Scheme) and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Resulting Company, unless and otherwise so stated by the Resulting Company in writing in respect of all employees, class of employees or any particular employee. The Resulting Company undertakes to continue to abide by any agreement/ settlement, if any, entered into by the Demerged Company, in relation to the Demerged Undertaking, in respect of such employees with their respective employees/ employee unions, if any. With regard to the provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948, or any other special fund or obligation created or existing for the benefit of such employees of the Demerged Company, upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits, contributions made under the Employees State Insurance Act, 1948, or any other special benefits or obligation, if any, created by the Demerged Company for the employees of the Demerged Undertaking shall be continued by the Resulting Company for the benefit of such employees on the same terms and conditions. It is the aim and

intent of Section I of the Scheme that all the rights, duties, powers and obligations of the Demerged Company in relation to such schemes or benefits shall become those of the Resulting Company. Further, upon Section I of the Scheme coming into effect, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Demerged Company in relation to the Demerged Undertaking shall be continued/ continue to operate against the relevant employee and shall be enforced effectively by the Resulting Company.

l. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all taxes paid or payable by the Demerged Company in relation to the Demerged Undertaking including all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits of the Demerged Undertaking) shall be treated as the carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, tax deducted at source, tax liabilities or refunds/ claims (including unutilized input credits) as the case may be, of the Resulting Company. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax to which the Demerged Company is entitled in relation to the Demerged Undertaking shall be available to and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Demerged Company and without any approval or acknowledgement of any third party. Upon Section I of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, any tax deducted at source deducted by or on behalf of the Demerged Company until the Effective Date shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the Demerged Undertaking during such period.

m. Upon Section I of the Scheme coming into effect on the Effective Date, the Demerged Company and the Resulting Company shall be entitled to file/ revise/reopen their respective financial statements (including balance sheet and profit and loss statement) and its statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/ TDS/minimum alternate tax credits as may be required consequent to the implementation of Section I of the Scheme.

10.2 The Demerged Company and/or the Resulting Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/novate the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Demerged Undertaking. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

10.3. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

10.4 The Resulting Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Tribunal.

10.5 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Demerged Undertaking into the Resulting Company by virtue of Section I of the Scheme, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Demerged Undertaking in favour of the Resulting Company, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to Demerged Undertaking, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above. The Resulting Company will, if necessary, also be a party to the above.

10.6 Conduct of Business

10.6.1 With effect from the date of approval of this Scheme by the respective Boards and up to and including the Effective Date:

a. The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its estates, properties, rights, title, interest, authorities, contracts and investments and assets forming part of the Demerged Undertaking for and on account of and in trust for Resulting Company.

b. All the profits or income accruing or arising to Demerged Company and expenditure or losses arising or incurred or suffered by Demerged Company which form part of Demerged Undertaking, for the period commencing from the Appointed Date shall, for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Resulting Company, except for profits or income accruing to the Retained Business of Demerged Company.

c. Demerged Company undertakes that it will preserve and carry on the business of the Demerged Undertaking and hold its said assets with reasonable diligence and business prudence and shall not undertake financial commitments in respect of, or sell, transfer, alienate, charge, mortgage, or encumber, the Demerged Undertaking or any part thereof or recruit new employees or conclude settlements with union or employees without the concurrence of Resulting Company or undertake substantial expansion or change the general character or nature of the business of the Demerged Undertaking or any part thereof save and except in each case:

1. if the same is in its ordinary course of business;

2. if the same is expressly permitted by this Scheme; or

3. if the prior consent of the Resulting Company has been obtained.

10.6.2 Subject to the provisions of Clause 10.6.1 hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Demerged Undertaking does not get automatically transferred to the Resulting Company upon Section I of the Scheme coming into effect on the Effective Date, the Demerged Company shall take all necessary steps and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Resulting Company forthwith after the Effective Date without any further consideration and until the transfer of any such asset, the Resulting Company will have the right to use the same without payment of any

additional consideration. It is clarified that even after Section I of the Scheme comes into effect on the Effective Date, the Demerged Company shall, with the written consent of the Resulting Company, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Demerged Undertaking in trust and at the sole cost and expense of the Resulting Company in so far as may be necessary until all rights and obligations of the Demerged Company in respect of such pending contracts, arrangements or obligations stand fully devolved to and in favour of the Resulting Company.

10.6.3 With effect from the Effective Date, Resulting Company shall commence and carry on and shall be authorized to carry on the CC & WT Business which was earlier carried on by Demerged Company.

10.6.4 In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company, issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of consolidation, share split, issue of bonus shares, or other similar action, that occurs before the issuance of equity shares of the Resulting Company, the Share Entitlement Ratio, may be appropriately adjusted to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

10.7 Retained Business of Demerged Company

10.7.1 The Retained Business of Demerged Company and all the assets, properties, rights, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Demerged Company, and Resulting Company shall have no right, claim or obligation in relation to the Retained Business of Demerged Company

10.7.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against Demerged Company under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Retained Business of Demerged Company (including those relating to any property, right, power, liability, obligation or duty of Demerged Company in respect of the Retained Business of Demerged Company and any income tax related liabilities) shall be continued and enforced by or against Demerged Company even after the Effective Date.

10.7.3 Upto and including the Effective Date:

a. Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Retained Business of Demerged Company for and on its own behalf;

b. all profits accruing to Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Retained Business of Demerged Company shall, for all purposes, be treated as the profits or losses, as the case may be, of Demerged Company; and

c. all assets and properties acquired by Demerged Company in relation to the respective Retained Business of Demerged Company on and after the Appointed Date shall belong to and continue to remain vested in Demerged Company.

CONSIDERATION

11.1 Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, and upon the transfer of the Demerged Undertaking and vesting of the same in the Resulting Company, the Board of Directors of the Resulting Company shall determine a record date, being a date subsequent to the filing of the order of the Tribunal sanctioning the Scheme with the RoC ("Record Date") for the allotment of (i) equity shares having face value of Rs. 5 (Rupees Five) each of Resulting Company, credited as fully paid up; to the equity shareholders of the Demerged Company as on the Record Date, in consideration for the demerger of the Demerged Undertaking.

11.2 The Board of Directors of the Resulting Company and the Demerged Company, respectively have determined the share entitlement ratio, such that:

a *for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five) each, in the Resulting Company.*

11.3 The equity shares to be issued by the Resulting Company shall be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of the Demerged Companies in physical form shall also receive the equity shares to be issued by Resulting Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then such shares shall be kept in demat suspense account which shall be operated by the Directors of the Resulting Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participants accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company, as per the Applicable Law , till then physical shareholders will be shown as beneficiaries in the demat suspense account.

11.4 In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company, issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of consolidation, share split, issue of bonus shares, qualified institutional placement or other similar action, as per applicable laws, that occurs after the date of approval of the Scheme by the respective Boards and before issuance of shares to the shareholders of the Demerged Company pursuant to Clause 11.2, the Share Entitlement Ratio will be appropriately adjusted to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

11.5 The equity shares to be issued and allotted by Resulting Company to the equity shareholders of Demerged Company shall be subject to the Scheme, the memorandum and articles of association of Resulting Company and applicable laws shall rank pari passu in all respect with the then existing equity shares of Resulting Company.

11.6 The fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares.

11.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in Demerged Company, after the effectiveness of this Scheme. The Board of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in Demerged Company on account of difficulties faced in the transaction period.

11.8 The share entitlement ratio stated in Clause 11.2 above has been determined and agreed upon by the respective boards of directors of each of the Demerged Company and the Resulting Company based on their independent judgment after taking into consideration the recommendation of the fair share entitlement ratio provided by independent registered valuer, SSPA & Co, and the fairness opinion provided by independent merchant bankers, Vivro Financial Services Private Limited, as presented before the audit committee of the Board of Directors of the Demerged Company.

11.9 On the approval of Section I of the Scheme by the members of the Resulting Company pursuant to Section 230-232 of the Companies Act, 2013 and other the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the members of the Resulting Company have also accorded their consent under Sections 42, 55 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of equity shares of the Resulting Company, to the shareholders of the Demerged Company, and all actions taken in accordance with this Clause 11 of Section I of this Scheme shall be deemed to be in full compliance of Sections 42, 55 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42, 55 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, inter alia, issuance of a letter of offer by the Resulting Company shall be required to be passed or undertaken.

12 REDUCTION IN SHARE CAPITAL OF THE RESULTING COMPANY

12.1 Upon Section I of the Scheme coming into effect on the Effective Date and immediately after issuance of the equity shares of the Resulting Company to the equity shareholders of the Demerged Company, respectively, the 10,000 (Ten Thousand) equity shares of the Resulting Company having face value of Rs. 5 (Rupees Five) each held by the Demerged Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date shall stand cancelled without any further act or deed on the part of the Resulting Company. The reduction in the share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 of the 2013 Act, and/ or any other applicable provisions of the Act without any further act or deed on the part of the Resulting Company and without any approval or acknowledgement of any third party. The order of the Tribunal sanctioning the Scheme shall be deemed to also be the order passed by the Tribunal Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 66(1)(a) of the 2013 Act, shall not be applicable. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

12.2 It is expressly clarified that for the purposes of this Clause 12 of Section I of the Scheme, the consent of the shareholders and the creditors of the Resulting Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in the share capital of the Resulting Company resulting in a reduction in the equity share capital of the Resulting Company, and no further resolution or action under Section 66 of the Act, and/or any other applicable provisions of the Act would be required to be separately passed or taken.

12.3 The reduction of the share capital of the Resulting Company as contemplated in this Clause 12 shall become effective, in accordance with the provisions of Section 66(5) of the Act, and/ or any other applicable provisions of the Act and rules and regulations framed thereunder, pursuant to the filing of the order of the Tribunal sanctioning the aforesaid capital reduction by the Resulting Company with the RoC and upon registration by the RoC of such order of the Tribunal and of the minute approved by the Tribunal, if any, showing, with respect to the share capital of the Resulting Company as altered by the order, (a) the amount of share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each

share at the date of registration of the aforesaid minute and order by the RoC. Such reduction in the share capital of the Resulting Company as contemplated in this Clause 12 of Section I of the Scheme shall be conditional upon Section I of this Scheme becoming effective on the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioned by the Tribunal, such reduction of share capital as set out in this Clause 12 of Section I of the Scheme shall not become effective and shall be deemed to be redundant.

13. CHANGE IN AUTHORISED CAPITAL OF DEMERGED COMPANY AND THE RESULTING COMPANY

Transfer of Authorised Capital

13.1 The Demerged Company has substantial unused authorised share capital. Accordingly, as an integral part of the Scheme and upon the effectiveness of Section I of the Scheme, an amount of Rs. 30,000,000/- (Rupees Three Crore only), shall stand transferred from the authorized equity share capital of the Demerged Company to the authorized equity share capital of the Resulting Company, without any further act, instrument or deed by the Resulting Company and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees has already been paid by Demerged Company on such authorized capital, the benefit of which stands vested in the Resulting Company pursuant to the Scheme becoming effective on the Effective Date.

13.2 It is hereby clarified that for the purpose of this clause 13, the consent of shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in Clause V of its memorandum of association, and all actions taken in accordance with this Clause 13 of this Scheme shall be deemed to be in full compliance of Sections 13, 14, 61 and 64 of the Act and other applicable provisions of the Act and that no further resolutions or actions under Section 13, 14, 15, 61 and 64 of the Act or any other applicable provisions would be required to be separately passed or undertaken by the Resulting Company.

14. ACCOUNTING TREATMENT

14.1 Treatment in the books of Demerged Company

Pursuant to Section I of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Demerged Company shall account for the demerger and vesting of the Demerged Undertaking with the Resulting Company, in its books of accounts in accordance with Indian Generally Accepted Accounting Principles in the following manner:

a. On the Scheme becoming effective, all the assets and liabilities pertaining to the Demerged Undertaking, (the difference between the assets and liabilities hereinafter referred to as the "Net Assets"), shall cease to be the assets and liabilities of the Demerged Company and be transferred to the Resulting Company at carrying value in accordance with the Scheme. The Demerged Company shall adjust the difference between the carrying value of assets and liabilities to its reserves in retained earnings.

b. The existing issued and paid-up share capital of the Resulting Company comprising of 10,000 (Ten Thousand) equity shares having face value of Rs. 5 (Rupees Five) each, held by the Demerged Company comprising 100% (One Hundred Percent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date, shall stand cancelled without any further act or deed on part of the Resulting Company. This amount will be adjusted to the retained earnings of the Demerged Company.

c. Any matter not dealt with in the Clause 14.1 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.

14.2 Treatment in the books of the Resulting Company

a. On the Scheme becoming effective, the Resulting Company shall account for the Demerger as common control business combination in accordance with the "pooling of interest method", as per Appendix C of Ind-AS 103, "Business Combination" notified under the provisions of the Act, read with relevant rules framed thereunder and the other applicable accounting standards prescribed under the Act.

b. All assets and liabilities in relation to the Demerged Undertaking shall be recorded in its books of accounts by the Resulting Company at the values and in the same form as recorded in the books of Demerged Company subject to consistent accounting policies.

c. The reserves adjusted by the Demerged Company in relation to Net Assets of the Demerged Undertaking shall be preserved in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company.

d. The aggregate face value of the equity shares of the Resulting Company, issued to the shareholders of the Demerged Company shall stand credited to the share capital of the Resulting Company in its books of accounts.

e. The difference, if any, between the amount recorded as the share capital issued, reserves recorded as per clause 14.2.c and the assets and liabilities transferred by the Demerged Company to the Resulting Company shall be recorded as capital reserve and shall be presented separately from other capital reserve with disclosure of its nature and purpose in notes.

f. Immediately after the issuance of shares by the Resulting Company to the shareholders of the Demerged Company, the 10,000 (Ten Thousand) equity shares of the Resulting Company having face value of Rs. 5 (Rupees Five) each held by the Demerged Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date shall stand cancelled, without any further act or deed on part of the Resulting Company and the same shall be adjusted against the capital reserves account of the Resulting Company.

g. Any matter not dealt with in this Clause 14.2 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.

Section II deals with Amalgamation of the Transferor Company no. 1 with the Resulting Company.

17. DEFINITIONS

For the purposes of Section II of this Scheme, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as mentioned herein below:

17.1 **"Resulting Company"** shall have meaning assigned to it in Section II, clause 16.2.

17.2 **"Transferor Company 1"** shall have meaning assigned to it in Section II, clause 16.1.

17.3 **"Undertaking of the Transferor Company No. 1"** shall mean and include the whole of the Transferor company No. 1, as a going concern with all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties and obligations and employees as on the Appointed Date including, but not limited to, the following:

a. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company No. 1 whether situated in India or abroad, but not limited to plants and machinery, computers, equipment, buildings and structures, offices, residential and other premises, including all tangible and intangible assets, stock in trade, capital work in progress, sundry debtors,

furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debentures stocks, units or pass through certificates) including shares or other securities held by the Transferor Company No. 1, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company No. 1 financial assets, leases (including but not limited to lease rights of the Transferor Company No. 1), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Transferor Company No. 1 employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company No. 1 or in connection with or relating to the Transferor Company No. 1 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company No. 1 in each case, whether in India or abroad;

b. All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company No. 1's business activities and operations;

c. All Intellectual Property Rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, records, files, drawings, papers, computer programs, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company No. 1;

d. Permissions approval for commissioning of project and other licenses or clearances granted/ issued/ given by any Governmental Authority organizations or companies, allotments, approvals, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, trade names, trademarks, service marks, copyrights, logos, corporate names, brand names, domain names, privileges and benefits of/ arising out of all

contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account and tax refunds) and all other rights, claims and powers, of whatsoever nature; Amounts claimed by the Transferor Company No. 1 whether or not so recorded in the books of accounts of the Transferor Company No. 1 from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;

e. Rights to any claim not preferred or made by the Transferor Company No. 1 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company No. 1 and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India;

f. All debts (secured and unsecured), Liabilities all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability). Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company No. 1 under which the assets of the Transferor Company No. 1 stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Company No. 1 vested in the Resulting Company by virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company No. 1 which shall vest in the Resulting Company by virtue of the amalgamation. The Resulting Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective;

g. All insurance policies;

h. All other obligations of whatsoever kind, including liabilities of the Transferor Company No. 1 with regard to their employees with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;

i. All permanent and temporary employees engaged by the Transferor Company No. 1 at various locations, if any.

The expressions, which are used in this Section II of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section I, Section III or Section IV of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

19. TRANSFER AND VESTING OF UNDERTAKING

19.1 **General:** Subject to the provisions of Section II of the Scheme and after giving effect of Section I of this Scheme and with effect from the Appointed Date and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, if any, the entire business and Undertaking of the Transferor Company No. 1 including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company No. 1 of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company No. 1 comprising, amongst others, all investments, receivables, actionable claims, furniture and fixtures, office equipment, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, know-how, trade secret, patents, trademark, service mark, other intellectual property rights, registrations, title, interest, contracts including but not limited to contracts entered into with customers, vendors and service providers, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of section 234 read with sections 230 to 232 of the Act and pursuant to the order of the National Company Law Tribunal sanctioning this Scheme and without further act, instrument or deed, but subject to the changes affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Resulting Company, so as to become the properties, assets, rights, business and Undertaking of the Transferor Company No. 1.

19.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and after giving effect of the Section I and with effect from the Appointed Date:

19.2.1 Transfer of Assets

a. All assets and properties of the Transferor Company No. 1 as on the Appointed Date, whether or not included in the books of the Transferor Company No. 1 and all assets and properties which are acquired by the Transferor Company No. 1 on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Resulting Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement in order to give effect to the provisions of this sub-clause.

b. In respect of such assets owned and belonging to the Undertaking of the Transferor Company No. 1 as are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company, wherever located and shall become the property and an integral part of the Resulting Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

c. All other movable properties of the Transferor Company No. 1 including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act, instrument or deed, become the property of the Resulting Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. The Resulting Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in Resulting Company and be paid or made good or held on account of the Resulting Company as the person entitled thereto. It is hereby clarified that investments, if any, made by Transferor Company No. 1 and all the rights, title and interest of the Transferor Company No. 1 in any leasehold properties shall, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Resulting Company;

d. All immovable properties of the Transferor Company No. 1 including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company No. 1 whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Resulting Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law without any further act or deed done or being required to be done by the Transferor Company No. 1 and/or the Resulting Company, pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. The Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties, upon the sanctioning of Scheme by the Competent Authority and the Scheme becoming effective. The relevant authorities shall grant all clearances/permissions, if any, required for enabling Resulting Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Resulting Company and shall be constituted as a deemed mutation and substitution thereof;

e. Without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, to which the Transferor Company No. 1 is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Resulting Company and may be enforced fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of the Transferor Company No. 1 in any properties including leasehold/ licensed properties of the Transferor Company No. 1 including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company automatically without requirement of any further act or deed, under the

provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law including without the requirement of payment of any transfer charges or any other charges. The Resulting Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Resulting Company shall continue to comply with the terms, conditions and covenants thereunder;

f. From the Effective Date, all bank accounts operated or entitled to be operated by the Transferor Company No. 1 shall be deemed to have transferred and shall stand transferred to the Resulting Company and name of the Transferor Company No. 1 shall be substituted by the name of the Resulting Company in the bank's records and the Resulting Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company No. 1 to the extent necessary until the transfer of the rights and obligations of the Transferor Company No. 1 to the Resulting Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company No. 1 after the Effective Date, shall be accepted by the bankers of the Resulting Company and credited to the accounts of the Resulting Company, if presented by the Resulting Company. Similarly, the banker of the Resulting Company shall honor all cheques issued by the Transferor Company No. 1 for payment after the Effective Date;

g. The transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same; and

h. All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company No. 1 including in relation to the Undertaking of the Transferor Company No. 1 and all rights and benefits which have accrued to the Transferor Company No. 1 shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deem to be transferred to or vested in, the Resulting Company, as if the same were originally given by, issued to or executed in favour of the Resulting Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Resulting Company which are valid, binding and enforceable on the same terms, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company.

19.2.2 Transfer of Liabilities

a. All Liabilities of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company No. 1 shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of the Resulting Company, and the Resulting Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company No. 1 after the Appointed Date and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the Resulting Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act, instrument or deed shall stand

transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company and shall become the debt, duties, undertakings, liabilities and obligations of the Resulting Company which shall meet, discharge and satisfy the same;

b. Where any of the Liabilities incurred before the Appointed Date by the Transferor Company No. 1 deemed to have been transferred to the Resulting Company by virtue of this Scheme, have been discharged by the Transferor Company No. 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company;

c. All debentures, bonds, notes or other securities of the Transferor Company No. 1 whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the debentures, bonds, notes or other securities of the Resulting Company and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against the Resulting Company as if it were the Transferor Company No. 1 under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause;

d. All public deposits, debentures or bonds of the Transferor Company No. 1 shall be distinctly identified in the records of the Resulting Company for all intents and purposes including taxation and accounting and shall not be combined with any existing outstanding deposit scheme or series of debentures or bonds of the Resulting Company;

e. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company No. 1 which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Resulting Company. Provided that if any assets of the Transferor Company No. 1 have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security after the Scheme has become effective or otherwise. The secured creditors of the Resulting Company and/or other holders of security over the properties of the Resulting Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of the Transferor Company No. 1 and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Resulting Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;

f. Any reference in any security documents or arrangements to which the Transferor Company No. 1 is a party and their assets and properties, shall be construed as a reference to the Resulting Company and the assets and properties of the Transferor Company No. 1 shall be transferred to the Resulting Company by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferor Company No. 1 and the Resulting Company may execute any instruments or documents or do all acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional Registrar of Companies to give formal effect to these provisions, if required; and

g. It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

19.2.3 Transfer of Contracts, Deeds and Other Instruments

a. All contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes, arrangements and other instruments to which the Transferor Company No. 1 are a party, or to the benefit of which, the Transferor Company No. 1 may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligor thereto. If the Resulting Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, the Transferor Company No. 1 will, if necessary, also be a party to such documents in order to give formal effect to the provisions of this Scheme, if so required. The Resulting Company may also execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company No. 1 are a party as may be necessary to be executed in order to give formal effect to the above provisions. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company No. 1 (and not by any of its successors), shall be fulfilled by the Resulting Company as if it is the duly constituted attorney of the Transferor Company No. 1; and

b. On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company No. 1 in the name of the Transferor Company No. 1 in so far as may be necessary until the transfer of rights and obligations of the Transferor Company No. 1 to the Resulting Company under this Scheme has been given effect to under such contracts and transactions.

19.2.4 Transfer of Employees

a. All employees of the Transferor Company No. 1 as on the Effective Date shall, become and be deemed to have become, the employees of the Resulting Company, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company No. 1 and without any interruption of or break in service as a result of the amalgamation of the Transferor Company No. 1 with the Resulting Company. For the purpose of payment of all retirement benefits, the past services of such employees with the Transferor Company No. 1 shall be taken into account from the date of their appointment with the Transferor Company No. 1 and such benefits to which the employees are entitled in the Transferor Company No. 1 shall also be taken into account and paid (as and when payable) by the Resulting Company.

b. In so far as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company No. 1 for its employees or to which the Transferor Company No. 1 are contributing for the benefit of its employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the employees (including the aggregate of all the contributions made to such Funds for the benefit of the employees, accretions thereto and the investments made by the Funds in relation to the employees) shall be transferred to the Resulting Company and shall be held for the benefit of the concerned employees. In the event the Resulting Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions, and at the

discretion of the Resulting Company, be merged with the relevant funds of the Resulting Company. In the event that the Resulting Company does not have its own funds in respect of any of the above or if deemed appropriate by the Resulting Company, the Resulting Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Resulting Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the employees shall be merged with the funds created by the Resulting Company.

c. In relation to those Employees for whom the Transferor Company No. 1 is making contributions to the government provident fund or other employee benefit fund, the Resulting Company shall stand substituted for the Transferor Company No. 1 for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company No. 1 as the case may be in relation to such schemes/ Funds shall become those of the Resulting Company.

19.2.5 Legal Proceedings

a. If any suit, appeal or other legal proceedings of whatsoever nature by or against the Transferor Company No. 1 is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company No. 1 with the Resulting Company and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company No. 1 as if this Scheme had not been made.

b. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company No. 1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferor Company No. 1.

19.2.6 Taxes, Duties/Cess

a. All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, withholding tax, dividend distribution tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Company No. 1 including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the IT Act, exemptions, credits ,exemptions, credits, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Company No. 1 shall pursuant to this Scheme becoming effective, be available to the Resulting Company; and

b. All the benefits under the various incentive schemes and policies that the Transferor Company No. 1 is entitled to, including tax credits, tax deferral, exemptions, holidays and benefits (including goods and service tax input credits, service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act

and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company No. 1 rights of any claim not made by the Transferor Company No. 1 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company No. 1 and any interest thereon and all rights or benefits that have accrued or which may accrue to the Transferor Company No. 1 whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Resulting Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Resulting Company and these shall relate back to the Appointed Date as if the Resulting Company was originally entitled to all benefits under such incentive schemes and/or policies.

19.2.7 Transfer of benefits, licenses, permits etc.

a. All the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Company No. 1 or any other person acting on behalf of or for the benefit of the Transferor Company No. 1 for securing the obligations of the persons to whom the Transferor Company No. 1 has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Resulting Company and the benefit of such security shall be available to the Resulting Company as if such security was ab initio created in favour of the Resulting Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Company No. 1 shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resulting Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;

b. All letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders and other instruments of whatsoever nature to which the Transferor Company No. 1 is a party or to the benefit of which the Transferor Company No. 1 may be eligible, shall remain in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of the Transferor Company No. 1 shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes;

c. All approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Transferor Company No. 1 or to the benefit of which the Transferor Company No. 1 may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, including the applications and benefits of any applications made for any of the foregoing, shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligor thereto and the Resulting Company shall be liable for compliance with all the conditions governing such consents, permits, approvals, etc. as stated above It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this

clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

d. All consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company No. 1 shall stand transferred to the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company;

e. All trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Resulting Company;

f. All registrations, goodwill and licenses, appertaining to the Transferor Company No. 1 if any, shall be transferred to and vested in the Resulting Company;

g. Benefits of any and all corporate approvals as may have already been taken by the Transferor Company No. 1 whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180,185, 186, etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Resulting Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Resulting Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Resulting Company, shall be added to the limits, if any, under the like resolutions passed by the Resulting Company; and

h. The Transferor Company No. 1 and/or the Resulting Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/novate the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company No. 1. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

19.3 The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company No. 1 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

19.4 The Resulting Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.

19.5 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Transferor Company No. 1 into the Resulting Company, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Transferor Company No. 1 in favour of the Resulting Company, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Company No. 1 has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company No. 1. The Resulting Company will, if necessary, also be a party to the above.

19.6 In order to ensure the smooth transition and sales of products and inventory of the Transferor Company No. 1 manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company No. 1 prior to the Effective Date, the Resulting Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packaging material) pertaining to the Transferor Company No. 1 without making any modifications, whatsoever to such products and/or the branding, packaging or labelling. All invoices/payment related documents pertaining to such products and inventory (including packaging material) may be raised in the name of the Resulting Company after the Effective Date.

19.7 Conduct of Business until Effective Date

With effect from the Appointed Date and up to and including the Effective Date:

a. The Transferor Company No. 1 shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the assets, rights, title and interest for and on account of and in trust for the Resulting Company.

b. The Transferor Company No. 1 shall carry on their business and activities in the ordinary course of business with reasonable diligence and business prudence.

c. All the profits or income accruing or arising to the Transferor Company No. 1 or expenditure or losses incurred or arising to the Transferor Company No. 1 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Resulting Company.

d. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Government Authorities concerned, as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require for carrying on the business of the Transferor Company No. 1.

e. The Transferor Company No. 1 shall carry on their business, operations or activities with reasonable diligence and business prudence and in the same manner as they had been doing hitherto and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Resulting Company

f. The Resulting Company and the Transferor Company No. 1 shall also be entitled to make an application for amending, cancelling or obtaining fresh registrations, as the case may be, under all Applicable Laws and legislations. The Resulting Company and the Transferor Company No. 1 would be entitled to make an application for amending licenses/ authorisations.

20. CONSIDERATION

20.1 The Transferor Company No. 1 will become an indirect wholly owned subsidiary company of the Resulting Company post the effectiveness of the Scheme. Its entire share capital will be indirectly held by the Resulting Company. Hence, upon Amalgamation – I becoming effective, no shares of Resulting Company shall be allotted in lieu or exchange of the shares of the Transferor Company No. 1. Upon the Scheme becoming effective, the entire share capital of the Transferor Company No. 1 shall be cancelled and extinguished

21. AGGREGATION, RECLASSIFICATION AND INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

Aggregation and Reclassification

21.1 Upon this Scheme becoming effective, the authorized share capital of the Transferor Company No. 1 shall be reclassified and stand consolidated with the authorized share capital of the Resulting Company. Accordingly, the authorized share capital of the Resulting Company shall stand increased to that extent, without any further act, instrument or deed on the part of the Resulting Company, including without any payment of stamp duty and any fees or charges payable to the Registrar of Companies, and/or to any other Governmental Authority, and the Memorandum of Association and Articles of Association of the Resulting Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14, 61 and 232(3)(i) respectively of the Companies Act, 2013 and/or any other applicable provisions of the Act, as the case may be. Hence, for this purpose, the stamp duties and fees paid on the authorised share capital of the Transferor Company No. 1 shall be utilized and applied to the increased authorised share capital of the Resulting Company and no extra stamp duty and/or fees shall be required to be paid by the Resulting Company for its increased authorised share capital.

Increase in Authorised Share Capital

21.2 Upon Section I and Section II of the Scheme coming into effect on the Effective Date and after giving effect to clause 13.1 of the Scheme, the authorised share capital of the Resulting Company shall be enhanced by Rs. 1,00,00,000/- (Rupees One Crore Only) divided into 20,00,000 (Twenty Lakhs) equity shares having face value of Rs. 5/- (Rupees Five) each without any further act or deed by the Resulting Company for the purpose of such enhancement of the authorized share capital of the Resulting Company except payment of necessary stamp duties and ROC fees. Pursuant to effectiveness of Section II of this Scheme, the Resulting Company shall make the requisite filings with ROC and pay the necessary fees for the increase in its authorized share capital.

Final Authorised Capital of the Resulting Company

21.3 Consequent upon demerger and amalgamation (after giving effect of clause 13.1, clause 21.1 and clause 21.2), 'Clause V' of the Memorandum of Association of the Resulting Company shall be replaced with the following:

"The Authorised Share Capital of the Company is Rs. 14,00,50,000/- (Rupees Fourteen Crores Fifty Thousand Only) divided into 2,80,10,000 (Two Crores Eighty Lakhs Ten Thousand) Equity Shares of Rs.5/- (Rupees Five only) each with the rights, privileges, and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with the power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach there to respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the articles of association of the company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the law for the time being in force or provided by the Articles of Association for the time being."

21.4 It is clarified that the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61, respectively, of the Companies Act, 2013 and/ or any other applicable provisions of the Act, would be required to be separately passed.

21.5 In the event, the authorized share capital of the Resulting Company undergoes any change prior to the Effective Date, the clauses specified in this Scheme to replace the existing clause V of the memorandum of association, shall be adjusted accordingly to take into account the effect of any such corporate actions.

22. ACCOUNTING TREATMENT

22.1 As the Transferor Company No. 1 shall stand dissolved without being wound up and all the assets and liabilities as well as reserves shall be transferred to the Resulting Company, on a going concern basis, upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Company No. 1.

22.2 On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are under common control before and after the transaction, the Resulting Company shall account for the transfer and vesting of the Undertaking as per the "Pooling of Interests" method in its books of accounts in accordance with Appendix C for Business combinations of entities under common control of the Indian Accounting Standards (IND AS) 103 prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other applicable accounting standards prescribed under the Act.

22.3 The pooling of interests' method is considered to involve the following:

a. All the assets and liabilities of the Transferor Company No. 1 shall be recorded in the financial statements of the Resulting Company at their carrying amounts as appearing in the financial statements of the Transferor Company No. 1, prior to this Section II being made effective. No adjustments will be made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonize the accounting policies.

b. The identity of the reserves of the Transferor Company No. 1 shall be preserved and they shall appear in the financial statements of the Resulting Company in the same form and manner in which they appear in the financial statements of the Transferor Company No. 1, prior to Section II of this Scheme being made effective, and it shall be aggregated with the corresponding balance appearing in the financial statements of the Resulting Company.

c. The difference between the i) aggregate face value of the equity shares of the Resulting Company issued and allotted by it to the members of the Transferor Company No. 1, if any, (which is expected to be NIL in view of clause 20) and ii) the equity share capital of the Transferor Company No. 1, shall be adjusted in the capital reserve account.

d. The financial information in the financial statements of the Resulting Company in respect of prior periods should be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

e. The difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the capital reserves account of the Resulting Company.

f. To the extent that there are inter-corporate loans/trade deposits, debentures, debt securities or balances between the Transferor Company No. 1 inter se and/or the Transferor Company No. 1 and the Resulting Company, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and the records of the Resulting Company for the reduction / netting of any assets or liabilities, as the case may be. Difference, if any, arising upon such cancellation, shall be credited or debited, as the case may be, to the reserve of the Resulting Company.

g. The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.

h. In case of any differences in accounting policies between the Transferor Company No. 1 and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies. The difference, if any, in the accounting policies between the Transferor Company No. 1 and Resulting Company, shall be ascertained and the impact of the same will be quantified and adjusted in the retained earnings or another affected component of equity of the Resulting Company, as applicable, in accordance with the requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The costs relating to the Scheme will be accounted in accordance with Ind AS 103.

Section III deals with Amalgamation of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with the Demerged Company / Transferee Company.

30. DEFINITIONS

For the purposes of Section III of this Scheme, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as mentioned herein below:

30.1 **"Demerged Company/Transferee Company"** shall have meaning assigned to it in Section III, clause 29.1.

30.2 **"Transferor Company No. 2"** shall have meaning assigned to it in Section III, clause 29.2.

30.3 **"Transferor Company No. 3"** shall have meaning assigned to it in Section III, clause 29.3.

30.4 **"Transferor Company No. 4"** shall have meaning assigned to it in Section III, clause 29.4.

30.5 **"Transferor Companies"** shall collectively mean Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4.

30.6 **"Undertaking of the Transferor Companies"** shall mean and include the whole of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 respectively as a going concern with all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties and obligations and employees as on the Appointed Date including, but not limited to, the following:

a. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Companies whether situated in India or abroad, but not limited to plants and machinery, computers, equipment, buildings and structures, offices, residential and other premises, including all tangible and intangible assets, stock in trade, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debentures stocks, units or pass through certificates) including shares or other securities held by the Transferor Companies cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies financial assets, leases (including but not limited to lease rights of the Transferor Companies), hire purchase contracts and assets, lending contracts, rights and

benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Transferor Companies employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies in each case, whether in India or abroad;

b. All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies's business activities and operations;

c. All Intellectual Property Rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, records, files, drawings, papers, computer programs, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Companies;

d. Permissions approval for commissioning of project and other licenses or clearances granted/ issued/ given by any Governmental Authority organizations or companies, allotments, approvals, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, trade names, trademarks, service marks, copyrights, logos, corporate names, brand names, domain names, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/

liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account and tax refunds) and all other rights, claims and powers, of whatsoever nature; Amounts claimed by the Transferor Companies whether or not so recorded in the books of accounts of the Transferor Companies from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;

e. Rights to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India;

f. All debts (secured and unsecured), Liabilities all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability). Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Companies under which the assets of the Transferor Companies stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Companies vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective;

g. All insurance policies;

h. All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;

i All permanent and temporary employees engaged by the Transferor Companies at various locations, if any.

The expressions, which are used in this Section III of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section I, Section II or Section IV of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

32 TRANSFER AND VESTING OF UNDERTAKING

32.1 **General:** Subject to the provisions of Section III of the Scheme and after giving effect of Section I and Section II, of this Scheme and with effect from the Appointed Date and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, if any, the entire business and Undertaking of the Transferor Companies including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws, of the

Transferor Companies of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Companies comprising, amongst others, all investments, receivables, actionable claims, furniture and fixtures, office equipment, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, know-how, trade secret, patents, trademark, service mark, other intellectual property rights, registrations, title, interest, contracts including but not limited to contracts entered into with customers, vendors and service providers, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of section 234 read with sections 230 to 232 of the Act and pursuant to the order of the National Company Law Tribunal sanctioning this Scheme and without further act, instrument or deed, but subject to the changes affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferor Companies.

32.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and after giving effect of the Section III and with effect from the Appointed Date:

32.2.1 Transfer of Assets

a. All assets and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies and all assets and properties which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement in order to give effect to the provisions of this sub-clause.

b. In respect of such assets owned and belonging to the Undertaking of the Transferor Companies as are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, wherever located and shall become the property and an integral part of the Transferee Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

c. All other movable properties of the Transferor Companies including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act, instrument or deed, become the property of the Transferee Company, and

the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. The Transferee Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in Transferee Company and be paid or made good or held on account of the Transferee Company as the person entitled thereto. It is hereby clarified that investments, if any, made by Transferor Companies and all the rights, title and interest of the Transferor Companies in any leasehold properties shall, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company;

d. All immovable properties of the Transferor Companies including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Transferee Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law without any further act or deed done or being required to be done by the Transferor Companies and/or the Transferee Company, pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties, upon the sanctioning of Scheme by the Competent Authority and the Scheme becoming effective. The relevant authorities shall grant all clearances/permissions, if any, required for enabling Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof;

e. Without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, to which the Transferor Companies is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of the Transferor Companies in any properties including leasehold/ licensed properties of the Transferor Companies including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law including without the requirement of payment of any transfer charges or any other charges. The Transferee Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Transferee Company shall continue to comply with the terms, conditions and covenants thereunder;

f. From the Effective Date, all bank accounts operated or entitled to be operated by the Transferor Companies shall be deemed to have transferred and shall stand transferred to the Transferee Company and name of the Transferor Companies shall be substituted by the name of the Transferee Company in the bank's records and the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Companies to the extent necessary until the transfer of the rights and obligations of the Transferor Companies to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Companies after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company,if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Companies for payment after the Effective Date;

g. The transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same; and

h. All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Companies including in relation to the Undertaking of the Transferor Companies and all rights and benefits which have accrued to the Transferor Companies shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deem to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

32.2.2 Transfer of Liabilities

a. All Liabilities of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Companies shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Companies after the Appointed Date and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same;

b. Where any of the Liabilities incurred before the Appointed Date by the Transferor Companies deemed to have been transferred to the Transferee Company by virtue of this Scheme, have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company;

c. All debentures, bonds, notes or other securities of the Transferor Companies whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the debentures, bonds, notes or other securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Companies under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause;

d. All public deposits, debentures or bonds of the Transferor Companies shall be distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting and shall not be combined with any existing outstanding deposit scheme or series of debentures or bonds of the Transferee Company;

e. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Companies which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any assets of the Transferor Companies have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security after the Scheme has become effective or otherwise. The secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of the Transferor Companies and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;

f. Any reference in any security documents or arrangements (to which the Transferor Companies are party) to the Transferor Companies and their assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Companies shall be transferred to the Transferee Company by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferor Companies and the Transferee Company may execute any instruments or documents or do all acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional Registrar of Companies to give formal effect to these provisions, if required; and

g. It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Liabilities transferred to the Transferee Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

32.2.3 Transfer of Contracts, Deeds and Other Instruments

a. All contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes, arrangements and other instruments to which the Transferor Companies are a party, or to the benefit

of which, the Transferor Companies may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligor thereto. If the Transferee Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, the Transferor Companies will, if necessary, also be a party to such documents in order to give formal effect to the provisions of this Scheme, if so required. The Transferee Company may also execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Companies are a party as may be necessary to be executed in order to give formal effect to the above provisions. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Companies (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of the Transferor Companies; and

b. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme has been given effect to under such contracts and transactions.

32.2.4 Transfer of Employees

a. All employees of the Transferor Companies as on the Effective Date shall, become and be deemed to have become, the employees of the Transferee Company, on terms and conditions not less favorable than those on which they are engaged by the Transferor Companies and without any interruption of or break in service as a result of the amalgamation of the Transferor Companies with the Transferee Company. For the purpose of payment of all retirement benefits, the past services of such employees with the Transferor Companies shall be taken into account from the date of their appointment with the Transferor Companies and such benefits to which the employees are entitled in the Transferor Companies shall also be taken into account and paid (as and when payable) by the Transferee Company.

b. In so far as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Companies for its employees or to which the Transferor Companies are contributing for the benefit of its employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the employees (including the aggregate of all the contributions made to such Funds for the benefit of the employees, accretions thereto and the investments made by the Funds in relation to the employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions, and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the employees shall be merged with the funds created by the Transferee Company.

c. In relation to those Employees for whom the Transferor Companies is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Companies as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

32.2.5 Legal Proceedings

a. If any suit, appeal or other legal proceedings of whatsoever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made.

b. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Companies.

32.2.6 Taxes, Duties/Cess

a. All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, withholding tax, dividend distribution tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Companies including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the IT Act, exemptions, credits ,exemptions, credits, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Companies shall pursuant to this Scheme becoming effective, be available to the Transferee Company; and

b. All the benefits under the various incentive schemes and policies that the Transferor Companies is entitled to, including tax credits, tax deferral, exemptions, holidays and benefits (including goods and service tax input credits, service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Companies rights of any claim not made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon and all rights or benefits that have accrued or which may accrue to the Transferor Companies whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and/or policies.

32.2.7 Transfer of benefits, licenses, permits etc.

a. All the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Companies or any other person acting on behalf of or for the benefit of the Transferor Companies for securing the obligations of the persons to whom the Transferor Companies has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Transferee Company and the benefit of such security shall be available to the Transferee Company as if such security was ab initio created in favour of the Transferee Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Companies shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;

b. All letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders and other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of the Transferor Companies shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes;

c. All approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Transferor Companies or to the benefit of which the Transferor Companies may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, including the applications and benefits of any applications made for any of the foregoing, shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligor thereto and the Transferee Company shall be liable for compliance with all the conditions governing such consents, permits, approvals, etc. as stated above It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

d. All consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company;

e. All trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Transferee Company;

f. All registrations, goodwill and licenses, appertaining to the Transferor Companies if any, shall be transferred to and vested in the Transferee Company;

g. Benefits of any and all corporate approvals as may have already been taken by the Transferor Companies whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180,185, 186, etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company; and

h. The Transferor Companies and/or the Transferee Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/novate the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Companies. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

32.3 The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

32.4 The Transferee Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.

32.5 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Transferor Companies into the Transferee Company, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Transferor Companies in favour of the Transferee Company, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Companies has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies. The Transferee Company will, if necessary, also be a party to the above.

32.6 In order to ensure the smooth transition and sales of products and inventory of the Transferor Companies manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Companies prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packaging material) pertaining to the Transferor Companies without making any modifications, whatsoever to such products and/or the branding, packaging or labelling. All invoices/payment related documents pertaining to such products and inventory (including packaging material) may be raised in the name of the Transferee Company after the Effective Date.

2.7 Conduct of Business until Effective Date

With effect from the Appointed Date and up to and including the Effective Date:

a. The Transferor Companies shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the assets, rights, title and interest for and on account of and in trust for the Transferee Company.

b. The Transferor Companies shall carry on their business and activities in the ordinary course of business with reasonable diligence and business prudence.

c. All the profits or income accruing or arising to the Transferor Companies or expenditure or losses incurred or arising to the Transferor Companies shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company.

d. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Government Authorities concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require for carrying on the business of the Transferor Companies.

e. The Transferor Companies shall carry on their business, operations or activities with reasonable diligence and business prudence and in the same manner as they had been doing hitherto and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Transferee Company

f. The Transferee Company and the Transferor Companies shall also be entitled to make an application for amending, cancelling or obtaining fresh registrations, as the case may be, under all Applicable Laws and legislations. The Transferee Company and the Transferor Companies would be entitled to make an application for amending licenses/ authorisations.

33. CONSIDERATION

33.1 The Transferor Companies are wholly owned subsidiary and / or step down subsidiary companies of Transferee Company. Their entire share capital is directly or indirectly held by the Transferee Company. Hence, upon the Scheme becoming effective, no shares of Transferee Company shall be allotted in lieu or exchange of the shares of the Transferor Companies. Upon the Scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished.

34. AGGREGATION AND RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEREE COMPANY

34.1 Upon this Scheme becoming effective, the authorized share capital of the Transferor Companies shall be reclassified and stand consolidated with the authorized share capital of the Transferee Company. Accordingly, the authorized share capital of the Transferee Company shall stand

increased to that extent, without any further act, instrument or deed on the part of the Transferee Company, including without any payment of stamp duty and any fees or charges payable to the Registrar of Companies, and/or to any other Governmental Authority, and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14, 61 and 232(3)(i) respectively of the Companies Act, 2013 and/or any other applicable provisions of the Act, as the case may be. Hence, for this purpose, the stamp duties and fees paid on the authorised share capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of the Transferee Company and no extra stamp duty and/or fees shall be required to be paid by the Transferee Company for its increased authorised share capital.

34.2 Consequent upon demerger and amalgamation (after giving effect of clause 13.1 and clause 34.1), 'Clause V' of the Memorandum of Association of the Transferee Company shall be replaced with the following:

"The Authorised Share Capital of the Company is Rs. 10,60,00,000/- (Rupees Ten Crores Sixty Lakhs Only) divided into 2,12,00,000 (Two Crores Twelve Lakhs) Equity Shares of Rs.5/- (Rupees Five only) each with the rights, privileges, and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with the power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach there to respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the articles of association of the company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the law for the time being in force or provided by the Articles of Association for the time being."

34.3 It is clarified that the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61, respectively, of the Companies Act, 2013 and/ or any other applicable provisions of the Act, would be required to be separately passed.

34.4 In the event, the authorized share capital of the Transferee Company undergoes any change prior to the Effective Date, the clauses specified in this Scheme to replace the existing clause V of the memorandum of association, shall be adjusted accordingly to take into account the effect of any such corporate actions.

35. ACCOUNTING TREATMENT

35.1 As the Transferor Companies shall stand dissolved without being wound up and all the assets and liabilities as well as reserves shall be transferred to the Transferee Company, on a going concern basis, upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Companies.

35.2 On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are under common control before and after the transaction, the Transferee Company shall account for the transfer and vesting of the Undertaking as per the "Pooling of Interests" method in its books of accounts in accordance with Appendix C for Business combinations of entities under common control of the Indian Accounting Standards (IND AS) 103 prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other applicable accounting standards prescribed under the Act.

35.3 The pooling of interests' method is considered to involve the following:

a. All the assets and liabilities of the Transferor Companies shall be recorded in the financial statements of the Transferee Company at their carrying amounts as appearing in the financial statements of the Transferor Companies, prior to this Section III being made effective. No adjustments will be made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonize the accounting policies.

b. The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appear in the financial statements of the Transferor Companies, prior to Section III of this Scheme being made effective, and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.

c. The difference between the i) aggregate face value of the equity shares of the Transferee Company issued and allotted by it to the members of the Transferor Companies, if any, (which is expected to be NIL in view of clause 33) and ii) the equity share capital of the Transferor Companies respectively, shall be adjusted in the capital reserve account.

d. The financial information in the financial statements of the Transferee Company in respect of prior periods should be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

e. The difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the capital reserves account of the Transferee Company.

f. To the extent that there are inter-corporate loans/trade deposits, debentures, debt securities or balances between the Transferor Companies inter se and/or the Transferor Companies and the Transferee Company, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and the records of the Transferee Company for the reduction / netting of any assets or liabilities, as the case may be. Difference, if any, arising upon such cancellation, shall be credited or debited, as the case may be, to the reserve of the Transferee Company.

g. The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.

h. In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies. The difference, if any, in the accounting policies between the Transferor Companies and Transferee Company, shall be ascertained and the impact of the same will be quantified and adjusted in the retained earnings or another affected component of equity of the Transferee Company, as applicable, in accordance with the requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

i. The costs relating to the Scheme will be accounted in accordance with Ind AS 103.

PART III – GENERAL TERMS AND CONDITIONS

44. EFFECTIVENESS OF THE SCHEME

44.1 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

a. with effect from the Appointed Date, the demerger of the Demerged Undertaking of the Demerged Company, and the vesting of the same in the Resulting Company shall be deemed to have occurred, pursuant to Section I of this Scheme, in accordance with Section 2(19AA) of the IT Act;

b. with effect from Appointed Date, the amalgamation of the Transferor Company No. 1 with the Resulting Company shall be deemed to have occurred, pursuant to Section II change of this Scheme, in accordance with Section 2(1B) of the IT Act

with effect from the Appointed Date, the amalgamation of the Transferor Companies with the Transferee Company shall be deemed to have occurred, pursuant to Section III change of this Scheme, in accordance with Section 2(1B) of the IT Act.

22. **Accounting Treatment**

The Accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by respective auditor of the Company and the Resulting Company are open for inspection as mentioned hereinbelow.

23. In compliance with the provisions of Section 232(2) (c) of the Act, the Board of Directors of the Companies, in their respective meetings have adopted a report, *inter alia*, explaining the effect of the Scheme on its shareholders and key managerial personnel amongst others. Copy of the Reports adopted by the Board of Directors of the Company, the Resulting Company, the Transferor Company No. 1, the Transferor Company No. 2, the Transferor Company No. 3 and the Transferor Company No. 4, are enclosed as Annexure- 2A, Annexure- 3A, Annexure-4A, Annexure-5A, Annexure-6A and Annexure-7A, respectively.

Additional Details

24. **Impact of scheme on revenue generating capacity of the Company along with future prospects of Company.**

There shall be a synergic benefit from hiving off of the Demerged Undertaking of the Demerged Company into Resulting Company as the efficiency and worth of both the companies shall increase manifold. Each company would specialize in their respective core businesses and independently scale their business by attracting specific resources and investment to support their growth. The demerger would also help each company to isolate the risks between their respective businesses, raise capital based on their individual requirements and help create/unlock value in the future.

The Amalgamation – II is likely to have positive impact on the revenue of the Demerged Company. Consolidating similar business of the Transferor Companies in a single entity would lead to expand and grow business, catering to wider customer base thereby achieving higher revenue scale.

25. **Need and rationale of the Scheme, Synergy of business of the companies involved in the Scheme, impact of the Scheme on the shareholders and cost benefit analysis of the Scheme**

25.1. **Need and rationale of the Scheme:**

The Scheme will result in simplification of the group structure and management structure leading to the better administration and more focused operational efforts, rationalization, standardization and simplification of business processes. The Scheme will enable entities to leverage their resources to

align future cash flows. The synergies that exist between the entities in terms of services and resources can be put to best advantage of all the stake holders. The proposed restructuring pursuant to the Scheme is expected, *inter alia*, to result in following benefits:

a. Demerger, transfer and vesting of Demerged Undertaking from the Demerged Company to Resulting Company to result into:

- Segregation of the Company's Demerged Undertaking into Resulting Company;
- Future growth and expansion of the Demerged Undertaking would require differentiated strategy aligned to its industry specific risks, market dynamics and growth trajectory;
- Allow management of the Resulting Company to pursue independent growth strategies in markets;
- The proposed re-structuring would create enhanced value for the shareholders through potential unlocking of value through listing of CC & WT business as well as business of the Resulting Company on the NSE and BSE:
- Since both the businesses are having separate growth trajectories, the proposed restructuring would enable both the businesses to pursue their growth opportunities and offer investment opportunities to potential investors;
- Enhance competitive strength, achieve cost reduction and efficiencies of aforesaid companies and thereby significantly contributing to future growth;
- The proposed re-structuring would provide opportunity to shareholders of the Company to directly participate in Demerged Undertaking and Resulting Company's business; and
- The proposed re-structuring would enable investors to hold investments in the businesses with different investment characteristics, which best suit their investment strategies and risk profiles;

b. The proposed Amalgamation – I and Amalgamation – II with their respective holding companies is expected, *inter alia*, to result in following benefits:

- It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;
- It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition;
- It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholders value;
- It will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and

25.2. **Synergies of Business**

The Scheme would result into consolidation of CC and WT business in the Resulting Company and Retained business into Demerged Company. The Scheme also ensures simplified and streamlined group structure. It helps in achieving reduction in over operational and compliance costs and helps in achieving better management and control on combined business.

25.3. **Impact of Scheme on the Shareholders**

It is clarified that neither the Resulting Company nor the Demerged Company have issued any classes of shares other than equity shares. Accordingly, there are no other classes of shareholders that will be affected by the Scheme. In relation to the equity shareholders of the Demerged Company, upon the Scheme becoming effective, the equity shareholders of the Demerged Company shall become the equity shareholders of the Resulting Company in the manner as set out in Clause 11 of the Scheme. In addition, the equity shares of the Resulting Company held by the Demerged Company will stand cancelled on or after the effective date (as set out in the Scheme) by operation of law, without payment of any consideration or any further act or deed by either of the Demerged Company and the Resulting Company.

In relation to Amalgamation – I and Amalgamation – II, no new shares are being issued as the Transferor Company No. 1 and the Transferor Companies are wholly owned subsidiaries (direct and indirect)

25.4. **Cost benefit analysis of the scheme**

Post-effectiveness of the Scheme, the proposed demerger will increase value for the shareholders of the Resulting Company over time as the Resulting Company's share value will rerate in line with its peers. In addition, as set out hereinabove, the shareholders of the Demerged Company will be allotted shares in the Resulting Company, thus facilitating increased value for the shareholders of the Demerged Company. Therefore, while the Scheme includes certain implementation costs, in the long-term such cost will be outweighed by the benefits of the Scheme, on account of several factors including that the Scheme would separate the CC and WT business and allow potential investors and other shareholders an option in terms of making a choice for either or both businesses. Although the Scheme would lead to the Company incurring costs towards its implementation the benefits of the Scheme over a longer period of time will outweigh such costs for the stakeholders of the Company.

25.5. **Rationale for not issuing shares to shareholders of Transferor Companies**

The Transferor Company No. 1 will become an indirect wholly owned subsidiary company of the Resulting Company post the effectiveness of the Scheme. Its entire share capital will be indirectly held by the Resulting Company. Hence, upon Amalgamation – I becoming effective, no shares of Resulting Company shall be allotted in lieu or exchange of the shares of the Transferor Company No. 1. Upon the Scheme becoming effective, the entire share capital of the Transferor Company No. 1 shall be cancelled and extinguished.

The Transferor Companies are wholly owned subsidiary and / or step down subsidiary companies of Transferee Company. Their entire share capital is directly or indirectly held by the Transferee Company. Hence, upon the Scheme becoming effective, no shares of Transferee Company shall be allotted in lieu or exchange of the shares of the Transferor Companies. Upon the Scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished.

26. **Value of assets and liabilities of the Company, Resulting Company, Transferor Company No. 1 and Transferor Companies and Demerged Undertaking that are being transferred to and post- merger balance sheet of Demerged Company and Resulting Company.**

The details as above is attached herewith as **"Annexure 14"**.

27. **BSE Details**

The additional information to be submitted to SEBI as advised by BSE vide letter dated January 29, 2024 is enclosed as **"Annexure 15"**.

28. **NSE Details**

The additional information to be submitted to SEBI as advised by NSE vide letter dated January 2, 2024 is enclosed as **"Annexure 16".**

Other Matters

29. In terms of SEBI Circular, the applicable information of all the unlisted companies involved in the Scheme in the format specified for abridged prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("Abridged Prospectus") including certificate of VIVRO Financial Services Pvt Ltd, SEBI Registered Merchant Banker, confirming accuracy and adequacy of the information contained therein, as required under the SEBI Circular are enclosed herewith as **"Annexure-17", "Annexure-18" , "Annexure-19", "Annexure-20"** and **"Annexure-21"** respectively.

30. **Detail of debt restructuring**

There shall be no debt restructuring of the Demerged Company, Resulting Company, Transferor Company No.1 and Transferor Companies pursuant to the Scheme.

31. **Summary of Valuation Report**

The Share Exchange Ratio as set out in the Scheme, has been approved by the Board of Directors of the Demerged Company and Resulting Company after taking into consideration the Valuation Report dated December 12, 2023 issued by SSPA & Co., Chartered Accountants, Registered Valuer (IBBI/RV-E/06/2020/126) ("Registered Valuer") recommending the share exchange ratio for the Scheme ("Valuation Report"). A copy of the said Valuation Report is annexed herewith and marked as **"Annexure 22"**.

Further, given that the Demerged Company is a listed company and in compliance with the requirements of SEBI Scheme Circular (as referred in the Scheme), the Demerged Company had appointed Vivro Financial Services Private Limited, Category-I Merchant Banker to issue the Fairness Opinion Report on the Valuation Report issued by the Registered Valuer as aforesaid. A copy of the said Fairness Opinion Report dated December 12, 2023 issued by Vivro Financial Services Private Limited is annexed herewith and marked as "**Annexure 23".**

32. All companies have filed a joint application before the Mumbai Bench of the National Company Law Tribunal for the sanction of the Scheme under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, and the Hon'ble Tribunal has given directions to, *inter alia*, convene the meeting of Equity Shareholders of the Transferee Company, vide order dated October 11, 2024.

33. **Inspection of Documents**

The following documents will be open for inspection by the Shareholders as per Rule 6(3)(ix) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 at the Registered Office of Transferee Company situated at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India – 400 710 on any working day up to the date of the Meeting between 10.00 A.M. to 5.00 P.M.(excluding Saturdays, Sundays and holidays).

a. Copy of the Composite Scheme of Arrangement;

b. Copy of the Order passed by the Hon'ble Tribunal dated October 11, 2024 directing convening the meeting of Equity Shareholders passed in Company Application No. CA(CAA)/162/MB-I/2024;

c. Copy of Company Application No. CA (CAA)/162/MB-I/2024 along with annexures;

d. Copies of the Memorandum of Association and Articles of Association of the Transferee Company;

e. Copy of Audited Financial Statements of all the companies for the year ended March 31, 2022, March 31, 2023 and March 31, 2024;

f. Copy of Unaudited Limited Reviewed Financial Statements of all Companies for six months ended September 30, 2023;

g. Copy of Valuation Report dated December 12, 2023 obtained from SSPA & Co. and the fairness opinion dated December 12, 2023 provided by independent merchant banker, Vivro Financials Services Private Limited;

h. Copy of Observation Letter/ No adverse observation letter both dated August 13 and August 14, 2024 from BSE and NSE respectively;

i. Copy of Complaint reports dated February 23, 2024 and March 12, 2024 with BSE and NSE respectively submitted by the Transferee Company;

j. Copy of Reports dated December 12, 2023 adopted by the Audit Committee of the Demerged Company and Transferor Company No. 2.

k. Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies along with challans, evidencing filing of the Scheme;

l. Copies of the Board resolutions dated December 12, 2023, passed by the respective Board of Directors of the Companies approving the Scheme;

m. Copy of the Reports adopted by the Board of Directors of the respective Companies pursuant to the provisions of Section 232(2) (c) of the Act;

n. Copy of the Statutory Auditors' Certificates, dated December 12, 2023 issued by Bathiya & Associates LLP Chartered Accountants for Demerged Company and Resulting Company, to the effect that the accounting treatment, if any, proposed in the Scheme of compromise or arrangement is in conformity with the applicable Accounting Standards prescribed under Section 133 of the Act;

o. Such other information or documents as the Board or management believes necessary and relevant for making decision for or against the Scheme.

A copy of the Scheme and Explanatory Statement may also be obtained from the Registered Office of the Transferee Company and / or at the office of the advocate Sanjay Udeshi & Co., Advocates & Solicitors at 402-B, Vikas Building, 4th Floor, NGN Vaidya Road, above Jimmy Boy Restaurant, Horniman Circle, Fort, Mumbai – 400 001

Dated this 25th day October 2024 at Mumbai

SD/-
Sameer V. Shah

DIN: 00105721
Chairman appointed for the meeting

Registered Office:
Chembond Chemicals Limited
Chembond Centre, EL-71, Mahape MIDC,
Navi Mumbai – 400 710 Maharashtra, India

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

CHEMBOND CHEMICALS LIMITED
("DEMERGED COMPANY" / "TRANSFEREE COMPANY")

AND

CHEMBOND CHEMICAL SPECIALTIES LIMITED
("RESULTING COMPANY")

AND

CHEMBOND CLEAN WATER TECHNOLOGIES LIMITED
("TRANSFEROR COMPANY NO. 1" OR "CCWTL")

AND

CHEMBOND MATERIAL TECHNOLOGIES PRIVATE LIMITED
("TRANSFEROR COMPANY NO. 2" OR "CMTPL")

AND

PHIROZE SETHNA PRIVATE LIMITED
("TRANSFEROR COMPANY NO. 3" OR "PSPL")

AND

GRAMOS CHEMICALS (INDIA) PRIVATE LIMITED
("TRANSFEROR COMPANY NO. 4" OR "GCIPL")

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH SECTION 66 OF THE COMPANIES ACT, 2013 ALONG WITH APPLICABLE RULES MADE THEREUNDER

NOTARY S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 6459 GOVT. OF INDIA

676

1. PREAMBLE

1.1 This composite scheme of arrangement is presented under the provisions of sections 230–232 read with sections 66 and other applicable provisions of the Companies Act, 2013 (Act) as may be applicable, read with Section 2(19AA) and Section 2(1B) of the Income Tax, 1961 (IT Act), as may be applicable, to restructure the various businesses of the Demerged Company (as defined hereinafter) and its subsidiaries and associates (direct and indirect), as below:

a. The Demerged Undertaking (as defined hereinafter) of the Demerged Company shall be transferred to and vested in the Resulting Company (as defined hereinafter);

b. The Transferor Company 1 (as defined hereinafter) shall be amalgamated with the Resulting Company; and.

c. the Transferor Company 2 (as defined hereinafter), the Transferor Company 3 (as defined hereinafter), and Transferor Company No. 4 shall be amalgamated with the Transferee Company (as defined hereinafter).

1.2 In addition, this composite scheme of arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

2. OVERVIEW OF THE SCHEME

2.1 The Scheme (as defined hereinafter) envisages the demerger of the Demerged Undertaking into the Resulting Company (elaborated in Section I) in compliance with the provisions of Section 2(19AA) of the IT Act, such that:

a. all the property of the Demerged Undertaking, being transferred by the Demerged Company immediately before the demerger, becomes the property of the Resulting Company by virtue of the demerger;

b. all the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company immediately before the demerger, become the liabilities of the Resulting Company by virtue of the demerger; and

c. the property and the liabilities of the Demerged Undertaking being transferred by the Demerged Company are transferred at values appearing in its books of account immediately before the demerger;

d. the Resulting Company issues, in consideration of the demerger, its shares to the shareholders of the Demerged Company on a proportionate basis;

e. The transfer of the Demerged Undertaking is on a going concern basis;

f. The demerger is in accordance with the conditions, if any, notified under sub-section (5) of Section 72A of the IT Act, by the Central Government in this behalf.

2.2 Upon the demerger of the Demerged Undertaking of the Demerged Company and its transfer to and vesting in the Resulting Company pursuant to the Scheme becoming effective on the Effective Date (as defined hereinafter), the Resulting Company will issue shares to the shareholders of the Demerged Company on the Record Date (as defined hereinafter), in accordance with the Share Exchange Ratio (as defined hereinafter) approved by the Board of Directors of each of the Demerged Company and the Resulting Company and pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the IT Act.

677

2.3 The demerger of the Demerged Undertaking of the Demerged Company and its transfer to and vesting in the Resulting Company will be effective from the Appointed Date (as defined hereinafter) but will be operative from the Effective Date.

2.4 The Scheme also envisages amalgamation of:

i. Transferor Company 1 with the Resulting Company (elaborated in Section II) (Amalgamation – I) and;
ii. the Transferor Companies (as defined hereinafter) with the Transferee Company (elaborated in Section III) (Amalgamation – II)

in compliance with the provisions of Section 2(1B) of the IT Act, such that:

a. all the properties of the Transferor Company No. 1, immediately before the amalgamation, shall become the property of the Resulting Company by virtue of Amalgamation – I and all the properties of the Transferor Companies immediately before the amalgamation, shall become the property of the Transferee Company, by virtue of Amalgamation - II;

b. all the liabilities of the Transferor Company No. 1 immediately before the amalgamation, shall become the liabilities of the Resulting Company by virtue of Amalgamation – I and all the liabilities of the Transferor Companies immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of Amalgamation - II;

c. Transferor Company No. 1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to the demerger and hence, in consideration for Amalgamation - I, the Resulting Company shall not issue any shares under the Scheme. The existing shareholding of the Transferor Company No. 1 will get cancelled pursuant to the Scheme;

d. Transferor Companies are wholly owned subsidiaries and/or step-down subsidiaries of the Transferee Company, and hence, in consideration, the Transferee Company shall not issue any shares under the Scheme. The existing shareholding of the Transferor Companies will get cancelled pursuant to the Scheme.

2.5 Demerger, Amalgamation – I and Amalgamation II will be effective from the Appointed Date but will be operative from the Effective Date.

2.6 The Demerger shall precede the Amalgamation – I and Amalgamation – II and Amalgamation – I shall precede Amalgamation – II

2.7 If any of the terms or provisions of the Scheme are found inconsistent with the provisions of Section 2(1B) or Section 2(19AA) of the IT Act, 1961, at a later date, including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) or Section 2(19AA) of the IT Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) or Section 2(19AA) of the IT Act, 1961. Such modifications however, will not affect other parts of the Scheme.

2.8 The Scheme is in accordance with the provisions of Memorandum of Association and Article of Association of the Companies.

NOTARIAL S.B. MUSTARI Gr. Mumbai State Of Maharashtra Regn. No. 8458

3. RATIONALE OF THE SCHEME

3.1 The Chembond group, represented by the Demerged Company, viz. Chembond Chemicals Limited and its subsidiaries, step-down subsidiaries and step-down associates, is a well known name in India and engaged in manufacturing a diverse range of specialty chemicals and all products like water treatment, metal treatment, construction chemicals, high performance

Chembond Chemicals Limited Mumbai; Chembond Chemical Specialities Limited; Chembond Clean Water Technologies Ltd.; Chembond Material Technologies Private Limited Mumbai; Pluronze Setthna Private Limited; Chembond Chemicals India Private Limited

678

coatings, animal health, industrial adhesives and sealants and tolling. The Demerged Company has excellent infrastructure facilities like a well-equipped R & D laboratory, multiple regional offices, and production plants, well trained personnel and references across several business segments from the best-known companies in the field. The Demerged Company has come a long way and evolved from being a fledging start-up to India's leading specialty chemicals manufacturer. Based on the aforesaid, the Demerged Company's several businesses carried on by itself and through its subsidiary and step down subsidiary companies and associate companies can broadly be segregated into the following areas: (i) Water Technologies; (ii) Material Technologies; (iii) Construction Chemicals; (iv) Biotechnology; (v) Distribution; (vi) Tolling (vii) Adhesives; and (viii) Industrial Sealants.

3.2 Each of the several businesses carried on by the Demerged Company by itself and through its subsidiaries, step-down subsidiaries and step-down associate, including CC & WT Business (as defined hereinafter) has significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking can attract a different set of investors, strategic partners, lenders, and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, Demerged Company proposes to re-organize and segregate, by way of a demerger of its Demerged Undertaking and vesting of the same in the Resulting Company and subsequently, amalgamation of the Transferor Companies with the Transferee Company.

3.3 The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits:

a. segregation and unbundling of the CC & WT Business of the Demerged Company into the Resulting Company, which will enable enhanced focus on Retained Business (as defined hereinafter) the Demerged Company and Resulting Company for exploiting opportunities of each of their businesses;

b. unlocking of value for the shareholders of the Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth;

c. logistics alignment leading to economies of scale for the Resulting Company and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and

d. enhancing competitive strength, achieving cost optimisation, ensuring benefits through focused management of the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Company and the Demerged Company thereby significantly contributing to future growth and maximizing shareholders' value.

3.4 Upon completion of proposed demerger, Transferor Company No. 1 will become a step-down subsidiary of the Resulting Company. The proposed Amalgamation – I and Amalgamation - II of the subsidiary companies (direct and indirect) into their respective holding company pursuant to this Scheme is expected, inter alia, to result in the following benefits:

a. It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative complexities and to maximize shareholders value;

679

b. It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition;

c. It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholders value;

d. It will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and

e. In summary, the proposed restructuring focuses on optimizing the operational structure to enable better focus, specialization, and efficiency across different business segments, ultimately leading to increased shareholder value and sustained growth for the entities involved.

3.5 The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the Companies (as defined hereinafter).

4. NO ARRANGEMENT WITH THE CREDITORS

4.1 Under the proposed Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured creditors of the Companies. The liability towards the creditors of the Demerged Undertaking and the Transferor Company No. 1 are neither being reduced nor being extinguished but shall be assumed and discharged by the Resulting Company in its ordinary course of business. Similarly, the liability towards the creditors of the Transferor Companies are neither being reduced nor being extinguished but shall be assumed and discharged by the Transferee Company, in its ordinary course of business.

5. PARTS OF THE SCHEME

The Scheme (as defined hereinafter) is divided into the following Sections:

5.1 SECTION I

DEMERGER OF THE DEMERGED UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

Part A: Deals with the background and description of the Companies, Definitions and Share Capital.

Part B: Deals with demerger of the Demerged Undertaking of the Demerged Company (as defined hereinafter) and vesting of the same in the Resulting Company (as defined hereinafter), in accordance with Section 2 (19AA) of the IT Act (as defined hereinafter) and Sections 230 to 232 of the Act (as defined hereinafter) and/ or other relevant provisions of the Act (as defined hereinafter).

Part C: Deals with the payment of consideration, reorganization of share capital and the accounting treatment in the books of the Demerged Company and the Resulting Company and various other matters consequential or otherwise integrally connected herewith.

680

5.2 **SECTION II**

AMALGAMATION – I: AMALGAMATION OF THE TRANSFEROR COMPANY NO. 1 WITH THE RESULTING COMPANY

Part A: Deals with the background and description of the companies, definitions and share capital.

Part B: Deals with amalgamation of the Transferor Company No. 1 with the Resulting Company, in accordance with Section 2 (1B) of the IT Act and Sections 230 to 232 of the Act and/ or other relevant provisions of the Act.

Part C: Deals with the payment of consideration, reorganization of share capital and the accounting treatment in the books of the Resulting Company and various other matters consequential or otherwise integrally connected herewith.

5.3 **SECTION III**

AMALGAMATION – II: AMALGAMATION OF THE TRANSFEROR COMPANIES INTO THE DEMERGED COMPANY/TRANSFEREE COMPANY

Part A: Deals with the background and description of the companies, definitions and share capital.

Part B: Deals with amalgamation of the Transferor Companies with the Demerged Company/Transferee Company, in accordance with Section 2 (1B) of the IT Act and Sections 230 to 232 of the Act and/ or other relevant provisions of the Act.

Part C: Deals with the payment of consideration, reorganization of share capital and the accounting treatment in the books of the Demerged Company and various other matters consequential or otherwise integrally connected herewith.

5.4 **SECTION IV**

Section IV Deals with the general terms and conditions applicable to the Scheme.

NOTARY S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 5459 GOVT. OF INDIA

681

SECTION I

DEMERGER OF THE DEMERGED UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

PART A

6. BACKGROUND AND DESCRIPTION OF THE COMPANIES

6.1 Chembond Chemicals Limited ("Demerged Company" / "Transferee Company") is a Company incorporated on March 22, 1975 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Chembond Chemicals Private Limited". Subsequently its name was changed to "Chembond Chemicals Limited". The Registered Office of the Demerged Company is situated at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Demerged Company is engaged in the business of manufacturing a diverse range of specialty chemicals and products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The equity shares of the Demerged Company are listed on BSE (as defined hereinafter) and NSE (as defined hereinafter). The Corporate Identification Number of the Demerged Company is L24100MH1975PLC018235.

6.2 Chembond Chemical Specialties Limited ("Resulting Company") is a Company incorporated on December 12, 2023 in the State of Maharashtra under the Companies Act, 2013 in the name and style of "Chembond Chemical Specialties Limited". The Registered Office of the Resulting Company is situated at Plot No. EL-37, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Resulting Company was formed with the object to carry on the business of Specialty chemicals including but not limited to Construction chemicals and Water Treatment Chemicals. The Corporate Identification Number of the Resulting Company is U20116MH2023PLC415282.

6.3 The Resulting Company is a wholly owned subsidiary of the Demerged Company.

6.4 In terms of Section I of this Scheme, it is now proposed, inter alia, to demerge the Demerged Undertaking, and vest the same with the Resulting Company pursuant to and in accordance with Sections 230-232 read with Section 66 of the Act (as defined hereinafter), if applicable, and/or other relevant provisions of the Act (as defined hereinafter), in the manner provided for in Section I of the Scheme.

6.5 The demerger of the Demerged Undertaking and vesting of the same in the Resulting Company pursuant to and in accordance with Section I of this Scheme will be in accordance with Section 2(19AA) of the IT Act (as defined hereinafter).

7. DEFINITIONS

For the purposes of Section I of this Scheme, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as mentioned herein below:

7.1 **"Act"** means the Companies Act, 2013, and ordinances, rules and regulations made thereunder, and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force. References in this Scheme to particular provisions of the Act, are references to particular provisions of the Companies Act, 2013, unless stated otherwise.

7.2 **"Applicable Laws"** shall mean any statute, notification, bye-laws, rules, regulations, guidelines, common law, policy, code, directives, ordinance, schemes, notices, orders or instructions or laws

NOTARY S.H. MUSTARI Mumbai State Of Maharashtra Reg. No. 6459 GOVT. OF INDIA

682

enacted or issued or sanctioned by any appropriate authority in India including any modifications or re-enactment thereof for the time being in force.

7.3 **"Appointed Date"** means the commencement of business hours of April 1, 2024 with effect from which all the sections of this Scheme will be deemed to be effective.

7.4 **"Board of Directors"** or **"Board"** in relation to each of the Parties, means the board of directors of such company, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto.

7.5 **"BSE"** means BSE Limited and includes any successor thereof.

7.6 **"CC & WT Business"** means the construction chemicals, water technologies and cleaning & hygiene businesses of manufacturing, selling, distribution and trading of chemicals, including chemicals used in construction and civil repair industry as well as in relation to chemicals, equipment and services required for water treatment.

7.7 **"Companies"** means collectively the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 and the Transferor Company No. 4.

7.8 **"Demerged Company"** means Chembond Chemicals Limited a listed company, incorporated on March 22, 1975 in the State of Maharashtra under the Companies Act, 1956 and having its Registered Office at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India – 400710.

7.9 **"Demerged Undertaking"** means the CC & WT Business of the Demerged Company as identified by the board of directors of Demerged Company and Resulting Company, to be transferred to Resulting Company on a going concern basis with effect from the Appointed Date, comprising, inter alia, of all assets, movable and immovable properties, liabilities, permits, licenses, registrations, approvals, contracts, and employees, in relation to and pertaining to such business and shall include without limitation:

a. all properties and assets including all movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, furniture, fixtures, office equipment, appliances, accessories, vehicles, investments, stocks, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licenses, permits, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company with respect to the CC & WT Business;

b. all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of

683

whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the CC & WT Business;

c. all investments in equity shares, securities, working capital and loans & advances in so far as it related to the CC & WT Business, including equity investments of the Demerged Company in Chembond Water Technologies Limited, Chembond Calvadis Industrial Hygiene Systems Limited, and Chembond Distribution Limited

d. all applications (including hardware, software, licenses, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the CC & WT Business under;

e. all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals and minimum alternate tax paid under Section 115JA/115JB of the Income-tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income-tax Act or any other taxation statute enjoyed by the Demerged Company with respect to CC & WT Business;

f. all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Demerged Company pertaining to the CC & WT Business and/or arising out of and/or relatable to the CC & WT Business including;

g. the debts, liabilities, duties and obligations of the Demerged Company which arises out of the activities or operations of the CC & WT Business;

h. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the CC & WT Business;

i. in cases other than the specifically identified borrowings, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bears to the total value of the assets of the Demerged Company immediately prior to the Effective Date;

j. all Proceedings of whatsoever nature that pertain to the CC & WT Business;

k. all Permits, licenses, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents, and other intellectual property rights of the Demerged Company pertaining to CC & WT Business, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to CC & WT Business;

l. all books, records, files, papers, process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to CC & WT Business;

m. all permanent and/or temporary employees, workmen, staff, contract staff or workers of the Demerged Company engaged in the business of the CC & WT Business;

NOTARY S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 6459 GOVT. OF INDIA

684

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by the Board of Directors of the Demerged Company and the Resulting Company.

Further the Board of Directors of the Demerged Company and the Resulting Company may mutually decide the modalities/commercial arrangement between the said companies with regard to utilization of resources to ensure smooth transition and functioning of the respective businesses.

7.10 **"Effective Date"** means the date on which the last of the conditions in Clause 46 of Section IV of the Scheme are complied with and Sections I, Section II, Section III and Section IV of the Scheme are made effective with effect from the Appointed Date.

7.11 **"Governmental Authority"** means any applicable Central, State or Local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any Court, Tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Official Liquidators, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, Insurance Regulatory and Development Authority of India or arbitration or arbitral body having jurisdiction, Tribunal and other government and regulatory authorities of India.

7.12 **"Income-tax Act or IT Act"** means the Income-tax Act, 1961 (43 of 1961), the rules made thereunder and will include any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force.

7.13 **"Intellectual Property Rights"** means and includes patents, trademarks, service marks, registered designs, data base rights, trade or business names, know-how, dossiers, marketing authorizations, copy-rights, domain name rights and any other intellectual property rights and rights of a similar and corresponding nature in any part of the world, whether registered or not and whether capable of registration or not.

7.14 **"NSE"** means National Stock Exchange of India Limited and includes any successor thereof;

7.15 **"Tribunal"** means the National Company Law Tribunal, Mumbai bench having jurisdiction in relation to the Companies and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of Tribunal to sanction the Scheme under the Act.

7.16 **"Resulting Company"** means Chembond Chemical Specialties Limited, an unlisted company, incorporated on December 12, 2023, in the State of Maharashtra under the Companies Act, 2013 and having its Registered Office at EL-37 MIDC Mahape, Navi Mumbai 400710, Maharashtra, India;

7.17 **"Record Date"** has the meaning ascribed to it in Clause 11.1 of Section I of this Scheme;

7.18 **"Registrar of Companies or ROC"** shall mean the relevant Registrar of Companies having territorial jurisdiction in the states(s) in which the respected Registered Office of the Companies are located;

7.19 **"Retained Business of the Demerged Company"** means all undertakings, investments, businesses, activities and operations of the Demerged Company other than that comprised in the Demerged Undertaking.

NOTARY SUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 6459 GOVT. OF INDIA

6 95

7.20 **"Scheme" or "the Scheme" or "this Scheme"** means this Composite Scheme of Arrangement in its present form or with any modification(s) made hereunder in this Scheme as approved or directed by the Hon'ble Tribunal and which is acceptable to the Board of Directors of the Companies;

7.21 **"SEBI"** means the Securities and Exchange Board of India;

7.22 **"SEBI Circulars"** means Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the SEBI on June 20, 2023 (as amended from time to time) or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

7.23 **"Stock Exchanges"** means BSE Limited and National Stock Exchange of India Limited collectively;

The expressions, which are used in this Section I of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section II, Section III or Section IV of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re enactment thereof, from time to time.

8. INTERPRETATIONS

8.1 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the IT Act, the Securities Contracts (Regulation) Act, Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other Applicable Laws, rules, regulations, bye-laws, as the case may be, or any statutory modification(s) or re-enactment(s) thereof from time to time.

8.2 In this Scheme, unless the context otherwise requires:

a. references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;

b. the headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and shall not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme;

c. words in the singular shall include the plural and vice versa;

d. words "include" and "including" are to be construed without limitation;

e. terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified clauses of this Scheme, as the case may be;

f. a reference to "writing" or "written" includes printing, typing, lithography and other means of reproducing words in a visible form including e-mail;

g. reference to any agreement, contract, document or arrangement or to any provision thereof shall include references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated;

NOTARY S.S. MISTARI Gr. Mumbai State Of Maharashtra Reg. No. 6495 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai

Chembond Chemical Specialities Limited

Chembond Clean Water Technologies Ltd.

Chembond Material Technologies Private Limited Navi Mumbai

Bhuvee Sethna Private Limited

Gramos Chemicals India Private Limited

686

h. reference to the recital or clause shall be a reference to the recital or clause of this Scheme; and

i. references to any provision of law or legislation or regulation shall include: (a) such provision as from time to time amended, modified, re enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced, (b) all subordinate legislations (including circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment

9. SHARE CAPITAL

9.1 The share capital of the Demerged Company as on March 31, 2023 was as under:

Particulars	Amount (in Rs.)
Authorized Capital	
2,00,00,000 Equity Shares of Rs.5/- (Rupees Five Only) each	100,000,000
Total	**100,000,000**
Issued, Subscribed and Paid-up Capital	
134,48,288 Equity Shares of Rs.5/- (Rupees Five Only) each	6,72,41,440
Total	**6,72,41,440**

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Demerged Company.

The equity shares of the Demerged Company are listed on BSE and NSE.

9.2 The main object of the Demerged Company are as below:

"1. To carry on the business whether in India or outside India of manufacturing, producing, processing, mixing, blending, refining, formulating, buying, selling, distributing or otherwise dealing in all kinds and varieties of chemicals including but not limited to speciality chemicals, intermediates, or chemical mixtures, additives, adhesives, cleaning agents, bonding agents, waterproofing compound, chemicals for coating or otherwise, organic / inorganic chemicals, resins, resins based chemicals, corrosion inhibitors, surface treatment of ferrous and non-ferrous metals and other substrates for anti-corrosive, paint adhesion or lubricity purposes, electrolytic cleaners, chemical paint strippers, chemically treated cloth, face mask and other material for dust control and removal, chemicals and polishes for finished products, plastic compounds, particularly polyvinyl chloride, liquid plastic membranes, liquid plastic coating materials and chemicals of all types, all kinds of paints, enamels, varnishes, coatings, enzymes, sealants etc., whole range of water and waste water treatment chemicals, systems and machineries, water management solutions, water treatment membranes, oilfield and process chemicals, textile chemicals, bio-based chemicals, bio-remediation cultures and chemicals, engineering polymers and materials, Bio based polyamides used as engineering and performance plastics, high performance polymers for commodity and automobile applications, high performance and high temperature withstanding plasticisers as lubricating additive for rolling steel application, synthesise and characterization of monomers for high performance, differential polyimides, Electronic instruments and smart automation products.

2. To carry on all or any business of manufacturers, dealers or processors in the field of pretreatment of ferrous and non-ferrous metals for anti-corrosive and paint adhesion purposes.

NOTARY GOVT. OF INDIA Gr. Mumbai State Of Maharashtra Reg. No. 6452

687

3. *To carry on all or any of the business of Chemical Engineers, Manufacturers, dealers in chemicals and as inventors, exploiters or all types of processes on the field of chemicals and the pre-treatment for anticorrosive and paint adhesive purposes of metals and metallic substances.*

4. *To undertake and execute or sub-contract whole or in part any engineering contracts for supply, manufacture, use or application of all types of the above products, either for construction, repairs, maintenance, coating, bonding or otherwise and to undertake and carry out construction and development activities, facility management, project management consultancy, technical equipments and installations, providing performance monitoring services, undertaking operating and maintenance contracts, offering EPC and design engineering services.*

5. *To establish, operate, propagate, manufacture, produce, cultivate, process, do research and development, test, analyze, collaborate, import, export, sell, purchase or otherwise deal in marketing or multi-marketing of healthcare and nutrition products, food or food supplements for cattle, livestock, poultry, pets, fishes and all living species, whether for healthcare, nutrition or bioscience (any of the life sciences) related purposes. Products can include any chemicals, drugs, intermediates, plants, herb and vegetable extracts, marine / sea foods, natural or genetically modified organisms or organism derived products, manufactured through plant & machinery, fermentation, membrane processing, or through any other processing.*

6. *To undertake, conduct, promote or carry on or to help to undertake, conduct, promote or carry on either the scientific and/ or industrial research and developmental activities to develop new products or substitute for existing / imported products and to develop and maintain testing house and laboratory for own use and for others either solely or in association with others in connection with the Company's object or trade or businesses or any of them.*

7. *To carry on any other business (whether manufacturing or otherwise), which may seem to the Company capable of being conveniently or advantageously carried on in connection with the Company's objects or which it may feel advisable to undertake with a view to developing, rendering valuable prospect or turning to account or in which the Company may be interested."*

9.3 The share capital of the Resulting Company as on December 12, 2023 was as under:

Particulars	Amount (in Rs.)
Authorized Capital	
10,000 Equity Shares of Rs.5/- (Rupees Five Only) each	50,000
Total	**50,000**
Issued, Subscribed and Paid-up Capital	
10,000 Equity Shares of Rs.5/- (Rupees Five Only) each	50,000
Total	**50,000**

The equity shares of the Resulting Company are not listed on any stock exchanges.

9.4 The main object of the Resulting Company are as below:

1. *"To carry on the business whether in India or outside India of manufacturing, producing, processing, trading, mixing, blending, refining, formulating, buying, selling, distributing or otherwise dealing in all kinds and varieties of chemicals including but not limited to speciality chemicals, intermediates, or chemical mixtures, admixtures, repair and bonding chemicals, water proofing chemicals, surface treatment, tiling chemicals, sealants, additives, adhesives, grouts and anchors, cleaning agents, bonding agents, waterproofing compound, chemicals for coating or otherwise, organic / inorganic chemicals, resins, resins based chemicals, corrosion inhibitors, surface treatment of ferrous and non-ferrous metals and other substrates for anti-corrosive, paint adhesion or lubricity purposes, electrolytic cleaners, chemical paint strippers, chemically treated cloth, face mask and other materials for dust control and removal, chemicals and polishes for finished products, plastic compounds, homopolymer polyvinyl chloride, liquid plastic membranes, liquid plastic coating materials and chemicals of all types, all kinds of paints,*

688

enamels, varnishes, coatings, enzymes, sealants etch, whole range of water and waste water treatment chemicals, systems and machineries, water management solutions, water treatment membranes, oilfield and process chemicals, textile chemicals, bio-based chemicals, bio-remediation cultures and chemicals, engineering polymers and materials, Bio based polyamides used as engineering and performance plastics, high performance polymers for commodity and automobile applications, high performance and high temperature withstanding plasticizers as lubricating additive for rolling steel application, synthesise and characterization of monomers for high performance differentiated polyimides, Electronic instruments and smart automation products."

NOTARY
S.B. MUSTARI
Gr. Mumbai
State Of Maharashtra
Reg. No. 8458
GOVT. OF INDIA

14

Chembond Chemicals Limited Navi Mumbai
Chembond Chemical Specialities Limited
Chembond Clean Water Technologies Ltd.
Chembond Material Technologies Private Limited Navi Mumbai
Phiroze Sethna Private Limited
Grauer Chemicals India Private Limited

689

PART B

10. **DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY AND VESTING OF THE SAME IN THE RESULTING COMPANY**

10.1 Subject to the provisions of Section I of the Scheme in relation to the modalities of demerger and vesting, upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Demerged Undertaking, together with all their respective properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall demerge from the Demerged Company be transferred to, and stand vested in, the Resulting Company, and shall become the property of and an integral part of the Resulting Company, subject to existing encumbrances (unless otherwise agreed to by the encumbrance holders), without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, the Demerged Undertaking shall stand transferred and vested in the Resulting Company, in the manner described in sub-paragraphs (a) – (m) below:

a. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all immovable property pertaining to the Demerged Undertaking, whether freehold or leasehold (including the right to use the land on which the CC & WT Business is located and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company, and without any approval or acknowledgement of any third party. Upon Section I of the Scheme coming into effect on the Effective Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Resulting Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Tribunal and Section I of the Scheme becoming effective on the Effective Date in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Demerged Undertaking is given to the Resulting Company in accordance with the terms hereof.

b. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.

c. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts and receivables as of Appointed Date due to the Resulting Company from the Demerged Company as a result of the implementation of Section I of the Scheme), outstanding loans and advances, if any, relating to the Demerged Undertaking, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other

690

authorities and bodies, customers and other persons shall, without any act, instrument or deed required by either the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party become the property of the Resulting Company.

d. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Demerged Undertaking, whether provided for or not in the books of accounts of the Demerged Company or disclosed in the balance sheet of such Demerged Undertaking, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT Act, shall become and be deemed to be, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company. The Resulting Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, the Demerged Company and the Resulting Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Tribunal or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Resulting Company as part of the Demerged Undertaking and/or in relation to the assets remaining in the Demerged Company after the demerger and vesting of the Demerged Undertaking in the Resulting Company pursuant to Section I of this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to the Demerged Undertaking have been discharged by the Demerged Company on behalf of the Demerged Undertaking after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Demerged Company for and on behalf of the Resulting Company.

e. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of or in relation to the Demerged Undertaking shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed required by either the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.

f. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all letters of intent, memoranda of understanding, memoranda of agreements, tenders, bids, experience and/or performance statements, contracts, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, shall be in full force and effect against or in favour of the Resulting Company and may be enforced by or against it as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.

g. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all rights, entitlements, licenses, permits, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered, unregistered or pending registration, including the joint right to use the brand name "Chembond" and its logo and other brands, and the goodwill arising therefrom, relatable to the Demerged

NOTARY S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 6459 GOVT. OF INDIA
Chembond Chemicals Limited New Mumbai
Chembond Chemical Specialties Limited
Chembond Clean Water Technologies Ltd.
Chembond Material Technologies Private Limited New Mumbai
Phiroze Sethna Private Limited
Gramoil Chemicals India Private Limited

691

Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, shall be extended (including joint right to use the brand name "Chembond" and its logo and other brands) to the Resulting Company. Accordingly, the joint rights to use the Chembond brand and other brands shall remain with both, the Demerged Company and the Resulting Company.

h. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses comprising of unabsorbed depreciation), sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit, goods and service tax credit), facilities of every kind and description of whatsoever nature, in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.

i. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any statutory or regulatory licenses, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Demerged Undertaking or granted to the Demerged Company in relation to the Demerged Undertaking shall stand transferred and vested in the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Demerged Undertaking shall also stand transferred and vested in and become available to the Resulting Company pursuant to Section I of this Scheme without any further act, instrument or deed required by either the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section I of the Scheme becoming effective in accordance with the terms hereof.

j. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resulting Company shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Demerged Company in connection with the Demerged Undertaking. If any suit, appeal or other proceeding of whatever nature by or against the Demerged Company in connection with the Demerged Undertaking be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of such Demerged Undertaking and transfer and vesting of the same in the Resulting Company or of anything contained in Section I of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if Section I of this Scheme had not been made effective. Upon Section I of the Scheme becoming effective, the Resulting Company undertakes to have such legal or other proceedings initiated by or against the Demerged Company in relation to the Demerged Undertaking transferred in its name and to have the same continued, prosecuted and

NOTARY S.B. MUSTARI Dt. Mumbai State of Maharashtra Reg. No. 6458 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai
Chembond Chemical Specialities Limited
CHEMBOND CLEAN WATER TECHNOLOGIES LTD.
Chembond Material Technologies Private Limited
Phiroze Sethna Private Limited
Gramos Chemicals India Private Limited

692

enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company also undertakes to handle all legal or other proceedings which may be initiated against the Demerged Company in connection with the Demerged Undertaking after the Effective Date in its own name and account and further undertakes to pay all amounts including interest, penalties, damages etc., pursuant to such legal/ other proceedings.

k. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all persons that were employed in the Demerged Company in connection with the Demerged Undertaking immediately before such date shall become employees of the Resulting Company, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. It is clarified that such employees of the Demerged Company that become employees of the Resulting Company by virtue of Section I of this Scheme coming into effect, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer (including in relation to stock options except to the extent modified by this Scheme) and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Resulting Company, unless and otherwise so stated by the Resulting Company in writing in respect of all employees, class of employees or any particular employee. The Resulting Company undertakes to continue to abide by any agreement/ settlement, if any, entered into by the Demerged Company, in relation to the Demerged Undertaking, in respect of such employees with their respective employees/ employee unions, if any. With regard to the provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948, or any other special fund or obligation created or existing for the benefit of such employees of the Demerged Company, upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits, contributions made under the Employees State Insurance Act, 1948, or any other special benefits or obligation, if any, created by the Demerged Company for the employees of the Demerged Undertaking shall be continued by the Resulting Company for the benefit of such employees on the same terms and conditions. It is the aim and intent of Section I of the Scheme that all the rights, duties, powers and obligations of the Demerged Company in relation to such schemes or benefits shall become those of the Resulting Company. Further, upon Section I of the Scheme coming into effect, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Demerged Company in relation to the Demerged Undertaking shall be continued/ continue to operate against the relevant employee and shall be enforced effectively by the Resulting Company.

l. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all taxes paid or payable by the Demerged Company in relation to the Demerged Undertaking including all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits of the Demerged Undertaking) shall be treated as the carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, tax deducted at source, tax liabilities or refunds/ claims (including unutilized input credits), as the case may be, of the Resulting Company. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternate Tax), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax to which

NOTARY S.S. MUSTARI Mumbai State of Maharashtra Reg. No. 6455 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai · Chembond Chemical Specialities Limited · Chembond Clean Water Technologies Ltd. · Chembond Materials Technologies Private Limited Navi Mumbai · Phinoze Sathna Private Limited · Gramos Chemicals India Private Limited

693

the Demerged Company is entitled in relation to the Demerged Undertaking shall be available to and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Demerged Company and without any approval or acknowledgement of any third party. Upon Section I of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, any tax deducted at source deducted by or on behalf of the Demerged Company until the Effective Date shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the Demerged Undertaking during such period.

m. Upon Section I of the Scheme coming into effect on the Effective Date, the Demerged Company and the Resulting Company shall be entitled to file/ revise/reopen their respective financial statements (including balance sheet and profit and loss statement) and its statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/ TDS/minimum alternate tax credits as may be required consequent to the implementation of Section I of the Scheme.

10.2 The Demerged Company and/or the Resulting Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/novate the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Demerged Undertaking. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

10.3 The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

10.4 The Resulting Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Tribunal.

10.5 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Demerged Undertaking into the Resulting Company by virtue of Section I of the Scheme, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Demerged Undertaking in favour of the Resulting Company, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to Demerged Undertaking, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above. The Resulting Company will, if necessary, also be a party to the above.

NOTARY S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 5459 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai

Chembond Chemical Specialities Limited

Chembond Clean Water Technologies Ltd.

Chembond Material Technologies Private Limited

Phiroze Sethna Private Limited

Chembond Chemicals India Private Limited

694

10.6 **Conduct of Business**

10.6.1 With effect from the date of approval of this Scheme by the respective Boards and up to and including the Effective Date:

a. The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its estates, properties, rights, title, interest, authorities, contracts and investments and assets forming part of the Demerged Undertaking for and on account of and in trust for Resulting Company.

b. All the profits or income accruing or arising to Demerged Company and expenditure or losses arising or incurred or suffered by Demerged Company which form part of Demerged Undertaking, for the period commencing from the Appointed Date shall, for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Resulting Company, except for profits or income accruing to the Retained Business of Demerged Company.

c. Demerged Company undertakes that it will preserve and carry on the business of the Demerged Undertaking and hold its said assets with reasonable diligence and business prudence and shall not undertake financial commitments in respect of, or sell, transfer, alienate, charge, mortgage, or encumber, the Demerged Undertaking or any part thereof or recruit new employees or conclude settlements with union or employees without the concurrence of Resulting Company or undertake substantial expansion or change the general character or nature of the business of the Demerged Undertaking or any part thereof save and except in each case:

1. if the same is in its ordinary course of business;
2. if the same is expressly permitted by this Scheme; or
3. if the prior consent of the Resulting Company has been obtained.

10.6.2 Subject to the provisions of Clause 10.6.1 hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Demerged Undertaking does not get automatically transferred to the Resulting Company upon Section I of the Scheme coming into effect on the Effective Date, the Demerged Company shall take all necessary steps and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Resulting Company forthwith after the Effective Date without any further consideration and until the transfer of any such asset, the Resulting Company will have the right to use the same without payment of any additional consideration. It is clarified that even after Section I of the Scheme comes into effect on the Effective Date, the Demerged Company shall, with the written consent of the Resulting Company, be entitled to realize or pay all monies and to complete, enforce, or discharge all pending contracts, arrangements or obligations in relation to the Demerged Undertaking in trust and at the sole cost and expense of the Resulting Company in so far as may be necessary until all rights and obligations of the Demerged Company in respect of such pending contracts, arrangements or obligations stand fully devolved to and in favour of the Resulting Company.

10.6.3 With effect from the Effective Date, Resulting Company shall commence and carry on and shall be authorized to carry on the CC & WT Business which was earlier carried on by Demerged Company.

10.6.4 In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company, issuance of any instruments convertible into equity shares

695

or restructuring of their respective equity share capital including by way of consolidation, share split, issue of bonus shares, or other similar action, that occurs before the issuance of equity shares of the Resulting Company, the Share Entitlement Ratio, may be appropriately adjusted to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

10.7 **Retained Business of Demerged Company**

10.7.1 The Retained Business of Demerged Company and all the assets, properties, rights, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Demerged Company, and Resulting Company shall have no right, claim or obligation in relation to the Retained Business of Demerged Company

10.7.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against Demerged Company under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Retained Business of Demerged Company (including those relating to any property, right, power, liability, obligation or duty of Demerged Company in respect of the Retained Business of Demerged Company and any income tax related liabilities) shall be continued and enforced by or against Demerged Company even after the Effective Date.

10.7.3 Upto and including the Effective Date:

a. Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Retained Business of Demerged Company for and on its own behalf;

b. all profits accruing to Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Retained Business of Demerged Company shall, for all purposes, be treated as the profits or losses, as the case may be, of Demerged Company; and

c. all assets and properties acquired by Demerged Company in relation to the respective Retained Business of Demerged Company on and after the Appointed Date shall belong to and continue to remain vested in Demerged Company.

NOTARY S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 6459 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai · Chembond Chemical Specialities Limited · Chembond Clean Water Technologies Ltd. · Chembond Material Technologies Private Limited Navi Mumbai · Phiroze Sethna Private Limited · Chembond Chemicals India Private Limited

696

PART C

11. CONSIDERATION

11.1 Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, and upon the transfer of the Demerged Undertaking and vesting of the same in the Resulting Company, the Board of Directors of the Resulting Company shall determine a record date, being a date subsequent to the filing of the order of the Tribunal sanctioning the Scheme with the RoC ("Record Date") for the allotment of (i) equity shares having face value of Rs. 5 (Rupees Five) each of Resulting Company, credited as fully paid up, to the equity shareholders of the Demerged Company as on the Record Date, in consideration for the demerger of the Demerged Undertaking.

11.2 The Board of Directors of the Resulting Company and the Demerged Company, respectively have determined the share entitlement ratio, such that:

(a) for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five) each, in the Resulting Company.

11.3 The equity shares to be issued by the Resulting Company shall be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of the Demerged Companies in physical form shall also receive the equity shares to be issued by Resulting Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then such shares shall be kept in demat suspense account which shall be operated by the Directors of the Resulting Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participants accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company, as per the Applicable Law, till then physical shareholders will be shown as beneficiaries in the demat suspense account.

11.4 In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company, issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of consolidation, share split, issue of bonus shares, qualified institutional placement or other similar action, as per applicable laws, that occurs after the date of approval of the Scheme by the respective Boards and before issuance of shares to the shareholders of the Demerged Company pursuant to Clause 11.2, the Share Entitlement Ratio will be appropriately adjusted to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

11.5 The equity shares to be issued and allotted by Resulting Company to the equity shareholders of Demerged Company shall be subject to the Scheme, the memorandum and articles of association of Resulting Company and applicable laws shall rank pari passu in all respect with the then existing equity shares of Resulting Company.

NOTARY S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 6459 GOVT. OF INDIA

697

11.6 The fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares.

11.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in Demerged Company, after the effectiveness of this Scheme. The Board of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in Demerged Company on account of difficulties faced in the transaction period.

11.8 The share entitlement ratio stated in Clause 11.2 above has been determined and agreed upon by the respective boards of directors of each of the Demerged Company and the Resulting Company based on their independent judgment after taking into consideration the recommendation of the fair share entitlement ratio provided by independent registered valuer, SSPA & Co, and the fairness opinion provided by independent merchant bankers, Vivro Financial Services Private Limited, as presented before the audit committee of the Board of Directors of the Demerged Company.

11.9 On the approval of Section I of the Scheme by the members of the Resulting Company pursuant to Section 230-232 of the Companies Act, 2013 and other the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the members of the Resulting Company have also accorded their consent under Sections 42, 55 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of equity shares of the Resulting Company, to the shareholders of the Demerged Company, and all actions taken in accordance with this Clause 11 of Section I of this Scheme shall be deemed to be in full compliance of Sections 42, 55 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42, 55 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, inter alia, issuance of a letter of offer by the Resulting Company shall be required to be passed or undertaken.

12. REDUCTION IN SHARE CAPITAL OF THE RESULTING COMPANY

12.1 Upon Section I of the Scheme coming into effect on the Effective Date and immediately after issuance of the equity shares of the Resulting Company to the equity shareholders of the Demerged Company, respectively, the 10,000 (Ten Thousand) equity shares of the Resulting Company having face value of Rs. 5 (Rupees Five) each held by the Demerged Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date shall stand cancelled without any further act or deed on the part of the Resulting Company. The reduction in the share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 of the 2013 Act, and/ or any other applicable provisions of the Act without any further act or deed on the part of the Resulting Company and without any approval or acknowledgement of any third party. The order of the Tribunal sanctioning the Scheme shall be deemed to also be the order passed by the Tribunal Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 66(1)(a) of the 2013 Act shall not be applicable. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

NOTARY S.S. MUSTARI Dist. Mumbai State Of Maharashtra Regn. No. 6459 GOVT. OF INDIA

698

12.2 It is expressly clarified that for the purposes of this Clause 12 of Section I of the Scheme, the consent of the shareholders and the creditors of the Resulting Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in the share capital of the Resulting Company resulting in a reduction in the equity share capital of the Resulting Company, and no further resolution or action under Section 66 of the Act, and/or any other applicable provisions of the Act would be required to be separately passed or taken.

12.3 The reduction of the share capital of the Resulting Company as contemplated in this Clause 12 shall become effective, in accordance with the provisions of Section 66(5) of the Act, and/ or any other applicable provisions of the Act and rules and regulations framed thereunder, pursuant to the filing of the order of the Tribunal sanctioning the aforesaid capital reduction by the Resulting Company with the RoC and upon registration by the RoC of such order of the Tribunal and of the minute approved by the Tribunal, if any, showing, with respect to the share capital of the Resulting Company as altered by the order, (a) the amount of share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the RoC. Such reduction in the share capital of the Resulting Company as contemplated in this Clause 12 of Section I of the Scheme shall be conditional upon Section I of this Scheme becoming effective on the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioned by the Tribunal, such reduction of share capital as set out in this Clause 12 of Section I of the Scheme shall not become effective and shall be deemed to be redundant.

13. CHANGE IN AUTHORISED CAPITAL OF DEMERGED COMPANY AND THE RESULTING COMPANY

Transfer of Authorised Capital

13.1 The Demerged Company has substantial unused authorised share capital. Accordingly, as an integral part of the Scheme and upon the effectiveness of Section I of the Scheme, an amount of Rs. 30,000,000/- (Rupees Three Crore only), shall stand transferred from the authorized equity share capital of the Demerged Company to the authorized equity share capital of the Resulting Company, without any further act, instrument or deed by the Resulting Company and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees has already been paid by Demerged Company on such authorized capital, the benefit of which stands vested in the Resulting Company pursuant to the Scheme becoming effective on the Effective Date.

13.2 It is hereby clarified that for the purpose of this clause 13, the consent of shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in Clause V of its memorandum of association, and all actions taken in accordance with this Clause 13 of this Scheme shall be deemed to be in full compliance of Sections 13, 14, 61 and 64 of the Act and other applicable provisions of the Act and that no further resolutions or actions under Section 13, 14, 15, 61 and 64 of the Act or any other applicable provisions would be required to be separately passed or undertaken by the Resulting Company.

14. ACCOUNTING TREATMENT

14.1 Treatment in the books of Demerged Company

Pursuant to Section I of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Demerged Company shall account for the demerger and vesting of the Demerged Undertaking with the Resulting Company, in its books of accounts in accordance with Indian Generally Accepted Accounting Principles in the following manner:

NOTARY ... MUSTAFA ... Mumbai ... State Of Maharashtra ... No. 6453 ... GOVT. OF INDIA

699

a. On the Scheme becoming effective, all the assets and liabilities pertaining to the Demerged Undertaking, (the difference between the assets and liabilities hereinafter referred to as the "Net Assets"), shall cease to be the assets and liabilities of the Demerged Company and be transferred to the Resulting Company at carrying value in accordance with the Scheme. The Demerged Company shall adjust the difference between the carrying value of assets and liabilities to its reserves in retained earnings.

b. The existing issued and paid up share capital of the Resulting Company comprising of 10,000 (Ten Thousand) equity shares having face value of Rs. 5 (Rupees Five) each, held by the Demerged Company comprising 100% (One Hundred Percent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date, shall stand cancelled without any further act or deed on part of the Resulting Company. This amount will be adjusted to the retained earnings of the Demerged Company.

c. Any matter not dealt with in the Clause 14.1 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.

14.2 Treatment in the books of the Resulting Company

a. On the Scheme becoming effective, the Resulting Company shall account for the Demerger as common control business combination in accordance with the "pooling of interest method", as per Appendix C of Ind-AS 103, "Business Combination" notified under the provisions of the Act, read with relevant rules framed thereunder and the other applicable accounting standards prescribed under the Act.

b. All assets and liabilities in relation to the Demerged Undertaking shall be recorded in its books of accounts by the Resulting Company at the values and in the same form as recorded in the books of Demerged Company subject to consistent accounting policies.

c. The reserves adjusted by the Demerged Company in relation to Net Assets of the Demerged Undertaking shall be preserved in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company.

d. The aggregate face value of the equity shares of the Resulting Company, issued to the shareholders of the Demerged Company shall stand credited to the share capital of the Resulting Company in its books of accounts.

e. The difference, if any, between the amount recorded as the share capital issued, reserves recorded as per clause 14.2.c and the assets and liabilities transferred by the Demerged Company to the Resulting Company shall be recorded as capital reserve and shall be presented separately from other capital reserve with disclosure of its nature and purpose in notes.

f. Immediately after the issuance of shares by the Resulting Company to the shareholders of the Demerged Company, the 10,000 (Ten Thousand) equity shares of the Resulting Company having face value of Rs. 5 (Rupees Five) each held by the Demerged Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date shall stand cancelled, without any further act or deed on part of the Resulting Company and the same shall be adjusted against the capital reserves account of the Resulting Company.

g. Any matter not dealt with in this Clause 14.2 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.

NOTARY S.B. MUSTARI Mumbai State Of Maharashtra Reg. No. 5459 GOVT. OF INDIA

700

15. LISTING OF THE RESULTING COMPANY

15.1 The equity shares of the Resulting Company shall be listed and admitted to trading on BSE and NSE, where the equity shares of the Demerged Company are listed and are admitted to trading. The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for Resulting Company to comply with the formalities and requirements of the said Stock Exchanges.

15.2 BSE and NSE, shall list the equity shares of the Resulting Company, in accordance with applicable laws, rules, circulars and notifications, including, inter alia, the applicable provisions of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 as amended from time to time.

15.3 New equity shares allotted to the shareholders of the Demerged Company in the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system until listing/ trading permission is granted by the Stock Exchanges. Between the date of allotment of the equity shares of the Resulting Company to the shareholders of the Demerged Company and the date of listing of the equity shares of the Resulting Company with the BSE and NSE, except as provided for in Clause 12 of Section I of this Scheme in relation to the reduction of the existing share capital held by the Demerged Company in the Resulting Company there shall be no change in the shareholding pattern or control of the Resulting Company.

15.4 The equity shares of the Resulting Company, issued to a shareholder in lieu of the locked-in equity shares of the Demerged Company, shall remain locked-in for the remainder of the lock-in period applicable to such shareholder for the equity shares of the Demerged Company under applicable laws

NOTARY S.B. MUSTARI Dt. Mumbai State Of Maharashtra Reg. No. 6459 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai
Chembond Chemical Specialities Limited
Chembond Clean Water Technologies Ltd.
Chembond Material Technologies Private Limited
Phiroze Sethna Private Limited
Gismos Chemicals India Private Limited

701

SECTION II

AMALGAMATION – I: AMALGAMATION OF THE TRANSFEROR COMPANY NO. 1 WITH THE RESULTING COMPANY

PART A

16. BACKGROUND AND DESCRIPTION OF THE COMPANIES

16.1 Chembond Clean Water Technologies Limited ("Transferor Company No. 1") is a Company incorporated on April 17, 2010 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "H2O Innovation Private Limited". Subsequently its name was changed to "Chembond Clean Water Technologies Limited" on June 8, 2013. The Registered Office of the Transferor Company No. 1 is situated at - EL-37, MIDC, Mahape, Navi Mumbai 400 710. Transferor Company No. 1 is engaged in the business of design, manufacture, trade and marketing of whole range of water and waste water system, including but not limited to membrane technologies, providing total water management solutions, including services (detailed engineering, O&M manuals, design centre etc.) The Corporate Identification Number of the Transferor Company No. 1 is U29248MH2010PLC202124. The Transferor Company No. 1 is an indirect wholly owned subsidiary of Demerged Company.

16.2 Chembond Chemical Specialties Limited ("Resulting Company") is a Company incorporated on December 12, 2023 in the State of Maharashtra under the Companies Act, 2013 in the name and style of "Chembond Chemical Specialties Limited". The Registered Office of the Resulting Company is situated at Plot No. EL-37, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Resulting Company was formed with the object to carry on the business of Specialty chemicals including but not limited to Construction chemicals and Water Treatment Chemicals. The corporate identity number of the Resulting Company is U20116MH2023PLC415282.

16.3 In terms of Section II of this Scheme, it is now proposed, that the Transferor Company No. 1 shall be merged with the Resulting Company. Accordingly, all the assets and liabilities of the Transferor Company No. 1 shall be transferred to and vested in the Resulting Company with effect from Appointed Date as going concern.

17. DEFINITIONS

For the purposes of Section II of this Scheme, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as mentioned herein below:

17.1 **"Resulting Company"** shall have meaning assigned to it in Section II, clause 16.2.

17.2 **"Transferor Company 1"** shall have meaning assigned to it in Section II, clause 16.1.

17.3 **"Undertaking of the Transferor Company No. 1"** shall mean and include the whole of the Transferor company No. 1, as a going concern with all its assets, rights, licenses and powers and all its debts, outstandings, liabilities, duties and obligations and employees as on the Appointed Date including, but not limited to, the following:

a. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company No. 1 whether situated in India or abroad, but not limited to plants and machinery, computers, equipment, buildings and structures, offices, residential and other premises, including all tangible and intangible assets, stock in trade, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts,

NOTARY S.B. MUSTARI Navi Mumbai State Of Maharashtra Reg. No. 6458 GOVT OF INDIA

702

subsidiaries, stocks, bonds, debentures stocks, units or pass through certificates) including shares or other securities held by the Transferor Company No. 1, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company No. 1 financial assets, leases (including but not limited to lease rights of the Transferor Company No. 1), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits); assets held by or relating to the Transferor Company No. 1 employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company No. 1 or in connection with or relating to the Transferor Company No. 1 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company No. 1 in each case, whether in India or abroad;

b. All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company No. 1's business activities and operations;

c. All Intellectual Property Rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, records, files, drawings, papers, computer programs, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company No. 1;

d. Permissions approval for commissioning of project and other licenses or clearances granted/ issued/ given by any Governmental Authority organizations or companies, allotments, approvals, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, trade names, trademarks, service marks, copyrights, logos, corporate names, brand names, domain names, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to

NOTARY S.S. MUSTARI Dt. Mumbai State Of Maharashtra Reg. No. 6459 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai
Chembond Chemical Specialities Limited
Chembond Clean Water Technologies Limited
Chembond Material Technologies Limited Mumbai
Piroloza Sethna Private Limited
Grannos Chemicals India Limited

703

credits in respect of goods and service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account and tax refunds) and all other rights, claims and powers, of whatsoever nature; Amounts claimed by the Transferor Company No. 1 whether or not so recorded in the books of accounts of the Transferor Company No. 1 from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;

e. Rights to any claim not preferred or made by the Transferor Company No. 1 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company No. 1 and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India;

f. All debts (secured and unsecured), Liabilities all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability). Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company No. 1 under which the assets of the Transferor Company No. 1 stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Company No. 1 vested in the Resulting Company by virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company No. 1 which shall vest in the Resulting Company by virtue of the amalgamation. The Resulting Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective;

g. All insurance policies;

h. All other obligations of whatsoever kind, including liabilities of the Transferor Company No. 1 with regard to their employees with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;

i. All permanent and temporary employees engaged by the Transferor Company No. 1 at various locations, if any.

The expressions, which are used in this Section II of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section I, Section III or Section IV of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof from time to time.

S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 6456 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai

Chembond Chemical Specialities Limited

Chembond Clean Water Technologies Ltd.

Chembond Material Technologies Private Limited Navi Mumbai

Phyzoza Sethna Private Limited

Gramos Chemicals India Private Limited

704

18. SHARE CAPITAL

18.1 The share capital of the Transferor Company No. 1 as on March 31, 2023 was as under:

Particulars	Amount (in Rs.)
Authorized Capital	
1,00,00,000 Equity shares of Rs. 10 (Rupees Ten) each	10,00,00,000
Total	**10,00,00,000**
Issued, Subscribed and Paid-up Capital	
82,78,057 Equity shares of Rs.10 (Rupees Ten) each	8,27,80,570
Total	**8,27,80,570**

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferor Company No. 1, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferor Company No. 1.

The equity shares of the Transferor Company No. 1 are not listed on any stock exchanges.

18.2 The share capital of the Resulting Company as on December 12, 2023 was as under:

Particulars	Amount (in Rs.)
Authorized Capital	
10,000 Equity Shares of Rs.5/- (Rupees Five Only) each	50,000
Total	**50,000**
Issued, Subscribed and Paid-up Capital	
10,000 Equity Shares of Rs.5/- (Rupees Five Only) each	50,000
Total	**50,000**

The equity shares of the Resulting Company are not listed on any stock exchanges.

NOTARY S.B. MUSTARI Dt. Mumbai State Of Maharashtra Reg. No. 6458 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai · Chembond Chemical Specialities Limited · Chembond Clean Water Technologies Ltd · Chemical Material Technologies Private Limited Navi Mumbai · Piroze Sethna Private Limited · Gramos Chemicals India Private Limited

705

PART B

AMALGAMATION OF THE TRANSFEROR COMPANY NO. 1 WITH THE RESULTING COMPANY

19. TRANSFER AND VESTING OF UNDERTAKING

19.1 General: Subject to the provisions of Section II of the Scheme and after giving effect of Section I of this Scheme and with effect from the Appointed Date and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, if any, the entire business and Undertaking of the Transferor Company No. 1 including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company No. 1 of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company No. 1 comprising, amongst others, all investments, receivables, actionable claims, furniture and fixtures, office equipment, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, know-how, trade secret, patents, trademark, service mark, other intellectual property rights, registrations, title, interest, contracts including but not limited to contracts entered into with customers, vendors and service providers, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of section 234 read with sections 230 to 232 of the Act and pursuant to the order of the National Company Law Tribunal sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Resulting Company, so as to become the properties, assets, rights, business and Undertaking of the Transferor Company No. 1.

19.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and after giving effect of the Section I and with effect from the Appointed Date:

19.2.1 Transfer of Assets:

a. All assets and properties of the Transferor Company No. 1 as on the Appointed Date, whether or not included in the books of the Transferor Company No. 1 and all assets and properties which are acquired by the Transferor Company No. 1 on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Resulting Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement in order to give effect to the provisions of this sub-clause.

b. In respect of such assets owned and belonging to the Undertaking of the Transferor Company No. 1 as are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company, wherever located and shall become the property and an integral part of the Resulting Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or

706

constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

c. All other movable properties of the Transferor Company No. 1 including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act, instrument or deed, become the property of the Resulting Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. The Resulting Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in Resulting Company and be paid or made good or held on account of the Resulting Company as the person entitled thereto. It is hereby clarified that investments, if any, made by Transferor Company No. 1 and all the rights, title and interest of the Transferor Company No. 1 in any leasehold properties shall, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Resulting Company;

d. All immovable properties of the Transferor Company No. 1 including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company No. 1 whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Resulting Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law without any further act or deed done or being required to be done by the Transferor Company No. 1 and/or the Resulting Company, pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. The Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties, upon the sanctioning of Scheme by the Competent Authority and the Scheme becoming effective. The relevant authorities shall grant all clearances/permissions, if any, required for enabling Resulting Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Resulting Company and shall be constituted as a deemed mutation and substitution thereof;

e. Without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, to which the Transferor Company No. 1 is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Resulting Company and may be enforced fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of the Transferor Company No. 1 in any properties including leasehold/ licensed properties of the Transferor Company No. 1 including but not limited to security deposits

NOTARY S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 6456 INDIA

707

and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company automatically without requirement of any further act or deed, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law including without the requirement of payment of any transfer charges or any other charges. The Resulting Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Resulting Company shall continue to comply with the terms, conditions and covenants thereunder;

f. From the Effective Date, all bank accounts operated or entitled to be operated by the Transferor Company No. 1 shall be deemed to have transferred and shall stand transferred to the Resulting Company and name of the Transferor Company No. 1 shall be substituted by the name of the Resulting Company in the bank's records and the Resulting Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company No. 1 to the extent necessary until the transfer of the rights and obligations of the Transferor Company No. 1 to the Resulting Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company No. 1 after the Effective Date, shall be accepted by the bankers of the Resulting Company and credited to the accounts of the Resulting Company, if presented by the Resulting Company. Similarly, the banker of the Resulting Company shall honor all cheques issued by the Transferor Company No. 1 for payment after the Effective Date;

g. The transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same; and

h. All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company No. 1 including in relation to the Undertaking of the Transferor Company No. 1 and all rights and benefits which have accrued to the Transferor Company No. 1 shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deem to be transferred to or vested in, the Resulting Company, as if the same were originally given by, issued to or executed in favour of the Resulting Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Resulting Company which are valid, binding and enforceable on the same terms, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company.

19.2.2 **Transfer of Liabilities**:

a. All Liabilities of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company No. 1 shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of the Resulting Company, and the Resulting Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company No. 1 after the Appointed Date and prior to the Effective Date, shall also be deemed to have been raised, used, incurred

S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 8459

708

or undertaken for and on behalf of the Resulting Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company and shall become the debt, duties, undertakings, liabilities and obligations of the Resulting Company which shall meet, discharge and satisfy the same;

b. Where any of the Liabilities incurred before the Appointed Date by the Transferor Company No. 1 deemed to have been transferred to the Resulting Company by virtue of this Scheme, have been discharged by the Transferor Company No. 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company;

c. All debentures, bonds, notes or other securities of the Transferor Company No. 1 whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the debentures, bonds, notes or other securities of the Resulting Company and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against the Resulting Company as if it were the Transferor Company No. 1 under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause;

d. All public deposits, debentures or bonds of the Transferor Company No. 1 shall be distinctly identified in the records of the Resulting Company for all intents and purposes including taxation and accounting and shall not be combined with any existing outstanding deposit scheme or series of debentures or bonds of the Resulting Company;

e. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company No. 1 which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Resulting Company. Provided that if any assets of the Transferor Company No. 1 have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security after the Scheme has become effective or otherwise. The secured creditors of the Resulting Company and/or other holders of security over the properties of the Resulting Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of the Transferor Company No. 1 and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Resulting Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;

f. Any reference in any security documents or arrangements to which the Transferor Company No. 1 is a party and their assets and properties, shall be construed as a reference to the Resulting Company and the assets and properties of the Transferor Company No. 1 shall be transferred to the Resulting Company by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferor Company No. 1 and the Resulting Company may execute any instruments or documents or do all acts and deeds as may be considered

709

appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional Registrar of Companies to give formal effect to these provisions, if required; and

g. It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

19.2.3 **Transfer of Contracts, Deeds and Other Instruments**

a. All contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes, arrangements and other instruments to which the Transferor Company No. 1 are a party, or to the benefit of which, the Transferor Company No. 1 may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligor thereto. If the Resulting Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, the Transferor Company No. 1 will, if necessary, also be a party to such documents in order to give formal effect to the provisions of this Scheme, if so required. The Resulting Company may also execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company No. 1 are a party as may be necessary to be executed in order to give formal effect to the above provisions. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company No. 1 (and not by any of its successors), shall be fulfilled by the Resulting Company as if it is the duly constituted attorney of the Transferor Company No. 1; and

b. On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company No. 1 in the name of the Transferor Company No. 1 in so far as may be necessary until the transfer of rights and obligations of the Transferor Company No. 1 to the Resulting Company under this Scheme has been given effect to under such contracts and transactions.

19.2.4 **Transfer of Employees**

a. All employees of the Transferor Company No. 1 as on the Effective Date shall, become and be deemed to have become, the employees of the Resulting Company, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company No. 1 and without any interruption of or break in service as a result of the amalgamation of the Transferor Company No. 1 with the Resulting Company. For the purpose of payment of all retirement benefits, the past services of such employees with the Transferor Company No. 1 shall be taken into account from the date of their appointment with the Transferor Company No. 1 and such benefits to which the employees are entitled in the Transferor Company No. 1 shall also be taken into account and paid (as and when payable) by the Resulting Company.

b. In so far as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company No. 1 for its employees or to which the Transferor Company No. 1 are contributing for the benefit of its employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the employees (including the aggregate of all the contributions made to such Funds

Chembond Chemicals Limited Navi Mumbai
Chembond Chemical Specialities Limited
Chembond Clean Water Technologies Ltd.
Chembond Material Technologies Private Limited Navi Mumbai
Phiroze Sethna Research Centre Limited
NOTARY S.B. MUSTARI Gr. Mumbai State Of Maharashtra GOVT OF INDIA

for the benefit of the employees, accretions thereto and the investments made by the Funds in relation to the employees) shall be transferred to the Resulting Company and shall be held for the benefit of the concerned employees. In the event the Resulting Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions, and at the discretion of the Resulting Company, be merged with the relevant funds of the Resulting Company. In the event that the Resulting Company does not have its own funds in respect of any of the above or if deemed appropriate by the Resulting Company, the Resulting Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Resulting Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the employees shall be merged with the funds created by the Resulting Company.

c. In relation to those Employees for whom the Transferor Company No. 1 is making contributions to the government provident fund or other employee benefit fund, the Resulting Company shall stand substituted for the Transferor Company No. 1 for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company No. 1 as the case may be in relation to such schemes/ Funds shall become those of the Resulting Company.

19.2.5 **Legal Proceedings**

a. If any suit, appeal or other legal proceedings of whatsoever nature by or against the Transferor Company No. 1 is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company No. 1 with the Resulting Company and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company No. 1 as if this Scheme had not been made.

b. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company No. 1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferor Company No. 1.

19.2.6 **Taxes, Duties/Cess**

a. All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, withholding tax, dividend distribution tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Company No. 1 including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the IT Act, exemptions, credits ,exemptions, credits, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Company No. 1 shall pursuant to this Scheme becoming effective, be available to the Resulting Company; and

b. All the benefits under the various incentive schemes and policies that the Transferor Company No. 1 is entitled to, including tax credits, tax deferral, exemptions, holidays and

benefits (including goods and service tax input credits, service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company No. 1 rights of any claim not made by the Transferor Company No. 1 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company No. 1 and any interest thereon and all rights or benefits that have accrued or which may accrue to the Transferor Company No. 1 whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Resulting Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Resulting Company and these shall relate back to the Appointed Date as if the Resulting Company was originally entitled to all benefits under such incentive schemes and/or policies.

19.2.7 **Transfer of benefits, licenses, permits etc.**

a. All the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Company No. 1 or any other person acting on behalf of or for the benefit of the Transferor Company No. 1 for securing the obligations of the persons to whom the Transferor Company No. 1 has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Resulting Company and the benefit of such security shall be available to the Resulting Company as if such security was ab initio created in favour of the Resulting Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Company No. 1 shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resulting Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;

b. All letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders and other instruments of whatsoever nature to which the Transferor Company No. 1 is a party or to the benefit of which the Transferor Company No. 1 may be eligible, shall remain in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of the Transferor Company No. 1 shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes;

c. All approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Transferor Company No. 1 or to the benefit of which the Transferor Company No. 1 may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, including the applications and benefits of any applications made for any of the foregoing, shall be in full force and

NOTARY S.B. MUSTAFA Gr. Mumbai State Of Maharashtra Reg. No. 6496 GOVT. OF INDIA

712

effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligor thereto and the Resulting Company shall be liable for compliance with all the conditions governing such consents, permits, approvals, etc. as stated above It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

d. All consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company No. 1 shall stand transferred to the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company;

e. All trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Resulting Company;

f. All registrations, goodwill and licenses, appertaining to the Transferor Company No. 1 if any, shall be transferred to and vested in the Resulting Company;

g. Benefits of any and all corporate approvals as may have already been taken by the Transferor Company No. 1 whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180,185, 186, etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Resulting Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Resulting Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Resulting Company, shall be added to the limits, if any, under the like resolutions passed by the Resulting Company; and

h. The Transferor Company No. 1 and/or the Resulting Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/novate the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company No. 1. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

NOTARY S.B. MUSTARI Mumbai State Of Maharashtra Reg. No. 6480 GOVT. OF INDIA

15.4 The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company No. 1 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

Chembond Chemicals Limited Navi Mumbai
Chembond Chemical Specialities Limited
Chembond Clean Water Technologies Ltd.
Chembond Material Technologies Private Limited Navi Mumbai
Phiroze Sethna Private Limited
Stramos Chemicals India Private Limited

718

19.4 The Resulting Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.

19.5 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Transferor Company No. 1 into the Resulting Company, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Transferor Company No. 1 in favour of the Resulting Company, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Company No. 1 has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company No. 1. The Resulting Company will, if necessary, also be a party to the above.

19.6 In order to ensure the smooth transition and sales of products and inventory of the Transferor Company No. 1 manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company No. 1 prior to the Effective Date, the Resulting Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packaging material) pertaining to the Transferor Company No. 1 without making any modifications, whatsoever to such products and/or the branding, packaging or labelling. All invoices/payment related documents pertaining to such products and inventory (including packaging material) may be raised in the name of the Resulting Company after the Effective Date.

19.7 Conduct of Business until Effective Date

With effect from the Appointed Date and up to and including the Effective Date:

a. The Transferor Company No. 1 shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the assets, rights, title and interest for and on account of and in trust for the Resulting Company.

b. The Transferor Company No. 1 shall carry on their business and activities in the ordinary course of business with reasonable diligence and business prudence.

c. All the profits or income accruing or arising to the Transferor Company No. 1 or expenditure or losses incurred or arising to the Transferor Company No. 1 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Resulting Company.

d. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Government Authorities concerned, as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require for carrying on the business of the Transferor Company No. 1.

e. The Transferor Company No. 1 shall carry on their business, operations or activities with reasonable diligence and business prudence and in the same manner as they had been doing hitherto and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Resulting Company

714

f. The Resulting Company and the Transferor Company No. 1 shall also be entitled to make an application for amending, cancelling or obtaining fresh registrations, as the case may be, under all Applicable Laws and legislations. The Resulting Company and the Transferor Company No. 1 would be entitled to make an application for amending licenses/ authorisations.

NOTARY S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 6498 GOVT. OF INDIA

Chembond Chemicals Ltd. Mavi Mumbai

Chembond Chemical Specialties Limited

CHEMBOND CLEAN WATER TECHNOLOGIES LTD.

Chembond Material Technologies Private Limited Mavi Mumbai

Phiroze Sethna Private Limited

Cramos Chemicals India Private Limited

415

PART C

20. CONSIDERATION:

20.1 The Transferor Company No. 1 will become an indirect wholly owned subsidiary company of the Resulting Company post the effectiveness of the Scheme. Its entire share capital will be indirectly held by the Resulting Company. Hence, upon Amalgamation – I becoming effective, no shares of Resulting Company shall be allotted in lieu or exchange of the shares of the Transferor Company No. 1. Upon the Scheme becoming effective, the entire share capital of the Transferor Company No. 1 shall be cancelled and extinguished.

21. AGGREGATION, RECLASSIFICATION AND INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

Aggregation and Reclassification

21.1 Upon this Scheme becoming effective, the authorized share capital of the Transferor Company No. 1 shall be reclassified and stand consolidated with the authorized share capital of the Resulting Company. Accordingly, the authorized share capital of the Resulting Company shall stand increased to that extent, without any further act, instrument or deed on the part of the Resulting Company, including without any payment of stamp duty and any fees or charges payable to the Registrar of Companies, and/or to any other Governmental Authority, and the Memorandum of Association and Articles of Association of the Resulting Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14, 61 and 232(3)(i) respectively of the Companies Act, 2013 and/or any other applicable provisions of the Act, as the case may be. Hence, for this purpose, the stamp duties and fees paid on the authorised share capital of the Transferor Company No. 1 shall be utilized and applied to the increased authorised share capital of the Resulting Company and no extra stamp duty and/or fees shall be required to be paid by the Resulting Company for its increased authorised share capital.

Increase in Authorised Share Capital

21.2 Upon Section I and Section II of the Scheme coming into effect on the Effective Date and after giving effect to clause 13.1 of the Scheme, the authorised share capital of the Resulting Company shall be enhanced by Rs. 1,00,00,000/- (Rupees One Crore Only) divided into 20,00,000 (Twenty Lakhs) equity shares having face value of Rs. 5/- (Rupees Five) each without any further act or deed by the Resulting Company for the purpose of such enhancement of the authorized share capital of the Resulting Company except payment of necessary stamp duties and ROC fees. Pursuant to effectiveness of Section II of this Scheme, the Resulting Company shall make the requisite filings with ROC and pay the necessary fees for the increase in its authorized share capital.

Final Authorised Capital of the Resulting Company

21.3 Consequent upon demerger and amalgamation (after giving effect of clause 13.1, clause 21.1 and clause 21.2), 'Clause V' of the Memorandum of Association of the Resulting Company shall be replaced with the following:

'The Authorised Share Capital of the Company is Rs. 14,00,50,000/- (Rupees Fourteen Crores Fifty Thousand Only) divided into 2,80,10,000 (Two Crores Eighty Lakhs Ten Thousand) Equity Shares of Rs.5/- (Rupees Five only) each with the rights, privileges, and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with the power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach there to respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the articles of association of the company for the time being and to vary, modify or abrogate any such rights,

NOTARY S.B. MUSTAFI Regd. No. 4152 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai
Chembond Chemical Specialities Limited
CHEMBOND CLEAN WATER TECHNOLOGIES LTD.
Chembond Material Technologies Private Limited Navi Mumbai
Phiroze Sethna Private Limited
Grasses Chemicals India Private Limited

716

privileges or conditions in such manner as may be permitted by the law for the time being in force or provided by the Articles of Association for the time being."

21.4 It is clarified that the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61, respectively, of the Companies Act, 2013 and/ or any other applicable provisions of the Act, would be required to be separately passed.

21.5 In the event, the authorized share capital of the Resulting Company undergoes any change prior to the Effective Date, the clauses specified in this Scheme to replace the existing clause V of the memorandum of association, shall be adjusted accordingly to take into account the effect of any such corporate actions.

22. ACCOUNTING TREATMENT

22.1 As the Transferor Company No. 1 shall stand dissolved without being wound up and all the assets and liabilities as well as reserves shall be transferred to the Resulting Company, on a going concern basis, upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Company No. 1.

22.2 On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are under common control before and after the transaction, the Resulting Company shall account for the transfer and vesting of the Undertaking as per the "Pooling of Interests" method in its books of accounts in accordance with Appendix C for Business combinations of entities under common control of the Indian Accounting Standards (IND AS) 103 prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other applicable accounting standards prescribed under the Act.

22.3 The pooling of interests' method is considered to involve the following:

a. All the assets and liabilities of the Transferor Company No. 1 shall be recorded in the financial statements of the Resulting Company at their carrying amounts as appearing in the financial statements of the Transferor Company No. 1, prior to this Section II being made effective. No adjustments will be made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonize the accounting policies.

b. The identity of the reserves of the Transferor Company No. 1 shall be preserved and they shall appear in the financial statements of the Resulting Company in the same form and manner in which they appear in the financial statements of the Transferor Company No. 1, prior to Section II of this Scheme being made effective, and it shall be aggregated with the corresponding balance appearing in the financial statements of the Resulting Company.

c. The difference between the i) aggregate face value of the equity shares of the Resulting Company issued and allotted by it to the members of the Transferor Company No. 1, if any, (which is expected to be NIL in view of clause 20) and ii) the equity share capital of the Transferor Company No. 1, shall be adjusted in the capital reserve account.

d. The financial information in the financial statements of the Resulting Company in respect of prior periods should be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

NOTARY S.B. MUSTAFA Gr. Bombay State Of Maharashtra Reg. No. 8459

Chembond Chemicals Limited Navi Mumbai
Chembond Chemical Specialities Limited
CHEMBOND CLEAN WATER TECHNOLOGIES LTD
Chembond Material Technologies Private Limited Navi Mumbai
Piruz Sethna Private Limited
Chemicals India Private Limited

e. The difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the capital reserves account of the Resulting Company.

f. To the extent that there are inter-corporate loans/trade deposits, debentures, debt securities or balances between the Transferor Company No. 1 inter se and/or the Transferor Company No. 1 and the Resulting Company, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and the records of the Resulting Company for the reduction / netting of any assets or liabilities, as the case may be. Difference, if any, arising upon such cancellation, shall be credited or debited, as the case may be, to the reserve of the Resulting Company.

g. The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.

h. In case of any differences in accounting policies between the Transferor Company No. 1 and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies. The difference, if any, in the accounting policies between the Transferor Company No. 1 and Resulting Company, shall be ascertained and the impact of the same will be quantified and adjusted in the retained earnings or another affected component of equity of the Resulting Company, as applicable, in accordance with the requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

i. The costs relating to the Scheme will be accounted in accordance with Ind AS 103.

23. TREATMENT OF TAXES PAID BY THE TRANSFEROR COMPANY NO. 1

23.1 All taxes, levies, cess, etc. (whether direct or indirect) that might have been paid by the Transferor Company No. 1 (whether before or after the Appointed Date) during the period when the amalgamation has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Resulting Company and credit in respect thereof shall be given to the Resulting Company accordingly.

24. TREATMENT OF SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961

24.1 Upon this Scheme being effective, and in terms thereof, both the Transferor Company No. 1 and the Resulting Company are expressly permitted to prepare/redraw the relevant financial statements, as required, in accordance with, and in terms of, Appendix C to Indian Accounting Standards ("IndAS") 103 and/or International Financial Reporting Standards and/or Accounting Standards, as applicable, and the financial statements once certified by the Auditors and/or Firm of Chartered Accountants, will be regarded as duly drawn up in compliance with Companies Act, 2013 and/or laws applicable in relation to the Transferor Company No. 1. Further the Transferor Company No. 1 and the Resulting Company are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / value added tax ,goods and services tax returns, minimum alternate tax returns as may be applicable

718

and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired and without incurring any additional liability on account of interest, penalty, late fees or any other sum.

24.2 Any refund under the tax laws received by or due to the Transferor Company No. 1 consequent to any assessments made on the Transferor Company No. 1 subsequent to the Appointed Date pertaining to the business transferred and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company.

24.3 Any transaction entered into by the Transferor Company No. 1 between the Appointed Date and the Effective Date will not be regarded as noncompliant of withholding tax/tax deduction at source obligation under the Income Tax Act, 1961 or Goods and Service Tax obligation only on the ground that, on the sanction of the scheme, the transactions are regarded as having been carried out by the Resulting Company.

25. DATE OF TAKING EFFECT AND OPERATIVE DATE

25.1 The Scheme as set out herein in its present form, or with any modification(s) or amendment(s) approved, imposed or directed by the NCLT or any other appropriate authority and acceptable to the Board of Resulting Company, shall be effective from the Appointed Date, as defined in Section 232 (6) of the Act, but shall be operative from the Effective Date.

26. VALIDITY OF EXISTING RESOLUTIONS, ETC

26.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Transferor Company No. 1 as are considered necessary by the Board of Directors of Resulting Company and which are validly subsisting, shall be considered as resolutions of Resulting Company. If any such resolutions have any monetary limits approved subject to the provisions of the Act or of any other Applicable Laws, then the said limits, as are considered necessary by the Board of Directors of Resulting Company, shall be added to the limits, if any, under the like resolutions passed by Resulting Company.

27. SAVING OF CONCLUDED TRANSACTION

27.1 The transfer and vesting of the assets, liabilities and obligations pertaining/relating to the Transferor Company No. 1 pursuant to this Scheme, and the continuance of the proceedings by or against the Resulting Company, under clause 19 hereof shall not affect any transactions or proceedings already completed or liabilities incurred by the Transferor Company No. 1 either prior to or on or after the Appointed Date, to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company No. 1 as acts, deeds and things done and executed by and/or on behalf of itself.

28. DISSOLUTION OF THE TRANSFEROR COMPANY NO. 1.

28.1 Transferor Company No. 1 shall be dissolved without winding up, on an order made by the NCLT under Section 230 of the Act. On and with effect from the Effective Date, the name of Transferor Company No. 1 shall be struck off from the records of the relevant Registrar of Companies.

NOTARY S.B. MUSTARI State Of Maharashtra Reg. No. 6493 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai
Chembond Chemical Specialities Limited
Chembond Clean Water Technologies
Chembond Material Technologies Private Limited Navi Mumbai
Chembond Sethia Private Limited
Gramos Chemicals India Private Limited

719

SECTION III

AMALGAMATION II : AMALGAMATION OF THE TRANSFEROR COMPANY NO. 2, THE TRANSFEROR COMPANY NO. 3 AND THE TRANSFEROR COMPANY NO. 4 WITH THE DEMERGED COMPANY/TRANSFEREE COMPANY

PART A

29. BACKGROUND AND DESCRIPTION OF THE COMPANIES

29.1 Chembond Chemicals Limited ("Demerged Company" and/or "Transferee Company") is a Company incorporated on March 22, 1975 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Chembond Chemicals Private Limited". Subsequently its name was changed to "Chembond Chemicals Limited". The Registered Office of the Transferee Company is situated at Chembond Center, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Transferee Companyis engaged in the business of manufacturing a diverse range of specialty chemicals and products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The equity shares of the Transferee Company are listed on BSE (as defined hereinafter) and NSE (as defined hereinafter). The corporate identity number ("CIN") of the Transferee Company is L24100MH1975PLC018235.

29.2 Chembond Material Technologies Private Limited ("Transferor Company No. 2") is a Company incorporated on March 24, 2000 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Protochem Industries Private Limited". Subsequently its name was changed to "Chembond Material Technologies Private Limited" on July 21, 2018. The Registered Office of the Transferor Company is situated at Chembond Center, No. 1 A- A-737/5, TTC MIDC Area, Mahape Village, Thane Belapur Road, Navi Mumbai, Maharashtra, India, 400710. The Transferor Company No. 2 is engaged in the business of offering innovative & value delivering solutions to industrial customers in the areas of surface treatment, bonding & sealing, & coatings. The corporate identity number ("CIN") of the Transferor Company No. 2 is U24200MH2000PTC125231. The Transferor Company No. 2 is a wholly owned subsidiary of the Transferee Company. Clause 24 of the 'objects incidental or ancillary to the attainment of the main objects' of the memorandum of association of the Transferor Company No. 2 allows/enables amalgamation of the Transferor Company No. 2 with any other company or companies.

29.3 Phiroze Sethna Private Limited ("Transferor Company No. 3") is a Company incorporated on June 24, 1975 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Phiroze Sethna Private Limited". The Registered Office of the Transferor Company No. 3 is situated at Chembond Centre, EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Transferor Company No. 3 is engaged in the business of manufacturing and marketing a wide range of products to automobiles manufacturers, ancillary industries and other manufacturing sectors. The corporate identity number ("CIN") of the Transferor Company No. 3 is U25209MH1975PTC018396. The Transferor Company No. 3 is a wholly owned subsidiary of the Transferee Company. Clause 6 of the 'objects incidental or ancillary to the attainment of the main objects' of the memorandum of association of the Transferor Company No. 3 allows/enables amalgamation of the Transferor Company No. 3 with any other company or companies.

29.4 Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") is a Company incorporated on February 26, 1985 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Sunbeam Solvents Private Limited". Subsequently its name was changed to Gramos Chemicals (India) Private Limited on March 24, 1988. The Registered Office of the Transferor Company No. 4 is situated at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC Electronics, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Transferor Company No. 4 is engaged in the business of manufacturing products for paint shop with a presence in the

720

leading automotive and industrial plants of the country. The corporate identity number ("CIN") of the Transferor Company No. 4 is U99999MH1985PTC035486. The Transferor Company No. 4 is a step down subsidiary of the Transferee Company and wholly owned subsidiary of Transferor Company No. 3. Clause 5 of the 'objects incidental or ancillary to the attainment of the main objects' of the memorandum of association of the Transferor Company No. 4 allows/enables amalgamation of the Transferor Company No. 4 with any other company or companies;

29.5 In terms of Section III of this Scheme, it is now proposed, that the Transferor Company No. 2, the Transferor Company No. 3 and the Transferor Company No. 4 shall be merged with the Transferee Company. Accordingly, all the assets and liabilities of the Transferor Companies (as defined hereinafter) shall be transferred to and vested in the Transferee Company with effect from Appointed Date as going concern.

30. DEFINITIONS

For the purposes of Section III of this Scheme, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as mentioned herein below:

30.1 **"Demerged Company/Transferee Company"** shall have meaning assigned to it in Section III, clause 29.1.

30.2 **"Transferor Company No. 2"** shall have meaning assigned to it in Section III, clause 29.2.

30.3 **"Transferor Company No. 3"** shall have meaning assigned to it in Section III, clause 29.3.

30.4 **"Transferor Company No. 4"** shall have meaning assigned to it in Section III, clause 29.4.

30.5 **"Transferor Companies"** shall collectively mean Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4.

30.6 **"Undertaking of the Transferor Companies"** shall mean and include the whole of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 respectively as a going concern with all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties and obligations and employees as on the Appointed Date including, but not limited to, the following:

NOTARY S.U. MUSTARI Advocate Govt. of Maharashtra Reg. No. 6459 GOVT OF INDIA

All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Companies whether situated in India or abroad, but not limited to plants and machinery, computers, equipment, buildings and structures, offices, residential and other premises, including all tangible and intangible assets, stock in trade, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debentures stocks, units or pass through certificates) including shares or other securities held by the Transferor Companies cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies financial assets, leases (including but not limited to lease rights of the Transferor Companies), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature

Chembond Chemicals Limited Navi Mumbai | Chembond Chemical Specialities Limited | Chembond Clean Water Technologies Ltd. | Chembond Material Technologies Private Limited | Chembond Sethna Private Limited | Gramos Chemicals India Private Limited

whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Transferor Companies employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies in each case, whether in India or abroad;

b. All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies's business activities and operations;

c. All Intellectual Property Rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, records, files, drawings, papers, computer programs, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Companies;

d. Permissions approval for commissioning of project and other licenses or clearances granted/ issued/ given by any Governmental Authority organizations or companies, allotments, approvals, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, trade names, trademarks, service marks, copyrights, logos, corporate names, brand names, domain names, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account and tax refunds) and all other rights, claims and powers, of whatsoever nature; Amounts claimed by the Transferor Companies whether or not so recorded in the books of accounts of the Transferor Companies from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;

e. Rights to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof

722

made by the Transferor Companies and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India;

f. All debts (secured and unsecured), Liabilities all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability). Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Companies under which the assets of the Transferor Companies stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Companies vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective;

g. All insurance policies;

h. All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;

i. All permanent and temporary employees engaged by the Transferor Companies at various locations, if any.

The expressions, which are used in this Section III of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section I, Section II or Section IV of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

31. SHARE CAPITAL

31.1 The share capital of the Transferor Company No. 2 as on March 31, 2023 was as under:

Particulars	Amount (in Rs.)
Authorized Capital	
20,00,000 Equity shares of Rs. 10/- (Rupees Ten Only) each	2,00,00,000
Total	**2,00,00,000**
Issued, Subscribed and Paid-up Capital	
15,15,000 Equity shares of Rs.10/- (Rupees Ten Only) each	1,51,50,000
Total	**1,51,50,000**

Tribunal dated September, 12, 2023 approving the merger of Chembond Polymers and Materials Limited a wholly owned subsidiary of the Transferee Company into Chembond Material

723

Technologies Private Limited the Authorised Share Capital of the Transferor Company No. 2 stands altered as given below:

Particulars	Amount (in Rs.)
Authorized Capital	
25,00,000 Equity shares of Rs. 10/- (Rupees Ten Only) each	2,50,00,000
Total	**2,50,00,000**
Issued, Subscribed and Paid-up Capital	
15,15,000 Equity shares of Rs.10 (Rupees Ten Only) each	1,51,50,000
Total	**1,51,50,000**

The equity shares of the Transferor Company No. 2 are not listed on any stock exchanges.

31.2 The share capital of the Transferor Company No. 3 as on March 31, 2023 was as under:

Particulars	Amount (in Rs.)
Authorized Capital	
5,000 Equity Shares of Rs.100/- (Rupees Hundred Only) each	5,00,000
4,960 unclassified Shares of Rs. 100/- (Rupees Hundred Only) each	4,95,000
9.50% Cumulative Redeemable Preference Shares of Rs.100/- (Rupees Hundred Only) each	5,000
Total	**10,00,000**
Issued, Subscribed and Paid-up Capital	
4,000 Equity Shares of Rs. 100/- (Rupees Hundred Only) each	4,00,000
Total	**4,00,000**

Subsequent to the above date and till the date of the scheme being approved by the Board of Directors of the Transferor Company No. 3, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferor Company No. 3.

The equity shares of the Transferor Company No. 3 are not listed on any stock exchanges.

31.3 The share capital of the Transferor Company No. 4 as on March 31, 2023 was as under:

Particulars	Amount (in Rs.)
Authorized Capital	
1,00,000 Equity Shares of Rs. 100/- (Rupees Hundred Only) each	1,00,00,000
Total	**1,00,00,000**
Issued, Subscribed and Paid-up Capital	
48,000 Equity Shares of Rs. 100/- (Rupees Hundred Only) each	48,00,000
Total	**48,00,000**

Subsequent to the above date and till the date of the scheme being approved by the Board of Directors of the Transferor Company No. 4, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferor Company No. 4.

The equity shares of the Transferor Company No. 4 are not listed on any stock exchanges.

31.4 The share capital of the Demerged Company/Transferee Company as on March 31, 2023 was as under:

Particulars	Amount (in Rs.)
Authorized Capital	
2,00,00,000 Equity Shares of Rs. 5/- (Rupees Five Only) each	10,00,00,000

724

Total	**10,00,00,000**
Issued, Subscribed and Paid-up Capital	
1,34,48,288 Equity Shares of Rs.5/ (Rupees Five Only) each	6,72,41,440
Total	**6,72,41,440**

Subsequent to the above date and till the date of the scheme being approved by the Board of Directors of the Demerged Company/Transferee Company, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Demerged Company/ Transferee Company.

The equity shares of the Demerged Company/Transferee Company are listed on the BSE and NSE.

NOTARY S.B. MUSTARI Gr. Mumbai State Of Maharashtra Reg. No. 6455 GOVT. OF INDIA

Chembond Chemicals Limited New Mumbai

Chembond Chemical Specialties Limited

Chembond Clean Water Technologies

Chembond Magnetic Technologies Private Limited New Mumbai

Piroze Setna Private Limited

Chembond Chemicals India Private Limited Gramos

725

PART B

AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY

32. TRANSFER AND VESTING OF UNDERTAKING

32.1 **General:** Subject to the provisions of Section III of the Scheme and after giving effect of Section I and Section II, of this Scheme and with effect from the Appointed Date and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, if any, the entire business and Undertaking of the Transferor Companies including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Companies of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Companies comprising, amongst others, all investments, receivables, actionable claims, furniture and fixtures, office equipment, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, know-how, trade secret, patents, trademark, service mark, other intellectual property rights, registrations, title, interest, contracts including but not limited to contracts entered into with customers, vendors and service providers, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of section 234 read with sections 230 to 232 of the Act and pursuant to the order of the National Company Law Tribunal sanctioning this Scheme and without further act, instrument or deed, but subject to the changes affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferor Companies.

32.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and after giving effect of the Section III and with effect from the Appointed Date:

a. **Transfer of Assets:**

i. All assets and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies and all assets and properties which have been acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement in order to give effect to the provisions of this sub-clause.

b. In respect of such assets owned and belonging to the Undertaking of the Transferor Companies as are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, wherever located and shall become the property and an integral part of the Transferee Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or

726

constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

c. All other movable properties of the Transferor Companies including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. The Transferee Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in Transferee Company and be paid or made good or held on account of the Transferee Company as the person entitled thereto. It is hereby clarified that investments, if any, made by Transferor Companies and all the rights, title and interest of the Transferor Companies in any leasehold properties shall, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company;

d. All immovable properties of the Transferor Companies including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Transferee Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law without any further act or deed done or being required to be done by the Transferor Companies and/or the Transferee Company, pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties, upon the sanctioning of Scheme by the Competent Authority and the Scheme becoming effective. The relevant authorities shall grant all clearances/permissions, if any, required for enabling Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof;

e. Without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, to which the Transferor Companies is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of the Transferor Companies in any properties including leasehold/ licensed properties of the Transferor Companies including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions,

727

be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law including without the requirement of payment of any transfer charges or any other charges. The Transferee Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Transferee Company shall continue to comply with the terms, conditions and covenants thereunder;

f. From the Effective Date, all bank accounts operated or entitled to be operated by the Transferor Companies shall be deemed to have transferred and shall stand transferred to the Transferee Company and name of the Transferor Companies shall be substituted by the name of the Transferee Company in the bank's records and the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Companies to the extent necessary until the transfer of the rights and obligations of the Transferor Companies to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Companies after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Companies for payment after the Effective Date;

g. The transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same; and

h. All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Companies including in relation to the Undertaking of the Transferor Companies and all rights and benefits which have accrued to the Transferor Companies shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deem to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

32.2 **Transfer of Liabilities**:

All liabilities of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Companies shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Companies after the Appointed Date and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable

728

provisions of Applicable Law, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same;

b. Where any of the Liabilities incurred before the Appointed Date by the Transferor Companies deemed to have been transferred to the Transferee Company by virtue of this Scheme, have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

c. All debentures, bonds, notes or other securities of the Transferor Companies whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the debentures, bonds, notes or other securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Companies under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause;

d. All public deposits, debentures or bonds of the Transferor Companies shall be distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting and shall not be combined with any existing outstanding deposit scheme or series of debentures or bonds of the Transferee Company;

e. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Companies which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any assets of the Transferor Companies have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security after the Scheme has become effective or otherwise. The secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of the Transferor Companies and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;

f. Any reference in any security documents or arrangements (to which the Transferor Companies are party) to the Transferor Companies and their assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Companies shall be transferred to the Transferee Company by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferor Companies and the Transferee Company may execute any instruments or documents or do all acts and things as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional Registrar of Companies to give formal effect to these provisions, if required; and

729

g. It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Liabilities transferred to the Transferee Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

32.2.3 **Transfer of Contracts, Deeds and Other Instruments**

a. All contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes, arrangements and other instruments to which the Transferor Companies are a party, or to the benefit of which, the Transferor Companies may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligor thereto. If the Transferee Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, the Transferor Companies will, if necessary, also be a party to such documents in order to give formal effect to the provisions of this Scheme, if so required. The Transferee Company may also execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Companies are a party as may be necessary to be executed in order to give formal effect to the above provisions. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Companies (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of the Transferor Companies; and

b. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme has been given effect to under such contracts and transactions.

32.2.4 **Transfer of Employees**

a. All employees of the Transferor Companies as on the Effective Date shall, become and be deemed to have become, the employees of the Transferee Company, on terms and conditions not less favorable than those on which they are engaged by the Transferor Companies and without any interruption of or break in service as a result of the amalgamation of the Transferor Companies with the Transferee Company. For the purpose of payment of all retirement benefits, the past services of such employees with the Transferor Companies shall be taken into account from the date of their appointment with the Transferor Companies and such benefits to which the employees are entitled in the Transferor Companies shall also be taken into account and paid (as and when payable) by the Transferee Company.

b. In so far as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Companies for its employees or to which the Transferor Companies are contributing for the benefit of its employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the employees (including the aggregate of all the contributions made to such Funds for the benefit of the employees, accretions thereto and the investments made by the Funds in relation to the employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall,

730

subject to the necessary approvals and permissions, and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the employees shall be merged with the funds created by the Transferee Company.

c. In relation to those Employees for whom the Transferor Companies is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Companies as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

32.2.5 **Legal Proceedings**

a. If any suit, appeal or other legal proceedings of whatsoever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made.

b. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Companies.

32.2.6 **Taxes, Duties/Cess**

a. All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, withholding tax, dividend distribution tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Companies including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the IT Act, exemptions, credits ,exemptions, credits, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Companies shall pursuant to this Scheme becoming effective, be available to the Transferee Company; and

b. All the benefits under the various incentive schemes and policies that the Transferor Companies is entitled to, including tax credits, tax deferral, exemptions, holidays and benefits (including goods and service tax input credits, service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax

731

assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Companies rights of any claim not made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon and all rights or benefits that have accrued or which may accrue to the Transferor Companies whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and/or policies.

32.2.7 **Transfer of benefits, licenses, permits etc.**

a. All the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Companies or any other person acting on behalf of or for the benefit of the Transferor Companies for securing the obligations of the persons to whom the Transferor Companies has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Transferee Company and the benefit of such security shall be available to the Transferee Company as if such security was ab initio created in favour of the Transferee Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Companies shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;

b. All letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders and other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of the Transferor Companies shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes;

All approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Transferor Companies or to the benefit of which the Transferor Companies may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, including the applications and benefits of any applications made for any of the foregoing, shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligor thereto and the Transferee Company shall be liable for compliance with all the conditions governing such consents, permits, approvals, etc. as stated above It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary

732

substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

d. All consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company;

e. All trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Transferee Company;

f. All registrations, goodwill and licenses, appertaining to the Transferor Companies if any, shall be transferred to and vested in the Transferee Company;

g. Benefits of any and all corporate approvals as may have already been taken by the Transferor Companies whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180,185, 186, etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company; and

h. The Transferor Companies and/or the Transferee Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/novate the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Companies. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

32.3 The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

32.4 The Transferee Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.

733

32.5 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Transferor Companies into the Transferee Company, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Transferor Companies in favour of the Transferee Company, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Companies has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies. The Transferee Company will, if necessary, also be a party to the above.

32.6 In order to ensure the smooth transition and sales of products and inventory of the Transferor Companies manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Companies prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packaging material) pertaining to the Transferor Companies without making any modifications, whatsoever to such products and/or the branding, packaging or labelling. All invoices/payment related documents pertaining to such products and inventory (including packaging material) may be raised in the name of the Transferee Company after the Effective Date.

32.7 Conduct Of Business until Effective Date

With effect from the Appointed Date and up to and including the Effective Date:

a. The Transferor Companies shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the assets, rights, title and interest for and on account of and in trust for the Transferee Company.

b. The Transferor Companies shall carry on their business and activities in the ordinary course of business with reasonable diligence and business prudence.

c. All the profits or income accruing or arising to the Transferor Companies or expenditure or losses incurred or arising to the Transferor Companies shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company.

d. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Government Authorities concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require for carrying on the business of the Transferor Companies.

e. The Transferor Companies shall carry on their business, operations or activities with reasonable diligence and business prudence and in the same manner as they had been doing hitherto and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Transferee Company

f. The Transferee Company and the Transferor Companies shall also be entitled to make an application for amending, cancelling or obtaining fresh registrations, as the case may be, under all Applicable Laws and legislations. The Transferee Company and the Transferor Companies would be entitled to make an application for amending licenses/ authorisations.

734

PART C

33. CONSIDERATION:

33.1 The Transferor Companies are wholly owned subsidiary and / or step down subsidiary companies of Transferee Company. Their entire share capital is directly or indirectly held by the Transferee Company. Hence, upon the Scheme becoming effective, no shares of Transferee Company shall be allotted in lieu or exchange of the shares of the Transferor Companies. Upon the Scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished.

34. AGGREGATION AND RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEREE COMPANY

34.1 Upon this Scheme becoming effective, the authorized share capital of the Transferor Companies shall be reclassified and stand consolidated with the authorized share capital of the Transferee Company. Accordingly, the authorized share capital of the Transferee Company shall stand increased to that extent, without any further act, instrument or deed on the part of the Transferee Company, including without any payment of stamp duty and any fees or charges payable to the Registrar of Companies, and/or to any other Governmental Authority, and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14, 61 and 232(3)(i) respectively of the Companies Act, 2013 and/or any other applicable provisions of the Act, as the case may be. Hence, for this purpose, the stamp duties and fees paid on the authorised share capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of the Transferee Company and no extra stamp duty and/or fees shall be required to be paid by the Transferee Company for its increased authorised share capital.

34.2 Consequent upon demerger and amalgamation (after giving effect of clause 13.1 and clause 34.1), Clause V of the Memorandum of Association of the Transferee Company shall be replaced with the following:

"The Authorised Share Capital of the Company is Rs. 10,60,00,000/- (Rupees Ten Crores Sixty Lakhs Only) divided into 2,12,00,000 (Two Crores Twelve Lakhs) Equity Shares of Rs.5/- (Rupees Five only) each with the rights, privileges, and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with the power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach there to respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the articles of association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the law for the time being in force or provided by the Articles of Association for the time being."

34.3 It is clarified that the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61, respectively, of the Companies Act, 2013 and/ or any other applicable provisions of the Act, would be required to be separately passed.

34.4 In the event, the authorized share capital of the Transferee Company undergoes any change prior to the Effective Date, the clauses specified in this Scheme to replace the existing clause V of the memorandum of association, shall be adjusted accordingly to take into account the effect of any such corporate actions.

735

35. ACCOUNTING TREATMENT

35.1 As the Transferor Companies shall stand dissolved without being wound up and all the assets and liabilities as well as reserves shall be transferred to the Transferee Company, on a going concern basis, upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Companies.

35.2 On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are under common control before and after the transaction, the Transferee Company shall account for the transfer and vesting of the Undertaking as per the "Pooling of Interests" method in its books of accounts in accordance with Appendix C for Business combinations of entities under common control of the Indian Accounting Standards (IND AS) 103 prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other applicable accounting standards prescribed under the Act.

35.3 The pooling of interests' method is considered to involve the following:

a. All the assets and liabilities of the Transferor Companies shall be recorded in the financial statements of the Transferee Company at their carrying amounts as appearing in the financial statements of the Transferor Companies, prior to this Section III being made effective. No adjustments will be made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonize the accounting policies.

b. The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appear in the financial statements of the Transferor Companies, prior to Section III of this Scheme being made effective, and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.

The difference between the i) aggregate face value of the equity shares of the Transferee Company issued and allotted by it to the members of the Transferor Companies, if any, which is expected to be NIL in view of clause 33) and ii) the equity share capital of the Transferor Companies respectively, shall be adjusted in the capital reserve account.

The financial information in the financial statements of the Transferee Company in respect of prior periods should be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

c. The difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the capital reserves account of the Transferee Company.

f. To the extent that there are inter-corporate loans/trade deposits, debentures, debt securities or balances between the Transferor Companies inter se and/or the Transferor Companies and the Transferee Company, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and the records of the Transferee Company for the reduction / netting of any assets or liabilities, as the case may be. Difference, if any, arising upon such cancellation, shall be credited or debited, as the case may be, to the reserve of the Transferee Company.

g. The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date.

736

However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.

h. In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies. The difference, if any, in the accounting policies between the Transferor Companies and Transferee Company, shall be ascertained and the impact of the same will be quantified and adjusted in the retained earnings or another affected component of equity of the Transferee Company, as applicable, in accordance with the requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

i. The costs relating to the Scheme will be accounted in accordance with Ind AS 103.

36. TREATMENT OF TAXES PAID BY THE TRANSFEROR COMPANIES

36.1 All taxes, levies, cess, etc. (whether direct or indirect) that might have been paid by the Transferor Companies (whether before or after the Appointed Date) during the period when the amalgamation has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Transferee Company and credit in respect thereof shall be given to the Transferee Company accordingly.

37. TREATMENT OF SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961

37.1 Upon this Scheme being effective, and in terms thereof, the Transferor Companies and the Transferee Company are expressly permitted to prepare/redraw the relevant financial statements, as required, in accordance with, and in terms of, Appendix C to Indian Accounting Standards ("IndAS") 103 and/or International Financial Reporting Standards and/or Accounting Standards, as applicable, and the financial statements once certified by the Auditors and/or Firm of Chartered Accountants, will be regarded as duly drawn up in compliance with Companies Act, 2013 and/or laws applicable in relation to the Transferor Companies. Further the Transferor Companies and the Transferee Company are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / value added tax / goods and services tax returns, minimum alternate tax returns as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired and without incurring any additional liability on account of interest, penalty, late fees or any other sum

37.2 Any refund under the tax laws received by or due to the Transferor Companies consequent to any assessments made on the Transferor Companies subsequent to the Appointed Date pertaining to the business transferred and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

37.3 Any transaction entered into by the Transferor Companies between the Appointed Date and the Effective Date will not be regarded as noncompliant of withholding tax/tax deduction at source obligation under the Income Tax Act, 1961 or Goods and Service Tax obligation only on the ground that, on the sanction of the scheme, the transactions are regarded as having been carried out by the Transferee Company.

737

38. DATE OF TAKING EFFECT AND OPERATIVE DATE

38.1 The Scheme as set out herein in its present form, or with any modification(s) or amendment(s) approved, imposed or directed by the NCLT or any other appropriate authority and acceptable to the Board of Transferee Company, shall be effective from the Appointed Date, as defined in Section 232 (6) of the Act, but shall be operative from the Effective Date.

39. VALIDITY OF EXISTING RESOLUTIONS, ETC

39.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Transferor Companies as are considered necessary by the Board of Directors of Transferee Company and which are validly subsisting, shall be considered as resolutions of Transferee Company. If any such resolutions have any monetary limits approved subject to the provisions of the Act or of any other Applicable Laws, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.

40. SAVING OF CONCLUDED TRANSACTION

40.1 The transfer and vesting of the assets, liabilities and obligations pertaining/relating to the Transferor Companies pursuant to this Scheme, and the continuance of the proceedings by or against the Transferee Company, under clause 32 hereof shall not affect any transactions or proceedings already completed or liabilities incurred by the Transferor Companies either prior to or on or after the Appointed Date, to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Companies as acts, deeds and things done and executed by and/or on behalf of itself.

41. DISSOLUTION OF THE TRANSFEROR COMPANY NO. 2, TRANSFEROR COMPANY NO. 3 AND TRANSFEROR COMPANY NO. 4

41.1 Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 shall be dissolved without winding up, on an order made by the NCLT under Section 230 of the Act. On and with effect from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the relevant Registrar of Companies.

NOTARY G.S. MUSTARI Mumbai State Of Maharashtra Reg. No. 5459 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai | Chembond Chemical Specialities Limited | Chembond Clean Water Technologies Limited | Chembond Material Technologies Limited | Piruze Sethna Private Limited | Chemos Chemicals India Private Limited

738

SECTION IV

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

42. CHANGE IN NAME OF THE DEMERGED COMPANY AND THE RESULTING COMPANY

42.1 CHANGE IN THE NAME OF THE DEMERGED COMPANY

42.1.1 Upon the Scheme becoming effective, the name of the Demerged Company shall, without any further act, instrument or deed, stand altered to "Chembond Material Technologies Limited." Such alteration in the name of the Demerged Company shall take place as an integral part of the Scheme and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this alteration in the name of the Demerged Company. No further resolution(s) under Sections 4, 13, 114 of the Companies Act, 2013 or any other applicable provisions of the Act or any Rules thereunder, would be required to be separately passed.

42.1.2 Pursuant to this Scheme, the Demerged Company shall file all the requisite forms with Registrar of Companies for such change in name.

42.2 CHANGE IN THE NAME OF THE RESULTING COMPANY

42.2.1 Upon the Scheme becoming effective, the name of the Resulting Company shall, without any further act, instrument or deed, stand altered to "Chembond Chemicals Limited." Such alteration in the name of the Resulting Company shall take place as an integral part of the Scheme and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this alteration in the name of the Resulting Company. No further resolution(s) under Sections 4, 13, 114 of the Companies Act, 2013 or any other applicable provisions of the Act or any Rules thereunder, would be required to be separately passed.

42.2.2 Pursuant to this Scheme, the Resulting Company shall file all the requisite forms with Registrar of Companies for such change in name.

43. APPLICATION TO THE TRIBUNAL

43.1 Each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and Transferor Companies, shall, as may be required, make applications and/or petitions under Sections 230 through 232 of the Act and/ or other applicable provisions of the Act to the Tribunal for sanction of this Scheme and all matters ancillary or incidental thereto.

44. EFFECTIVENESS OF THE SCHEME

44.1 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

a. with effect from the Appointed Date, the demerger of the Demerged Undertaking of the Demerged Company, and the vesting of the same in the Resulting Company shall be deemed to have occurred, pursuant to Section 1 of this Scheme, in accordance with Section 2(19AA) of the IT Act;

b. with effect from Appointed Date, the amalgamation of the Transferor Company No. 1 with the Resulting Company shall be deemed to have occurred, pursuant to Section 11 change of this Scheme, in accordance with Section 2(1B) of the IT Act

739

c. with effect from the Appointed Date, the amalgamation of the Transferor Companies with the Transferee Company shall be deemed to have occurred, pursuant to Section III change of this Scheme, in accordance with Section 2(1B) of the IT Act.

45. MODIFICATIONS OR AMENDEMENTS TO THE SCHEME

45.1 Each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and Transferor Companies, through their respective boards of directors (which shall include any committee constituted by the respective boards) may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Tribunal and/ or any other authority may deem fit to direct or impose or which may be otherwise considered necessary, desirable or appropriate by them.

45.2 Each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and Transferor Companies, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any authority or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

46. CONDITIONALITY OF THE SCHEME

46.1 The effectiveness of Section I of this Scheme is and shall be conditional upon and subject to:

a. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/or creditors of each of the Demerged Company and the Resulting Company as may be required under applicable laws;

b. The Demerged Company providing e-voting facility to all its shareholders in terms 10 (a) of Part I of the SEBI Master Circular no. SEBI/HO/CFD/DILI/CIR/P/2021/O0000000665 dated November 23, 2021 and Scheme of Arrangement to be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it as required in Para 10 (b) Part I of the aforesaid SEBI Circular.

c. Receipt of observation/ no-objection letters from Stock Exchanges under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in accordance with SEBI Scheme Circular in respect of the Demerger, on terms acceptable to the Companies.

d. The Scheme being sanctioned by the Tribunal under Sections 230-232 of the Act and/or other applicable provisions of the Act.

e. Certified copies of the orders of the tribunal sanctioning this Scheme being filed with RoC by each of the Demerged Company and the Resulting Company.

46.2 The effectiveness of Section II of this Scheme is and shall be conditional upon and subject to:

a. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/or creditors of each of the Transferor Company No. 1 and Resulting Company as may be required under applicable laws;

b. The Demerged Company providing e-voting facility to all its shareholders in terms 10 (a) of Part I of the SEBI Master Circular no. SEBI/HO/CFD/DILI/CIR/P/2021/O0000000665 dated November 23, 2021 and Scheme of Arrangement to be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes

740

cast by the public shareholders against it as required in Para 10 (b) Part I of the aforesaid SEBI Circular.

c. Receipt of observation/ no-objection letters from Stock Exchanges under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in accordance with SEBI Scheme Circular in respect of the Scheme, on terms acceptable to the Companies.

d. The Scheme being sanctioned by the Tribunal under Sections 230-232 of the Act and/or other applicable provisions of the Act.

e. Certified copies of the orders of the tribunal sanctioning this Scheme being filed with RoC by each of the Transferor Company No. 1 and Resulting Company.

46.3 The effectiveness of Section III of this Scheme is and shall be conditional upon and subject to:

a. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/or creditors of each of the Transferor Companies and the Transferee Company and as may be required under applicable laws;

b. The Demerged Company providing e-voting facility to all its shareholders in terms 10 (a) of Part I of the SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/C00000000665 dated November 23, 2021 and Scheme of Arrangement to be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it as required in Para 10 (b) Part I of the aforesaid SEBI Circular

c. Receipt of observation/ no-objection letters from Stock Exchanges under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in accordance with SEBI Scheme Circular in respect of the Scheme, on terms acceptable to the Companies.

d. The Scheme being sanctioned by the Tribunal under Sections 230-232 of the Act and/or other applicable provisions of the Act.

e. Certified copies of the orders of the tribunal sanctioning this Scheme being filed with RoC by each of the Transferor Companies and the Transferee Company.

47. EFFECT OF NON-RECEIPT OF APPROVALS

47.1 In the event any of the said approvals or sanctions referred to in clause 46 above not being obtained or conditions enumerated in the Scheme not being complied with, and/or the Scheme not being sanctioned by the Tribunal, or for any other reason, the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and Transferor Companies shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

47.2 In the event of revocation under the above clause, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and Transferor Companies or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or

741

obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

47.3 The Board of Directors of the Demerged Company/Transferee Company and the Resulting Company shall be entitled to withdraw this Scheme prior to the Effective Date.

48. FILING / AMENDMENT OF RETURNS, ETC

48.1 Each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and the Transferor Companies are expressly permitted to file/revise/reopen their financial statements (including their balance sheet and profit and loss statement) and income tax, wealth tax, service tax, value added tax, minimum alternate tax and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such statements/returns may have lapsed, in order to give full effect to the Scheme, without requiring/ seeking any additional consent or approval under any applicable laws/rules and regulations. Each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and the Transferor Companies is expressly permitted to amend tax deduction at source and other statutory certificates and shall have the right to claim refunds, advance tax credits, minimum alternate tax, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date.

49. SEVERABILITY OF ANY PART OF THE SCHEME

49.1 If any part of the Scheme (or any part of a Section thereof) is ruled invalid or illegal by any Tribunal or any other Governmental Authority, or unenforceable under present or future laws, then it is the intention of the parties that at the discretion of the parties, such part shall be severable from the remainder of the Scheme (or any Section thereof) and the Scheme (or any Section thereof) shall not be affected thereby, unless the deletion of such part shall cause the Scheme (or any Section thereof) to become materially adverse to any party, in which case each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and the Transferor Companies, (acting through their respective boards of directors) shall attempt to bring about a modification in the Scheme (or any Section thereof), as will best preserve for the parties, the benefits and obligations of this Scheme (or any Section thereof), including but not limited to such part.

50. STAMP DUTY

50.1 Since Sections I, Section II and Section III of the Scheme relate to a transfer of properties between a parent company and its wholly owned subsidiaries (direct and indirect), pursuant to a composite scheme of arrangement, no stamp duty shall be payable in respect of transfer of such properties.

51. COSTS CHARGES AND EXPENSES

51.1 Each of the Demerged Company/Transferee Company and Resulting Company shall bear its own costs, charges, taxes, including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing all the Sections of this Scheme and matters incidental thereto.

STAMP SUBSTANTIAL Mumbai State Of Maharashtra Reg. No. 6452 GOVT. OF INDIA

Chembond Chemicals Limited Navi Mumbai · Chembond Chemical Specialities Limited · Chembond Clean Water Technologies Ltd · Chembond Material Technologies Limited · Chembond Sathna Private Limited · Chembond Chemicals India Private Limited

ANNEXURE 2A

Chembond Chemicals Limited

REPORT OF THE BOARD OF DIRECTORS OF CHEMBOND CHEMICALS LIMITED ON EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS) AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

1. Background:

1.1. A meeting of the Board of Directors of Chembond Chemicals Limited was held on December 12, 2023 to inter alia, consider and approve the draft Composite Scheme of Arrangement between Chembond Chemicals Limited (**"Demerged Company" / "Transferee Company"**), Chembond Chemical Specialties Limited (**"Resulting Company"** or **"CCSL"**), Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"** or **" CCWTL"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2"** or **"CMTPL"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3"** or **PSPL**) and Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4"** or **"GCIPL"**) and their respective shareholders ('**Scheme**') pursuant to Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder ('**Act**'). The Composite Scheme provides for restructuring the businesses of the Demerged Company and its subsidiaries as below:

a. Demerged Undertaking of the Demerged Company shall be transferred to and vested in the Resulting Company;

b. Transferor Company No. 1 shall be amalgamated with the Resulting Company; and

c. Transferor Company No. 2, Transferor Company No. 3, and Transferor Company No. 4 (collectively referred to as "Transferor companies") shall be amalgamated with the Demerged Company.

1.2. Provisions of Section 232(2)(c) of the Companies Act, 2013, require the Board of Directors to adopt a report explaining the effect of compromise or arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular, the share entitlement ratio and specifying special valuation difficulties, if any, and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

1.3. This report of the Board of Directors is accordingly being made pursuant to the requirements of Section 232(2)(c) of the Companies Act, 2013.

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

2. Documents perused by the Board of Directors

2.1. While deliberating on the Scheme, the Board, inter-alia considered and took on record the following documents:

a. The draft Composite Scheme of Arrangement;
b. Copy of Valuation Report dated December 12, 2023, on the Share Exchange Ratio recommended by SSPA & Co as applicable, as per Para (AX4) of Part I of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P12021/0000000665 dated November 23, 2021 SEBI Master Circular.
c. Copy of Fairness Opinion Report dated December 12, 2023, issued by Vivro Financial Services Private Limited on the Share Exchange Ratio recommended by the registered valuer as per Para (A)(2)(d) of Part I of SEBI Master Circular.
d. Copy of the Certificate dated December 12, 2023, issued by Statutory Auditor of the Company proposed in the Composite Scheme of Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
e. Pre and post shareholding pattern of all the Companies involved in the draft Scheme as per format provided under Regulation 31 of the LODR Regulations
f. Draft certificate from M/s. Bathiya & Associates LLP, Chartered Accountants, certifying the undertaking from the Company with regards to the non-applicability of the requirements prescribed in Part I (A)(10)(a) and Part I (A)(10)(b) of the SEBI Circular.
g. Audited financial statements of the Companies involved in the draft Scheme for last three financial years;
h. Various other document(s)/ certificate (s)/ declaration(s)/ report(s)/ undertaking (s)/ submission(s)/ confirmation (s) / which are incidental to the draft Scheme or any other incidental matter thereto

After taking on record the documents/confirmations referred above, the Board of the Company approved the draft Scheme.

3. Special Valuation Difficulties (If any):

3.1. For arriving at the Share Entitlement Ratio, the Valuation Report was obtained from SSPA & Co. Registered Valuers. They have recommended share valuation ratio as below:

"for every 1 (One) equity share having face value of Rs. 5 (Rupees Five) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) equity share having face value of Rs. 5 (Rupees Five) each, credited as fully paid-up, in the Resulting Company."

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

3.2. They have not expressed any difficulty while carrying out the valuation.

3.3. The recommendation of the share entitlement ratio has been approved by the Audit Committee of the Company and the Committee of Independent Directors of the Company

3.4. The Transferor Companies are wholly owned subsidiaries and / or step-down subsidiary companies of Demerged Company. Hence, no shares of Demerged Company shall be allotted in lieu or exchange of the shares of the Transferor Companies. Upon the Scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished.

4. Effect on the Stakeholders:

Accordingly, as per Section 232(2)(c) of the Act, the Board hereby takes on record the impact of the Scheme on the following stakeholders of the Company:

Effect of the Scheme on:	
(a) Equity shareholders (including Promoters & non Promoters)	➢ As regards to demerger, all the equity shareholders of the Company (promoter and non-promoter), as on the Record Date (*as defined in the Scheme*) shall receive equity shares of the Resulting Company in the following ratio: *"for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five only) each, in the Resulting Company"* in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and after the Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE, thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

	➢ As regards to Amalgamation – I, the Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of the Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Demerged Company and there shall be no issue of shares by the Demerged Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Demerged Company and its public shareholders. ➢ All the shares held by the Demerged Company in the Transferor Companies shall stand cancelled without any further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Demerged Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Demerged Company. ➢ The proposed Scheme is expected to be beneficial to the Demerged Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.
(b) Director and Key Managerial Personnels	➢ The Directors and Key Managerial Personnels (KMPs) of the Demerged Company shall continue as Directors and KMPs of the Demerged Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such Directors and KMPs who are also shareholders of the Demerged Company. Other than the above, the Directors and KMPs are not affected pursuant to the Scheme. ➢ Post Amalgamation the Transferor Companies shall stand dissolved without winding up and accordingly, they are not required to appoint any KMP.

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Employees	➢ Under the Scheme, no rights of the staff and employees of the Demerged undertaking of the Demerged Company are being affected. ➢ On the Scheme becoming effective, the employees of the Transferor Companies who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to have become the employees of the Demerged Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Companies on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Companies would in no way be affected by the Scheme.
Creditors (secured & unsecured)	➢ Under the Scheme, no arrangement is sought to be entered into between the Demerged Company and its creditors. The interest of the creditors of the Demerged undertaking of the Demerged Company shall not be impacted in any manner. ➢ Under the Scheme, there is no arrangement with the creditors of the Transferor Companies. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Companies shall become the creditors of the Demerged Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Companies. The liability of the creditors of the Transferor Companies, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Companies would in no way be affected by the Scheme.
Depositors and Deposit trustee	➢ As on date of Notice, the Company has not accepted any public deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.
Debenture holders and Debenture trustee	➢ As on date of Notice, the Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee (s) does not arise.

5. **Conclusions:**

While deliberating on the Scheme, the Board has considered its impact on each of the shareholders, KMPs, creditors and employees. In the opinion of the Board, the Scheme is in the best interest of the shareholders, KMPs, Creditors and employees of the Company

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

and there will be no prejudice caused to them in any manner by the Scheme.
The Board has adopted this Report after noting and considering the documents and information set forth in this Report.

For and on behalf of the Board of Directors
Chembond Chemicals Limited

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

Place: Mumbai
Date: December 12, 2023

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

ANNEXURE 2B

CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

I. Chembond Chemicals Limited ("Demerged Co./ Transferee Co. or "CCL")

The Capital Structure of the Demerged Company (Pre-Schem) as on September 30, 2024, is as follows:

Particulars	Amount (INR)
Authorised Share Capital	
2,00,00,000 Equity shares of Rs. 5/- (Rupees Five Only) each	10,00,00,000
Total	**10,00,00,000**
Issued, Subscribed and Paid-up Capital	
1,34,48,288 Equity Shares of Rs.5/- (Rupees Five Only) each	6,72,41,440
Total	**6,72,41,440**

The Capital Structure Post scheme of the Demerged Company will be as follows:

Particulars	Amount (INR)
Authorised Share Capital	
2,12,00,000 Equity shares of Rs. 5/- (Rupees Five Only) each	10,60,00,000
Total	**10,60,00,000**
Issued, Subscribed and Paid-up Capital	
1,34,48,288 Equity Shares of Rs.5/- (Rupees Five Only) each	6,72,41,440
Total	**6,72,41,440**

Detailed Shareholding Pattern as on September 30, 2024

	Demerged / Transferee Company	Pre shareholding		Post Shareholding	
	Chembond Chemicals Limited (CCL)				
Sr No	**Description**	**No. of shares**	**%**	**No. of shares**	**%**
A)	**Shareholding of Promoter and Promoter Group**				
1	**Indian**				
(a)	Individuals/ Hindu Undivided Family	72,45,179	53.87	72,45,179	53.87
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Bodies Corporate	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-
(e)	Any Others	18,47,830	13.74	18,47,830	13.74
	Sub Total(A)(1)	**90,93,009**	**67.61**	**90,93,009**	**67.61**
2	**Foreign**				
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any Others	-	-	-	-
	Sub Total(A)(2)	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**90,93,009**	**67.61**	**90,93,009**	**67.61**
(B)	**Public shareholding**				
1	**Institutions**				
(a)	Mutual Funds/ UTI	-	-	-	-
(b)	Financial Institutions / Banks	47,600	0.35	47,600	0.35
(c)	NBFCs registered with RBI	570	0.00	570	0.00
(d)	Central Government/ State Government(s)	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-
(f)	Insurance Companies	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-
(i)	Any Other	-	-	-	-
	Alternative Investment fund	1,11,834	0.83	1,11,834	0.83
	Foreign Portfolio Investors Category I	92,659	0.69	92,659	0.69
	Sub-Total (B)(1)	**2,52,663**	**1.88**	**2,52,663**	**1.88**
2	**Non-institutions**				
(a)	Bodies Corporate	2,48,086	1.84	2,48,086	1.84
(b)	Individuals				
I	Individuals - i. Individual shareholders holding nominal share capital up to Rs 2 lakh	28,50,371	21.20	28,50,371	21.20
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	5,47,397	4.07	5,47,397	4.07
(c)	Any Other				
	Non resident Indians	1,36,723	1.02	1,36,723	1.02
	IEPF	42,764	0.32	42,764	0.32
	KMP	3,531	0.03	3,531	0.03
	Others	2,73,744	2.04	2,73,744	2.04
	Sub-Total (B)(2)	**41,02,616**	**30.51**	**41,02,616**	**30.51**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**43,55,279**	**32.39**	**43,55,279**	**32.39**
	TOTAL (A)+(B)	**1,34,48,288**	**100**	**1,34,48,288**	**100**
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**1,34,48,288**	**100**	**1,34,48,288**	**100**

****

Chembond Chemicals Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
www.chembondindia.com
CIN: L24100MH1975PLC018235

Annexure 2C

The copy of Audited Financial Results of Chembond Chemicals Limited ("Demerged company" or "Transferee Company") for the year ended 31st March, 2024, are available/ accessible on the company's website at https://www.chembondindia.com/wp-content/uploads/2024/07/Annual-Report-2023-2024.pdf.

Chembond Chemicals Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
www.chembondindia.com
CIN: L24100MH1975PLC018235

BATHIYA
& ASSOCIATES LLP **CHARTERED ACCOUNTANTS**

Independent Auditors' Review Report on Review of Unaudited Consolidated Interim Financial Results

Limited Review Report
To the Board of Directors of
Chembond Chemicals Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Chembond Chemicals Limited ("the Holding Company"), its subsidiaries, step down subsidiaries and step down associate (together referred to as "the Group"), and its share of the net profit after tax and total comprehensive profit of its step down associate for the quarter and half year ended September 30, 2024 being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. This Statement, which is the responsibility of the Holding 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 framed there under 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 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 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 Holding Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. 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.

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Bathiya & Associates LLP
G-2A, Dosti Pinnacle,
Next to New Passport Office,
Road No.22, Wagle Industrial Estate,
Thane (W) 400 604.

T : +91 22 4010 1995 / 2995
E : info@bathiya.com
bathiya.com

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the entity	Relationship
Chembond Chemicals Limited	Holding Company
Chembond Chemical Specialties Limited	Subsidiary Company
Chembond Water Technologies Limited	Subsidiary Company
Chembond Calvatis Industrial Hygiene Systems Limited	Subsidiary Company
Chembond Material Technologies Private Limited	Subsidiary Company
Chembond Biosciences Limited	Subsidiary Company
Phiroze Sethna Private Limited	Subsidiary Company
Chembond Distribution Limited	Subsidiary Company
Chembond Clean Water Technologies Limited	Step down Subsidiary Company
Gramos Chemicals India Private Limited	Step down Subsidiary Company
Chembond Water Technologies (Malaysia) Sdn. Bhd.	Step down Foreign Subsidiary Company
Chembond Water Technologies (Thailand) Limited	Step down Foreign Subsidiary Company
Rewasoft Solutions Private Limited	Step down Associate Company

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the reports of the other auditors referred to in paragraph 6 below, 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 Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of three Indian subsidiaries, one step down subsidiary and one step down associate included in the Statement, whose interim financial results reflects total assets as on September 30, 2024 of Rs. 10,737.07 lakhs, total revenue of Rs. 5,236.46 lakhs and Rs. 10,062.04 lakhs, total net profit of Rs. 299.16 lakhs and Rs. 443.56 lakhs and total comprehensive income of Rs. 297.82 lakhs and Rs. 440.88 lakhs, included in the Statement for the quarter and half year ended

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

September 30, 2024 respectively and cash flows (net) of Rs. 123.82 lakhs for the half year ended September 30, 2024. These interim financial results and other financial information have been reviewed by other auditors whose reports have been furnished to us by the management of Holding Company and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the report of such auditors and the procedures performed by us as stated in paragraph 3 above.

The financial results of two step down foreign subsidiaries included in the Statement, whose financial results reflects total assets as on September 30, 2024 of Rs. 403.12 lakhs, total revenue of Rs. 123.07 lakhs and Rs. 179.19lakhs, net profit of Rs. 18.33 lakhs and Rs. 46.13 lakhs and total comprehensive profit of Rs. 18.33 lakhs and Rs. 46.13 lakhs for the quarter and half year ended September 30, 2024 respectively are unaudited and not reviewed by other auditors. The Holding Company's management has converted the financial results of such foreign subsidiaries from accounting principles generally accepted in those countries to accounting principles generally accepted in India. Accordingly, our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the said step down subsidiaries and step down associate is based solely on the basis of management certified unaudited financial results. According to the information and explanations given to us by the management, these financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of these matters.

For **Bathiya & Associates LLP**
Chartered Accountants
Firm's Registration No. 101046W / W100063

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Jatin A. Thakkar
Partner
Membership No. 134767
UDIN: 24134767BKEAWG1096

Place: Mumbai.
Date: 25th October, 2024

CHEMBOND CHEMICALS LIMITED
CIN L24100MH1975PLC018235
Registered Office : Chembond Centre, EL 71, Mahape MIDC,Navi Mumbai - 400 710
Email id:info@chembondindia.com, Website:www.chembondindia.com
Statement of Unaudited Consolidated Financial Results for the Quarter and Half Year Ended 30th September, 2024

(Rs. In lakhs except otherwise stated)

Sr No	Particulars	Consolidated					
		Quarter Ended 30.09.2024	Quarter Ended 30.06.2024	Quarter Ended 30.09.2023	Half Year Ended 30.09.2024	Half Year Ended 30.09.2023	Year Ended 31.03.2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	12,352.52	10,895.35	11,201.99	23,247.87	22,555.71	46,198.61
2	Other Income	536.02	394.32	930.60	930.34	1,232.08	1,726.23
3	**Total Income (1+2)**	**12,888.56**	**11,289.66**	**12,132.59**	**24,178.21**	**23,787.79**	**47,924.84**
4	**Expenses**						
	a. Cost of materials consumed	5,806.84	4,700.42	4,204.27	10,507.27	10,257.58	20,589.35
	b. Purchases of Stock-in trade	830.35	910.02	1,000.91	1,740.36	1,827.08	4,043.46
	c. Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade	(5.87)	160.25	473.39	154.38	(48.93)	(265.81)
	d. Employees Benefit Expenses	2,045.61	2,044.34	1,838.59	4,089.94	3,833.29	7 677.17
	e. Finance Costs	31.34	32.83	46.36	64.18	72.03	117.66
	f. Depreciation and Amortisation Expenses	185.72	157.46	147.08	343.18	253.47	554.54
	g. Other Expenses	2,409.40	2,172.18	2,232.31	4,581.58	4,339.60	9,222.49
	Total Expenses	**11,303.38**	**10,177.50**	**9,943.21**	**21,480.88**	**20,534.11**	**41,938.88**
5	**Profit/(Loss) before share of profit/(Loss) of an associate and exceptional items (3-4)**	**1,585.18**	**1,112.16**	**2,189.38**	**2,697.33**	**3,253.68**	**5,985.96**
6	Share of profit/(loss) of step down associate	2.05	(1.45)	-1.26	0.60	(1.70)	0.51
7	**Profit/(Loss) before exceptional item and tax (5+6)**	**1,587.21**	**1,110.72**	**2,188.12**	**2,697.93**	**3,251.98**	**5,986.47**
8	**Exceptional Item**	154.74	-		154.74		-
9	**Profit/(Loss) before tax (7+8)**	**1,741.95**	**1,110.72**	**2,188.12**	**2,852.67**	**3,251.98**	**5,986.47**
10	**Tax Expense**						
	- Current Tax	447.64	240.92	584.85	688.55	923.95	1,761.52
	- Deferred Tax	(89.52)	53.98	23.37	(35.54)	(138.19)	(295.99)
	- Tax in respect of earlier years	(1.00)	17.81	44.53	16.81	44.53	87.96
11	**Profit/(Loss) For the Period/Year (9-10)**	**1,384.84**	**798.01**	**1,535.37**	**2,182.85**	**2,413.69**	**4,432.08**
12	**Other Comprehenshive Income**						
A	i) Items that will not be reclassified to profit or loss	(9.25)	(9.25)	4.04	(18.50)	9.13	(36.84)
	ii) Income Tax relating to items that will not be reclassified to profit or loss	2.16	2.14	(0.96)	4.29	(1.13)	8.55
B	i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehenshive Income / (loss)	**(7.09)**	**(7.11)**	**3.08**	**(14.21)**	**7.01**	**(28.30)**
13	**Total Comprehensive Income / (loss) For the Period / Year (11+12)**	**1,377.74**	**790.90**	**1,538.45**	**2,168.64**	**2,420.70**	**4,403.79**
14	Net profit attributable to:						
	- Shareholders of the Company	1,386.82	796.76	1,544.08	2,183.58	2,420.13	4,440.96
	- Non Controlling Interests	(1.98)	1.25	(8.71)	(0.73)	(6.44)	(8.88)
15	Other Comprehensive income attributable to-						
	- Shareholders of the Company	(7.16)	(7.18)	3.03	(14.34)	6.92	(28.57)
	- Non Controlling Interests	0.07	0.07	0.04	0.14	0.09	0.27
16	Total Comprehensive Income / (loss) attributable to-						
	- Shareholders of the Company	1,379.65	789.58	1,547.12	2,169.23	2,427.05	4,412.39
	- Non Controlling Interests	(1.91)	1 32	(8.67)	(0.59)	(6.35)	(8.61)
17	Paid-up equity share capital (face value of Rs 5 per share)	672.41	672 41	672.41	672.41	672.41	672.41
18	Other equity excluding Revaluation Reserve as per balance sheet						35,474.11
19	**Earning Per Share (amount in Rs.5 each) (not annualised for period ended)**						
	Basic EPS	10.31	5.92	11.48	16.24	18.00	33.02
	Diluted EPS	10.31	5.92	11.48	16.24	18.00	33.02

Chembond Chemicals Limited Navi Mumbai

Consolidated Statement of Assets and Liabilities as at 30th September 2024

(Rs. in lakhs except as otherwise stated)

Sr No	Particulars	As at 30/09/2024 Unaudited	As at 31/03/2024 Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	5,302.36	4,686.85
	(b) Capital work-in-progress	710.89	1,330.43
	(d) Goodwill	7,459.45	7,459.45
	(e) Other Intangible Assets	65.22	77.05
	(f) Financial Assets		
	i) Investments	4,955.73	4,347.65
	ii) Other financial assets	746.79	569.75
	(g) Deferred tax Assets (Net)	443.95	452.34
	(h) Income tax assets (net)	546.52	538.27
	(i) Other non-current assets	28.83	63.45
	Total Non-current assets	**20,260.55**	**19,525.24**
2	Current Assets		
	(a) Inventories	3,562.02	3,313.80
	(b) Financial Assets		
	i) Investments	5,439.81	4,848.92
	ii) Trade receivables	12,889.84	12,029.12
	iii) Cash and cash equivalents	498.95	1,010.83
	iv) Bank balances other than (iii) above	3,029.78	3,012.28
	v) Loans	1.56	11.05
	vi) Other financial assets	136.66	116.08
	(c) Current Tax asset (Net)	115.06	48.99
	(d) Other current assets	637.40	780.86
	Total current assets	**26,311.09**	**25,171.93**
	Total Assets	**46,571.64**	**44,697.17**
	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	672.41	672.41
	(b) Other equity	37,289.20	35,474.11
	(c)Equity attributable to the owners of the company	**37,961.62**	**36,146.53**
	(d) Non Controlling interest	129.31	129.90
	Total Equity	**38,090.92**	**36,276.43**
	Liabilities		
1	Non-Current Liabilities		
	(a) Provisions	79.59	96.54
	(b) Other non-current liabilities	97.39	96.03
	(c) Deferred Tax Liabilities	52.36	40.31
	Total Non-current liabilities	**229.33**	**232.88**
2	Current liabilities		
	(a) Financial liabilities		
	i) Borrowings	864.19	668.30
	ii) Trade payables		
	total outstanding dues of micro enterprises and small enterp	141.37	482.34
	total outstanding dues other than micro enterprises and sma	5,312.17	4,935.19
	iii) Other financial liabilities	18.85	16.60
	(b) Other current liabilities	1,798.41	2,013.15
	(c) Provisions	93.61	72.08
	(d) Current Tax Liabilities(Net)	22.77	-
	Total current liabilities	**8,251.38**	**8,187.86**
	Total Equity and Liabilities	**46,571.63**	**44,697.17**

Notes:

1 These unaudited financial results have been prepared in accordance with the recognitionand measurement principles laid down in Indian Accounting Standards 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 and in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.These financial results for the quarter and half year ended 30th September 2024 have been reviewed and approved by the Board of Directors at its meeting held on October 25, 2024 through Video Conferencing. The statutory auditors of the Company have carried out limited review of the financial results of the Company for the quarter and half year ended 30th September, 2024

2 The group is primarily engaged in the manufacture of Specialty Chemicals, which in the context of IND AS 108- Operating segment specifed under section 133 of the Companies Act, 2013 is considered as a single business segment.

3 **Composite Scheme of Arrangement:**
On 12th December, 2023, Chembond Chemicals Limited (Demerged / Transferee Company / CCL) entered into the Composite Scheme of Arrangement between with some of its subsidiaries and step down subsidiaries viz. Chembond Chemical Specialties Limited ("Resulting Company"), Chembond Clean Water Technologies Limited (Transferor Company No. 1 / CCWTL), Chembond Material technologies Private Limited (Transferor Company No. 2 / CMTPL), Phiroze Sethna Private Limited (Transferor Company No. 3 / PSPL) and Gramos Chemicals India Private Limited (Transferor Company No. 4 / GCIPL) and their respective shareholders and creditors under Sections 230-232 read with Section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder. Upon the scheme becoming effective, the "Demerged undertaking" of the CCL shall be transferred to the Resulting Company, CCWTL shall be amalgamated with the Resulting Company and CMTPL, PSPL and GCIPL shall be amalgamated with CCL from the appointed date of 1st April, 2024. The Company has received No adverse observation letter / No objection Letter from the Stock Exchanges viz BSE / NSE and an order dated 11th October, 2024 from National Company Law Tribunal directing the Company, inter-alia, to convene a meeting of the Equity Shareholders for the purpose of considering and if thought fit, to approve the Composite Scheme of Arrangement.The scheme will be accounted for on receipt of regulatory and other approvals which are pending as on the date of approval of these financial results.

4 Exceptional Item pertains to profit of Rs. 154.74 lakhs, arising on account of full and final settlement of insurance claim related to Replacement value of Property plant & Equipement that had damaged due to fire incident occurred at the Tarapur plant in the month of April 2022.

5 The Group has decided to continue with the existing tax structure except for three subsidiary companies which has provided for current and deferred tax at the rate prescribed under Section 115BAA of the Income Tax Act, 1961.

6 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits has received Presidential assent and has been published in the Gazette of India. However, the effective date of the Code and final rules for quantifying the financial impact are yet to be notified. The Group will asses the impact of the code when the relavent provisions are notified and will record related impact, if any in the period the code becomes effective.

7 **Additional Information on Standalone Basis are as Follows:**

Standalone Details	Quarter Ended			Half Year Ended		Year Ended
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	1,197.69	1,378.71	1,232.68	2,576.30	2,664.50	5,259.57
Profit/(Loss) Before Tax	811.50	196.19	337.64	807.70	543.42	883.23
Profit/(Loss) for the period	556.53	151.70	254.11	708.23	477.23	723.81

8 The figures for corresponding previous periods have been restated/regrouped, rearranged and reclassified wherever necessary to make them comparable.

Chembond Chemicals Limited No.// Mumbai

By Order of Board of Directors
For Chembond Chemicals Limited

Sameer V. Shah
Chairman & Managing Director
DIN: 00105721

Place: Mumbai
Date: 25th October, 2024

CHEMBOND CHEMICALS LTD

Consolidated Cash Flow Statement for the half year ended 30th September 2024

(Rs in lakhs except as otherwise stated

	Particulars	30.09.2024		31.03.2024	
A	**Cash Flow from Operating Activities**				
	Profit before tax		2,852.67		5,885.86
	Adjustments for :				
	Depreciation and amortisation	343.18		554.54	
	Sundry balance W/back	-		-	
	Foreign Exchange Fluctuation	19.86		50.84	
	Finance Cost	64.16		117.66	
			427.20		723.04
	Less :				
	Scrap Sale of Property Plant & Equipment				
	Net Gain on Investments	114.35		129.97	
	Fair valuation of Investments (Net)	697.06		806.12	
	Interest from Fixed Deposits and Loans at Effective Interest Rate	98.82		174.73	
	Profit on Sale of Property,Plant & Equipement	154.83		524.79	
	Prior Period Items	-		6.85	
	Dividend Received	5.41		7.04	
			(1,010.48)		(1,849.50)
	Operating Profit before working capital changes		2,269.39		5,059.51
	Adjustments for :				
	Trade and Other Receivables	(954.01)		(1,037.15)	
	Inventories	(224.41)		90.47	
	Trade and Other Payables	(137.10)		638.40	
			(1,315.51)		(308.28)
	Cash generated from operations		**953.88**		**4,751.23**
	Income taxes paid (Net of Refund)		(674.11)		(1,966.43)
	Net Cash from Operating Activities (A)		**279.77**		2,784.80
B	**Cash Flow from Investing Activities**				
	Payment to acquire Property, plant & equipments	(191.02)		(1,212.72)	
	Proceeds from Sale of Property, plant & equipments	81.46		835.78	
	Interest from Fixed Deposits and Loans at Effective Interest Rate	98.82		174.73	
	Purchase of Investment	(1,005.00)		(2,940.25)	
	Sale of Investment	557.65		1,164.14	
	Dividend Income	5.41		7.04	
	Net Cash from Investing Activities (B)		**(452.67)**		(2,171.26)
C	**Cash Flow from Financing Activites**				
	Proceeds/(Repayment) of Short Term Borrowings	195.89		15.77	
	Proceeds from Loan & Advances			-	
	Dividend paid	(470.69)		(403.45)	
	Tax on dividend paid			-	
	Proceeds/(Repayment) of Long Term Borrowings			-	
	Finance Cost	(64.16)		(117.66)	
	Net Cash from Financing Activities (C)		(338.96)		(505.34)
	Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)		**(511.87)**		**88.20**
	Cash and Cash equivalents at the beginning of the period/ year		1,010.83		922.63
	Cash and Cash equivalents at the end of the period / year		**498.95**		**1,010.83**

Chembond Chemicals Limited Navi Mumbai

By Order of the Board of Directors
For Chembond Chemicals Limited

Sameer V. Shah
Chairman & Managing Director
DIN: 00105721

Place: Mumbai
Date: 25th October 2024

BATHIYA
& ASSOCIATES LLP CHARTERED ACCOUNTANTS

Independent Auditors' Review Report on Review of Unaudited Standalone Interim Financial Results

Limited Review Report
To the Board of Directors of
Chembond Chemicals Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Chembond Chemicals Limited ("the Company") for the quarter and half year ended September 30, 2024 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

2. 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 framed 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 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 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. 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.

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Bathiya & Associates LLP
G-2A, Dosti Pinnacle,
Next to New Passport Office,
Road No.22, Wagle Industrial Estate,
Thane (W) 400 604.
T : +91 22 4010 1995 / 2995
E : info@bathiya.com
bathiya.com

4. 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 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 Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Bathiya & Associates LLP,**
Chartered Accountants
Firm's Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No. 134767
UDIN: 24134767BKEAWF6437

Place: Mumbai.
Date: 25th October, 2024

CHEMBOND CHEMICALS LIMITED
CIN L24100MH1975PLC018235
Regd.Office: Chembond Centre, EL 71, Mahape MIDC,Navi Mumbai - 400 710
Email id:info@chembondindia.com, Website:www.chembondindia.com
Statement of Unaudited Standalone Financial Results for the Quarter and Half Year Ended 30th September, 2024

(Rs in lakhs except as otherwise stated)

Sr. No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	1,197.59	1,378.71	1,232.66	2,576.30	2,664.50	5,259.57
2	Other Income	551.90	208.50	375.58	760.40	638.54	1,164.11
3	**Total Income (1+2)**	**1,749.49**	**1,587.21**	**1,608.28**	**3,336.70**	**3,303.03**	**6,423.68**
4	**Expenses**						
	a. Cost of materials consumed	504.32	577.08	490.08	1,081.40	1,080.23	2,019.33
	b. Purchases of Stock-in trade	56.53	115.31	56.36	171.84	224.01	528.95
	c. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	(16.08)	(6.15)	17.18	(22.23)	0.70	7.13
	d. Employees Benefits Expense	283.60	288.87	246.67	552.47	546.72	1,027.96
	e. Finance Costs	1.12	2.30	1.33	3.43	3.75	7.30
	f. Depreciation and Amortisation Expenses	89.00	56.56	65.21	125.56	125.95	245.97
	g. Other Expenses	414.24	357.05	393.79	771.29	778.26	1,702.80
	Total Expenses	**1,292.73**	**1,391.02**	**1,270.63**	**2,683.74**	**2,759.61**	**5,540.45**
5	**Profit before exceptional items and tax (3-4)**	**456.76**	**196.19**	**337.64**	**652.96**	**543.42**	**883.23**
6	Exceptional items	154.74	-	-	154.74	-	-
7	**Profit before tax (5+6)**	**611.50**	**196.19**	**337.64**	**807.70**	**543.42**	**883.23**
8	**Tax Expense**						
	- Current Tax	103.10	32.08	62.10	135.18	102.74	155.30
	- Tax in respect of earlier years	-	-	-	-	-	36.22
	- Deferred Tax	(48.13)	12.42	21.43	(35.71)	(36.55)	(32.09)
9	**Profit / (loss) For the Period / Year (7-8)**	**556.53**	**151.70**	**254.11**	**708.23**	**477.23**	**723.81**
10	**Other Comprehensive Income / (loss)**						
	i) Items that will not be reclassified to profit or loss	(2.84)	(2.84)	(13.82)	(5.67)	(27.63)	(11.34)
	ii) Income Tax relating to items that will not be reclassified to profit or loss	0.50	0.50	1.91	0.99	4.65	1.98
	i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income / (loss)	(2.34)	(2.34)	(11.90)	(4.68)	(22.98)	(9.36)
11	**Total Comprehensive Income / (loss) for the period / Year (9+10)**	**554.19**	**149.36**	**242.21**	**703.55**	**454.25**	**714.45**
12	Paid-up equity share capital (face value of Rs 5 per share)	672.41	672.41	672.41	672.41	672.4	672.41
13	Other equity						23,819.05
14	**Earning Per Equity Share (Amount in Rs.5 each) (not annualised for quarter and period ended)**						
	Basic EPS (in Rs.)	4.14	1.13	1.89	5.27	3.55	5.38
	Diluted EPS (in Rs.)	4.14	1.13	1.89	5.27	3.55	5.38

Chembond Chemicals Limited Navi Mumbai

Statement of Assets and Liabilities as at 30th September, 2024

(Rs. In lakhs except otherwise stated)

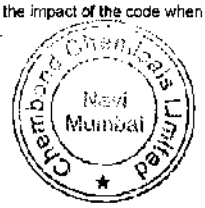
Sr. No.	Particulars	As at 30/09/2024	As at 31/03/2024
		Unaudited	Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	3,447.15	2,829.48
	(b) Capital work-in-progress	489.76	1,186.85
	(c) Other Intangible Assets	48.59	51.56
	(d) Financial Assets		
	i) Investments	15,327.86	14,717.46
	ii) Other financial assets	19.24	42.24
	(e) Deferred tax Asset (net)	57.36	20.66
	(f) Income tax asset (net)	225.07	251.20
	(g) Other non-current assets	12.62	0.33
	Total Non-current assets	**19,627.65**	**19,099.77**
2	**Current Assets**		
	(a) Inventories	278.93	275.46
	(b) Financial Assets		
	i) Investments	2,300.35	2,073.11
	ii) Trade receivables	1,712.27	1,907.47
	iii) Cash and cash equivalents	61.88	224.49
	iv) Bank balances other than (iii) above	843.20	808.33
	v) Loans	650.00	1,070.00
	vi) Other financial assets	83.24	59.75
	(c) Other current assets	52.96	264.69
	Total current assets	**5,982.83**	**6,683.31**
	Total Assets	**25,610.49**	**25,783.08**
	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	672.41	672.41
	(b) Other equity	24,051.90	23,819.05
	Total Equity	**24,724.31**	**24,491.46**
	Liabilities		
1	Non-Current Liabilities		
	(a) Provisions	84.07	80.15
	Total Non-current liabilities	**84.07**	**80.15**
2	**Current liabilities**		
	(a) Financial liabilities		
	i) Borrowings		
	i) Trade payables		
	total outstanding dues of micro enterprises and small enterprise	19.09	20.34
	total outstanding dues other than micro enterprises and small e	501.20	661.38
	ii) Other financial liabilities	18.50	16.51
	(b) Other current liabilities	265.77	497.01
	(c) Provisions	17.53	16.22
	Total current liabilities	**822.10**	**1,211.47**
	Total Equity and Liabilities	**25,610.49**	**25,783.08**

Notes:

1 These unaudited financial results have been prepared in accordance with the recognitionand measurement principles laid down in Indian Accounting Standards 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 and in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.These financial results for the quarter and half year ended 30th September 2024 have been reviewed and approved by the Board of Directors at its meeting held on October 25, 2024 through Video Conferencing. The statutory auditors of the Company have carried out limited review of the financial results of the Company for the quarter and half year ended 30th September, 2024.

2 The Company is primarily engaged in the manufacture of Specialty Chemicals, which in the context of IND AS 108- Operating segment specified under section 133 of the Companies Act, 2013 is considered as a single business segment

3 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits has received Presidential assent and has been published in the Gazette of India. However, the effective date of the Code and final rules for quantifying the financial impact are yet to be notified. The company will asses the impact of the code when the relevant provisions are notified and will record related impact, if any in the period the code becomes effective.



4 **Composite Scheme of Arrangement:**
On 12th December, 2023, Chembond Chemicals Limited (Demerged / Transferee Company / CCL) entered into the Composite Scheme of Arrangement between with some of its subsidiaries and step down subsidieries viz. Chembond Chemical Specialties Limited ("Resulting Company"), Chembond Clean Water Technologies Limited (Transferor Company No. 1 / CCWTL), Chembond Material technologies Private Limited (Transferor Company No. 2 / CMTPL), Phiroze Sethna Private Limited (Transferor Company No. 3 / PSPL) and Gramos Chemicals India Private Limited (Transferor Company No. 4 / GCIPL) and their respective shareholders and creditors under Sections 230-232 read with Section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder. Upon the scheme becoming effective, the "Demerged undertaking" of the CCL shall be transferred to the Resulting Company, CCWTL shall be amalgamated with the Resulting Company and CMTPL, PSPL and GCIPL shall be amalgamated with CCL from the appointed date of 1st April, 2024. The Company has received No adverse observation letter / No objection Letter from the Stock Exchanges viz BSE / NSE and an order dated 11th October, 2024 from National Company Law Tribunal directing the Company, inter-alia, to convene a meeting of the Equity Shareholders for the purpose of considering and if thought fit, to approve the Composite Scheme of Arrangement.The scheme will be accounted for on receipt of regulatory and other approvals which are pending as on the date of approval of these financial results.

5 Exceptional Item pertains to profit of Rs. 154.74 lakhs, arising on account of full and final settlement of insurance claim related to Replacement value of Property plant & Equipement that had damaged due to fire incident occurred at the Taraput plant in the month of April 2022

6 The figures for corresponding previous periods have been restated/regrouped, rearranged and reclassified wherever necessary to make them comparable.

By Order of the Board of Directors
For Chembond Chemicals Limited

Sameer V. Shah
Chairman & Managing Director
DIN: 00105721

Place: Mumbai
Date: 25th October 2024

CHEMBOND CHEMICALS LTD

Standalone Cash Flow Statement for the half year ended 30th September 2024

(Rs. in lakhs except otherwise stated)

	Particulars	01.04.2024 to 30.09.2024 Unaudited		01.04.2023 to 31.03.2024 Audited	
A	**Cash Flow from Operating Activities**				
	Profit before tax		807.70		883.23
	Adjustments for :				
	Depreciation and amortisation	126.56		245.97	
	Loss on Sale of Property,Plant & Equipement	-		-	
	Employee ESOP compensation	-		-	
	Foreign Exchange Fluctuation	2.56		8.67	
	Finance Cost	3.43		7.30	
			131.54		261.94
	Less :				
	Scrap Sale	16.06		35.41	
	Net Gain on Investments	435.04		639.66	
	Interest from Fixed Deposits and Loans	65.67		154.45	
	Profit from insurance claim	154.83		0.01	
	Prior Period Items	-		-	
	Dividend Received	202.23		202.30	
			(873.83)		(1,031.84)
	Operating Profit before working capital changes		65.41		113.33
	Adjustments for :				
	Trade and Other Receivables	325.73		511.70	
	Inventories	3.47		(25.28)	
	Trade and Other Payables	(369.74)		98.29	
			(40.54)		584.71
	Cash generated from operations		**24.86**		**698.04**
	Income taxes paid (Net of Refund)		(112.20)		(129.66)
	Net Cash from Operating Activities (A)		**(87.33)**		568.38
B	**Cash Flow from Investing Activities**				
	Payment to acquire Property, plant & equipments	(34.69)		(765.45)	
	Proceeds from Sale of Property, plant & equipments	154.83		39.60	
	Proceeds from Repayment of loans given	420.00		170.31	
	Interest from Fixed Deposits and Loans	65.67		154.45	
	Purchase of Investment	(645.00)		(325.04)	
	Sale of Investment	235.80		500.89	
	Dividend Income	202.23		202.30	
	Net Cash from Investing Activities (B)		**398.84**		(22.94)
C	**Cash Flow from Financing Activites**				
	Dividend paid	(470.69)		(403.45)	
	Finance Cost	(3.43)		(7.30)	
	Net Cash from Financing Activities (C)		(474.12)		(410.75)
	Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)		**(162.61)**		**134.68**
	Cash and Cash equivalents at the beginning of the period/ year		224.49		89.81
	Cash and Cash equivalents at the end of the period / year		**61.88**		**224.49**

Chembond Chemicals Limited Mumbai

By Order of the Board of Directors
For Chembond Chemicals Limited

Sameer V. Shah
Chairman & Managing Director
DIN: 00105721

Place: Mumbai
Date: 25th October 2024

ANNEXURE 3A

REPORT OF THE BOARD OF DIRECTORS OF CHEMBOND CHEMICAL SPECIALTIES LIMITED ON EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS) AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

1. Background:

1.1. A meeting of the Board of Directors of Chembond Chemical Specialties Limited was held on December 12, 2023 to inter alia, consider and approve the draft Composite Scheme of Arrangement between Chembond Chemicals Limited (**"Demerged Company" / "Transferee Company"**), Chembond Chemical Specialties Limited (**"Resulting Company"** or **"CCSL"**), Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"** or **" CCWTL"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2"** or **"CMTPL"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3"** or **PSPL**) and Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4"** or **"GCIPL"**) and their respective shareholders ('**Scheme**') pursuant to Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder ('**Act**'). The Composite Scheme provides for restructuring the businesses of the Demerged Company and its subsidiaries as below:

a. The Demerged Undertaking of the Demerged Company shall be transferred to and vested in the Resulting Company;

b. The Transferor Company No. 1 shall be amalgamated with the Resulting Company; and

c. Transferor Company No. 2, Transferor Company No. 3, and Transferor Company No. 4 (collectively referred to as "Transferor Companies") shall be amalgamated with the Demerged Company.

1.2. Provisions of Section 232(2)(c) of the Companies Act, 2013, require the Board of Directors to adopt a report explaining the effect of compromise or arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular, the share entitlement ratio and specifying special valuation difficulties, if any, and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

1.3. This report of the Board of Directors is accordingly being made pursuant to the requirements of Section 232(2)(c) of the Companies Act, 2013.

Chembond Chemical Specialties Limited
EL-37 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 • F: +91 22 27681294
www.chembondindia.com
CIN: U20116MH2023PLC415282

chembond

2. Documents perused by the Board of Directors

2.1. While deliberating on the Scheme, the Board, inter-alia considered and took on record the following documents:

a. The draft Composite Scheme of Arrangement;
b. Copy of Valuation Report dated December 12, 2023, on the Share Exchange Ratio recommended by SSPA & Co as applicable, as per Para (AX4) of Part I of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 SEBI Master Circular;
c. Copy of Fairness Opinion Report dated December 12, 2023, issued by Vivro Financial Services Private Limited on the Share Exchange Ratio recommended by the registered valuer as per Para (A)(2)(d) of Part I of SEBI Master Circular;
d. Copy of the Certificate dated December 12, 2023, issued by Statutory Auditor of the Company proposed in the Composite Scheme of Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
e. Pre and post shareholding pattern of all the Companies involved in the draft Scheme as per format provided under Regulation 31 of the LODR Regulations;
f. Draft certificate from M/s. Bathiya & Associates LLP, Chartered Accountants, certifying the undertaking from the Demerged Company with regards to the non-applicability of the requirements prescribed in Part I (A)(10)(a) and Part I (A)(10)(b) of the SEBI Circular;
g. Audited financial statements of the Companies involved in the draft Scheme for last three financial years;
h. Various other document(s)/ certificate(s)/ declaration(s)/ report(s)/ undertaking(s)/ submission(s)/ confirmation(s)/ which are incidental to the draft Scheme or any other incidental matter thereto.

After taking on record the documents/confirmations referred above, the Board of the Company approved the draft Scheme.

3. Special Valuation Difficulties (If any):

3.1. For arriving at the Share Entitlement Ratio, for Demerger under Section I of the Scheme the Valuation Report was obtained from SSPA & Co. Registered Valuers. They have recommended share valuation ratio as below:

"for every 1 (One) equity share having face value of Rs. 5 (Rupees Five) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) equity share having face value of Rs. 5 (Rupees Five) each, credited as fully paid-up, in the Resulting Company."

Chembond Chemical Specialties Limited
EL-37 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 • F: +91 22 27681294
www.chembondindia.com
CIN: U20116MH2023PLC415282

3.2. They have not expressed any difficulty while carrying out the valuation.

3.3. For Amalgamation - I under Section II, the Transferor Company No. 1 will become an indirect wholly owned subsidiary company of the Resulting Company post the effectiveness of the Scheme. Its entire share capital will be indirectly held by the Resulting Company. Hence, upon Amalgamation – I becoming effective, no shares of Resulting Company shall be allotted in lieu or exchange of the shares of the Transferor Company No. 1. Upon the Scheme becoming effective, the entire share capital of Transferor Company No. 1 shall be cancelled and extinguished.

4. Effect on the Stakeholders:

Accordingly, as per Section 232(2)(c) of the Act, the Board hereby takes on record the impact of the Scheme on the following stakeholders of the Company:

Effect of the Scheme on:	
(a) Equity shareholders (including Promoters & non Promoters)	➢ As regards to demerger, all the equity shareholders of the Company (promoter and non-promoter), as on the Record Date (*as defined in the Scheme*) shall receive equity shares of the Resulting Company in the following ratio: *"for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five only) each, in the Resulting Company"* in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and after the Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE, thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

Chembond Chemical Specialties Limited
EL-37 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 • F: +91 22 27681294
www.chembondindia.com
CIN: U20116MH2023PLC415282

	➢ As regards to Amalgamation – I, Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Demerged Company and there shall be no issue of shares by the Demerged Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Demerged Company and its public shareholders. ➢ All the shares held by the Demerged Company in the Transferor Companies shall stand cancelled without any further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Demerged Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Demerged Company. ➢ The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.
(b) Key managerial personnel	➢ The KMPs of the Resulting Company shall continue as Key Managerial Personnel of the Resulting Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such KMPs who are also shareholders of the Resulting Company. Other than the above, the KMPs are not affected pursuant to the Scheme.

Chembond Chemical Specialties Limited

	➢ Post Amalgamation the Transferor Company No. 1 shall stand dissolved without winding up and accordingly, they are not required to appoint any KMP.
(c) Employees	➢ Under the Scheme, no rights of the staff and employees of the Resulting Company are being affected. ➢ On the Scheme becoming effective, the employees of the Transferor Company No. 1 who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to have become the employees of the Resulting Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Company No. 1 on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Company No. 1 would in no way be affected by the Scheme.
(d) Creditors (secured & unsecured)	➢ Under the Scheme, no arrangement is sought to be entered into between the Resulting Company and its creditors. Under the Scheme, there is no arrangement with the creditors of the Transferor Company No. 1. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Company No. 1 shall become the creditors of the Resulting Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Company No. 1. The liability of the creditors of the Transferor Company No. 1, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Company No.1 would in no way be affected by the Scheme.
(e) Depositors and Deposit trustee	➢ As on date of Notice, the Company has not accepted any public deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.
(f) Debenture holders and Debenture trustee	➢ As on date of Notice, the Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee(s) does not arise.

5. Conclusions:

While deliberating on the Scheme, the Board has considered its impact on each of the shareholders, KMPs, creditors and employees. In the opinion of the Board, the Scheme is in the best interest of the shareholders, KMPs, Creditors and employees of the Company and there will be no prejudice caused to them in any manner by the Scheme.

Chembond Chemical Specialties Limited

Chembond Chemical Specialties Limited
EL-37 Mahape MIDC, Navi Mumbai 400 710. INDIA
T: +91 22 62643000 - 03 • F: +91 22 27681294
www.chembondindia.com
CIN: U20116MH2023PLC415282

The Board has adopted this Report after noting and considering the documents and information set forth in this Report.

For and on behalf of the Board of Directors
Chembond Chemicals Specialties Limited

Nirmal V. Shah
Director
DIN: 00083853

Place: Mumbai
Date: December 12, 2023

Chembond Chemical Specialties Limited
EL-37 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 • F: +91 22 27681294
www.chembondindia.com
CIN: U20116MH2023PLC415282

CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

II. Chembond Chemical Specialties Limited ("Resulting Co. or "CCSL")

The Capital Structure of the Resulting Company (Pre-Schem) as on September 30, 2024, is as follows:

Particulars	Amount (INR)
Authorised Share Capital	
10,000 Equity shares of Rs. 5/- (Rupees Five Only) each	**50,000**
Total	**50,000**
Issued, Subscribed and Paid-up Capital	
10,000 Equity Shares of Rs.5/- (Rupees Five Only) each	**50,000**
Total	**50,000**

The Capital Structure Post scheme of the Resulting Company will be as follows:

Particulars	Amount (INR)
Authorised Share Capital	
2,80,10,000 Equity shares of Rs. 5/- (Rupees Five Only) each	14,00,50,000
Total	**14,00,50,000**
Issued, Subscribed and Paid-up Capital	
2,68,96,576 Equity Shares of Rs.5/- (Rupees Five Only) each	13,44,82,880
Total	**13,44,82,880**

Detailed Shareholding Pattern of Resulting Company as on September 30, 2024

	Resulting Company	Pre shareholding		Post Shareholding	
	Chembond Chemical Specialties Limited				
Sr No	Description	No. of shares	%	No. of shares	%
A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals/ Hindu Undivided Family	4*	0.04	1,44,90,358	53.87
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Bodies Corporate	9,996**	99.96	-	-
(d)	Financial Institutions/ Banks	-	-	-	-
(e)	Any Others	-	-	36,95,660	13.74
	Sub Total(A)(1)	**10,000**	**100**	**1,81,86,018**	**67.61**
2	Foreign				
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any Others	-	-	-	-
	Sub Total(A)(2)	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**10,000**	**100**	**1,81,86,018**	**67.61**
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	-	-	-	-
(b)	Financial Institutions / Banks	-	-	95,200	0.35
(c)	NBFCs registered with RBI	-	-	1,140	0.00
(d)	Central Government/ State Government(s)	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-
(f)	Insurance Companies	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-
(i)	Any Other	-	-	-	-
	Alternative Investment fund	-	-	2,23,668	0.83
	Foreign Portfolio Investors Category I	-	-	1,85,318	0.69
	Sub-Total (B)(1)			**5,05,326**	**1.88**
2	Non-institutions	-	-		
(a)	Bodies Corporate	-	-	4,96,172	1.84
(b)	Individuals	-	-		
I	Individuals - i. Individual shareholders holding nominal share capital up to Rs 2 lakh	-	-	57,00,742	21.20
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	-	-	10,94,794	4.07
(c)	Any Other				
	Non resident Indians	-	-	2,73,446	1.02
	IEPF	-	-	85,528	0.32
	KMP	-	-	7,062	0.03
	Others	-	-	5,47,488	2.04
	Sub-Total (B)(2)	**0**	**0**	**82,05,232**	**30.51**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**0**	**0**	**87,10,558**	**32.39**
	TOTAL (A)+(B)	**10,000**	**100**	**2,68,96,576**	**100**
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**10,000**	**100**	**2,68,96,576**	**100**

* Hold shares as nominee of Chembond Chemicals Limited

**Pursuant to scheme of arrangement, the existing issued and paid-up share capital of the Resulting Company comprising of 10,000 (Ten Thousand) equity shares having face value of Rs. 5 (Rupees Five) each, held by the Demerged Company comprising 100% (One Hundred Percent) of the total issued and paid up equity share capital of the Resulting Company as on the Effective Date, shall stand cancelled without any further act or deed on part of the Resulting Company.

****

Annexure 3C

The copy of Audited Financial Results of Chembond Chemical Specialties Limited ("Resulting Company") for the year ended 31st March, 2024, are available/ accessible on the company's website at Subsidiary Financials - Chembond india.

Chembond Chemical Specialties Limited
EL-37 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
www.chembondindia.com
CIN: **U20116MH2023PLC415282**

BATHIYA
& ASSOCIATES LLP **CHARTERED ACCOUNTANTS**

Independent Auditors' Review Report on Review of Unaudited Standalone Interim Financial Results

Limited Review Report
To The Board of Directors,
Chembond Chemical Specialties Limited

We have reviewed the accompanying statement of unaudited standalone financial results of Chembond Chemical Specialties Limited ("the Company") for the quarter and half year ended 30th September, 2024 ("the Statement"). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

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. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of standalone unaudited financial results for the quarter and half year ended 30th September, 2024, read with the Notes thereon, prepared in accordance with applicable Accounting Standards i.e. Ind AS and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular number CIR/CFD/FAC/62/2016 of SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

This report is intended solely for purpose of use by the holding company Chembond Chemicals Limited for the preparation of their Consolidated Financial Results for the quarter and half year ended 30th September, 2024.

For Bathiya & Associates LLP,
Chartered Accountants
Firm's Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No. 134767

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

UDIN: 24134767BKEAWE4076
Place: Mumbai.
Date: 19th October, 2024

Bathiya & Associates LLP
G-2A, Dosti Pinnacle,
Next to New Passport Office,
Road No.22, Wagle Industrial Estate,
Thane (W) 400 604.

T : +91 22 4010 1995 / 2995
E : info@bathiya.com
bathiya.com

CHEMBOND CHEMICAL SPECIALTIES LIMITED
CIN: U20116MH2023PLC415282
Regd.Office: Chembond Centre, EL 37, Mahape MIDC,Navi Mumbai - 400 710
Unaudited financial results for the quarter and half year ended 30th Sept, 2024

(Rs. In Lakhs)

Sr. No	Particulars	Standalone					
		Quarter Ended			Half year ended		Year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	-	-	-	-	-	-
2	Other Income	-	-	-	-	-	-
3	**Total Income**	-	-	-	-	-	-
4	**Expenses**						
	a. Cost of materials consumed	-	-	-	-	-	-
	b. Purchases of Stock-in trade	-	-	-	-	-	-
	c. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	-	-	-	-	-	-
	d. Employee Benefits Expense	-	-	-	-	-	-
	e. Finance Costs	-	0.00	-	0.00	-	-
	f. Depreciation and Amortisation Expenses	-	-	-	-	-	-
	g. Other Expenses	1.07	0.34	-	1.42	-	0.92
	Total Expenses	1.07	0.35	-	1.42	-	0.92
5	**Profit before exceptional items and tax**	(1.07)	(0.35)	-	(1.42)	-	(0.92)
6	Exceptional Items	-					
7	**Profit before tax**	(1.07)	(0.35)	-	(1.42)	-	(0.92)
8	Tax Expense						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax	-	-		-	-	-
	- MAT Credit entitlement	-	-	-	-	-	-
	- Short/Excess provision of IT for earlier year	-	-	-	-	-	-
9	**Profit For the Period**	(1.07)	(0.35)	-	(1.42)	-	(0.92)
10	**Other Comprehenshive Income**						
	i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income	-	-	-	-	-	-
11	**Total Comprehensive Income for the period**	(1.07)	(0.35)	-	(1.42)	-	(0.92)
12	Paid-up equity share capital (face value of Rs 5 per share)	0.50	0.50		0.50	-	0.50
13	Other equity						
14	**Earnings Per Equity Share [FV of Rs.5 each) (not annualised)**						
	Basic and Diluted EPS	(10.72)	(3.47)		(14.19)		(9.23)

Notes

1. The above results for the quarter and half year ended 30th Sept, 2024 have been approved by the Board of Directors at their meeting held on 19th Oct 2024.
2. The Company is engaged in Speciality chemicals, which in the context of IND AS 108- Operating segment specified under section 133 of the Companies Act, 2013 is considered as a single business segment of the company.
3. The figures for corresponding previous quarter and year ended have been restated/regrouped, rearranged and reclassified wherever necessary.

For and on behalf of the Board of Directors
Chembond Chemical Specialties Limited

Nirmal V. Shah
Director
DIN: 00083853

Place : Mumbai.
Date: 19th October, 2024

CHEMBOND CHEMICAL SPECIALTIES LIMITED
CIN: U20116MH2023PLC415282
Statement of Assets and Liabilities as on 30.09.2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

(Rs. in Lakhs)

	As at Sep 30, 2024	As at Mar 31, 2024
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	-	-
(b) Other intangible assets	-	-
(c) Financial assets		
(d) Deferred tax assets (Net)	-	-
(e) Other non-current assets		
Total non-current assets	-	-
(2) Current assets		
(a) Inventories	-	-
(b) Financial assets		
(i) Investments		
(ii) Trade receivables	-	-
(iii) Cash and cash equivalents	0.40	0.47
(iv) Bank balances other than (iii) above	-	-
(v) Loans	-	-
(vi) Other financial assets	-	-
(c) Current Tax Asset (Net)		
(d) Other current assets	-	-
Total current assets	0.40	0.47
TOTAL ASSETS	0.40	0.47
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	0.50	0.50
(b) Other equity	(2.34)	(0.92)
Total equity	(1.84)	(0.42)
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Other Financial Liabilities	-	-
(b) Deferred tax liabilities (net)	-	-
(c) Provisions	-	-
Total non-current liabilities	-	-
Current liabilities		
(a) Financial liabilities		
Total outstanding dues of micro enterprises and small enterprises	0.09	0.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.91	0.30
(b) Other current liabilities	0.25	0.06
Total current liabilities	2.24	0.90
Total liabilities	2.24	0.90
TOTAL EQUITY AND LIABILITIES	0.40	0.47

For and on behalf of the Board of Directors
Chembond Chemical Specialties Limited

Nirmal V. Shah
Director
DIN: 00083853

Place : Mumbai.
Date: 19th October, 2024

ANNEXURE 4A

Clean Water Technologies

REPORT OF THE BOARD OF DIRECTORS OF CHEMBOND CLEAN WATER TECHNOLOGIES LIMITED ON EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS) AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

1. Background

1.1. A meeting of the Board of Directors of Chembond Clean Water Technologies Limited was held on December 12, 2023 to inter alia, consider and approve the draft Composite Scheme of Arrangement between Chembond Chemicals Limited (**"Demerged Company" / "Transferee Company"**), Chembond Chemical Specialties Limited (**"Resulting Company"** or **"CCSL"**), Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"** or **" CCWTL"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2"** or **"CMTPL"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3"** or **PSPL**) and Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4"** or **"GCIPL"**) and their respective shareholders ('**Scheme**') pursuant to Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder ('**Act**').The Composite Scheme provides for restructuring the businesses of the Demerged Company and its subsidiaries as below:

a. Demerged Undertaking of the Demerged Company shall be transferred to and vested in the Resulting Company;

b. Transferor Company No. 1 shall be amalgamated with the Resulting Company; and

c. Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 (collectively referred to as "Transferor companies") shall be amalgamated with the Demerged Company.

1.2. Provisions of Section 232(2)(c) of the Act, require the Board of Directors to adopt a report explaining the effect of compromise or arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular, the share entitlement ratio and specifying special valuation difficulties, if any, and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

1.3. This report of the Board of Directors is accordingly being made pursuant to the requirements of Section 232(2)(c) of the Act.

2. Documents perused by the Board of Directors

2.1. While deliberating on the Scheme, the Board, inter-alia considered and took on record the

Chembond Clean Water Technologies Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA.
T: +91 22 62643000-03 • F: +91 22 27681294
E: info@chembondwater.com • U: www.chembondwater.com
CIN: U29248MH2010PLC202124

following documents:

a. The draft Composite Scheme of Arrangement;
b. Copy of the Certificate dated December 12, 2023, issued by Statutory Auditor to the Demerged and Resulting Company proposed in the Composite Scheme of Arrangement, that the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
c. Pre and post shareholding pattern of all the Companies involved in the draft Scheme as per format provided under Regulation 31 of the LODR Regulations;
d. Draft certificate from M/s. Bathiya & Associates LLP, Chartered Accountants, certifying the undertaking from the Demerged Company with regards to the non-applicability of the requirements prescribed in Part I (A)(10)(a) and Part I (A)(10)(b) of the SEBI Circular.
e. Audited financial statements of the Companies involved in the draft Scheme for last three financial years;
f. Various other document(s)/ certificate(s)/ declaration(s)/ report(s)/ undertaking(s)/ submission(s)/ confirmation (s)/ which are incidental to the draft Scheme or any other incidental matter thereto.

After taking on record the documents/confirmations referred above, the Board of the Company approved the draft Scheme.

3. Special Valuation Difficulties (if any):

Transferor Company No. 1 is a step down subsidiary of the Demerged Company and pursuant to proposed Amalgamation I the Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company and hence, no shares of Resulting Company shall be allotted in lieu or exchange of the shares of the Transferor Company No. 1. Upon the Scheme becoming effective, the entire share capital of the Transferor Company No. 1 shall be cancelled and extinguished.

4. Effect on the Stakeholders:

As per Section 232(2)(c) of the Act, the Board hereby takes on record the impact of the Scheme on the following stakeholders of the Company:

Effect of the Scheme on:	
Equity shareholders (including Promoters & non Promoters)	As regards to demerger, all the equity shareholders of the Demerged Company (promoter and non-promoter), as on the Record Date (*as defined in the Scheme*) shall receive equity shares of the Resulting Company in the following ratio: *"for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees*

	Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five only) each, in the Resulting Company" in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and after the Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE, thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company. As regards to Amalgamation – I, Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Demerged Company and there shall be no issue of shares by the Demerged Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Demerged Company and its public shareholders. All the shares held by the Demerged Company in the Transferor Companies shall stand cancelled without any further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Demerged Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Demerged Company. The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting

	Company to achieve and fulfil their objectives more effectively and efficiently.
(b) Directors and Key Managerial Personnels	The Directors and Key Managerial Personnels (KMPs) of the Resulting Company shall continue as Directors and KMPs of the Resulting Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such Directors and KMPs who are also shareholders of the Resulting Company. Other than the above, the Directors and KMPs are not affected pursuant to the Scheme. Post Amalgamation-I the Transferor Company No. 1 shall stand dissolved without winding up and accordingly, they are not required to appoint any Directors and KMPs.
(c) Employees	Under the Scheme, no rights of the staff and employees of the Transferor Company No. 1 are being affected. On the Scheme becoming effective, the employees of the Transferor Company No. 1 who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to have become the employees of the Resulting Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Company No. 1 on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Company No. 1 would in no way be affected by the Scheme.
(d) Creditors (secured & unsecured)	Under the Scheme, no arrangement is sought to be entered into between the Resulting Company and its creditors. The interest of the creditors of the Transferor Company No. 1 shall not be impacted in any manner. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Company No. 1 shall become the creditors of the Resulting Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Company No. 1. The liability of the creditors of the Transferor Company No. 1, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Company No. 1 would in no way be affected by the Scheme.
(e) Depositors and Deposit trustee	As on date of Notice, the Company has not accepted any deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.
(f) Debenture holders and Debenture trustee	As on date of Notice, the Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee(s) does not arise.

chembond
Clean Water Technologies

5. Conclusions:

While deliberating on the Scheme, the Board has considered its impact on each of the shareholders, KMPs, creditors and employees. In the opinion of the Board, the Scheme is in the best interest of the shareholders, KMPs, Creditors and employees of the Company and there will be no prejudice caused to them in any manner by the Scheme.

The Board has adopted this Report after noting and considering the documents and information set forth in this Report.

For and on behalf of the Board of Directors
Chembond Clean Water Technologies Limited

Nirmal V. Shah
Director
DIN: 00083853

Place: Mumbai
Date: December 12, 2023

Chembond Clean Water Technologies Limited

Annexure 4B

The copy of Audited Financial Results of Chembond Clean Water Technologies Limited ("Transferor company No. 1") for the year ended 31st March, 2024, are available/ accessible on the company's website at Subsidiary Financials - Chembond india.

Chembond Clean Water Technologies Limited
Chembond Centre, EL-37 Mahape MIDC,
Navi Mumbai-400710, INDIA

T +91 22 6264 3000-03 F +91 22 2768 1294
E info@chembondwater.com U www.chembondwater.com

CIN: U29248MH2010PLC202124

BATHIYA
& ASSOCIATES LLP **CHARTERED ACCOUNTANTS**

Independent Auditors' Review Report on Review of Unaudited Standalone Interim Financial Results

Limited Review Report
To The Board of Directors,
Chembond Clean Water Technologies Limited

We have reviewed the accompanying statement of unaudited standalone financial results of Chembond Clean Water Technologies Limited ("the Company") for the quarter and half year ended 30th September, 2024 ("the Statement"). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

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. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of standalone unaudited financial results for the quarter and half year ended 30th September, 2024, read with the Notes thereon, prepared in accordance with applicable Accounting Standards i.e. Ind AS and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular number CIR/CFD/FAC/62/2016 of SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

This report is intended solely for purpose of use by the holding company Chembond Chemicals Limited for the preparation of their Consolidated Financial Results for the quarter and half year ended 30th September, 2024.

For Bathiya & Associates LLP,
Chartered Accountants
Firm's Registration No. 101046W / W100063

Jatin A. Thakkar
Partner
Membership No. 134767

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

UDIN: 24134767BKEAWD6081
Place: Mumbai.
Date: 19th October, 2024

Bathiya & Associates LLP
G-2A, Dosti Pinnacle,
Next to New Passport Office,
Road No.22, Wagle Industrial Estate,
Thane (W) 400 604.

T : +91 22 4010 1995 / 2995
E : info@bathiya.com
bathiya.com

CHEMBOND CLEAN WATER TECHNOLOGIES LIMITED
CIN U29248MH2010PLC202124
Regd.Office: Chembond Centre, EL 37, Mahape MIDC,Navi Mumbai - 400 710
Statement of Unaudited financial results for the Quarter & Half Year ended 30th September, 2024

(Rs. in Lakhs Except EPS)

Sr. No.	Particulars	Standalone					
		Quarter Ended			Half Year ended		Year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	627.42	650.43	879.58	1,277.85	1,672.71	3,113.60
II	Other Income	34.41	49.06	11.29	83.47	21.87	79.83
III	**Total Income (1+2)**	**661.83**	**699.49**	**890.87**	**1,361.32**	**1,694.57**	**3,193.42**
IV	**Expenses**						
	a. Cost of materials consumed	259.22	205.06	222.17	464.28	670.46	1,214.51
	b. Purchases of Stock-in trade	137.50	199.61	222.60	337.10	278.43	688.48
	c. Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade	12.66	(3.52)	105.07	9.14	-8.04	(2.73)
	e. Employee Benefit Expenses	156.56	158.02	135.05	314.58	271.59	543.67
	f. Finance Costs	0.53	0.39	0.39	0.92	0.52	5.75
	g. Depreciation and Amortisation Expenses	2.87	2.66	0.64	5.52	1.11	5.09
	h. Other Expenses	52.29	50.90	56.85	103.19	103.86	228.63
	Total Expenses(a+b+c+d+e+f+g)	**621.62**	**613.12**	**742.57**	**1,234.74**	**1,317.94**	**2,683.39**
V	**Profit/(Loss) before exceptional items and tax**	40.21	86.37	148.30	**126.58**	**376.64**	**510.03**
VI	Exceptional items						
VII	**Profit / (Loss) before tax**	**40.21**	**86.37**	**148.30**	**126.58**	**376.64**	**510.03**
VIII	**Tax Expense**						
	- Current Tax	4.10	3.81	45.12	7.91	107.23	125.08
	-Short/Excess provision of IT for earlier year				-	-	(53.44)
	- Deferred Tax	-18.27	21.05	21.51	2.78	42.23	38.47
IX	**Profit / (Loss) For the Period**	**54.38**	**61.51**	**66.63**	**115.88**	**227.18**	**399.91**
X	**Other Comprehenshive Income**						
A	i) Items that will not be reclassified to profit or loss	0.42	0.42	(5.01)	0.84	-10.03	1.68
	ii) Income Tax relating to items that will not be reclassified to profit or loss	-0.09	(0.12)	1.39	(0.21)	2.79	(0.47)
B	i) Items that will be reclassified to profit or loss						
	ii) Income Tax relating to items that will be reclassified to profit or loss						
XI	**Other Comprehensive Income**	**0.33**	**0.30**	**-3.62**	**0.63**	**-7.24**	**1.21**
	Total Comprehensive Income	**54.70**	**61.81**	**63.01**	**116.51**	**219.94**	**401.13**
	Paid-up equity share capital (face value of Rs 10 per share)	827.81	827.81	827.81	827.81	827.81	827.81
	Other equity excluding Revaluation Reserve						837.80
	Earnings Per Equity Share						
	Basic and Diluted EPS	0.66	0.74	0.80	1.40	2.74	4.83
	See accompanying notes to the financial results						

Notes

1 The above results for the quarter & Half Year ended 30th September, 2024 have been approved by the Board of Directors at their meeting held on 19th October'2024

2 The Company is engaged in Speciality chemicals, which in the context of IND AS 108- Operating segment specifed under section 133 of the Companies Act, 2013 is considered as a single business segment of the company.

Composite Scheme of Arrangement:

On 12th December, 2023, Chembond Chemicals Limited (CCL) has entered into the composite scheme of arrangement with some of its subsidiaries and step down subsidiaries viz. Chembond Chemical Specialties Limited ("Resulting Company"), Chembond Clean Water Technologies Limited (CCWTL), Chembond Material technologies Private Limited (CMTPL), Phiroze Sethna Private Limited (PSPL) and Gramos Chemicals India Private Limited (GCIPL) and their respective shareholders and creditors under sections 230-232 read with section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder. Upon the scheme becoming effective, the "Demerged undertaking" of the CCL shall be transferred to the Resulting Company, CCWTL shall be amalgamated with the Resulting Company and CMTPL, PSPL and GCIPL shall be amalgamated with CCL from the appointed date of 1st April, 2024. The scheme will be accounted for on receipt of regulatory and other approvals which are pending as on the date of approval of these financial results.

3

4 The figures for corresponding previous quarter and year ended have been restated/regrouped, rearranged and reclassified wherever necessary.

For and on behalf of the Board of Directors
Chembond Clean Water Technologies Ltd.

Nirmal V. Shah
Director
DIN: 00083853

Place : Mumbai.
Date: 19th October, 2024

CHEMBOND CLEAN WATER TECHNOLOGIES LIMITED
CIN U29248MH2010PLC202124
Regd.Office: Chembond Centre, EL 37, Mahape MIDC,Navi Mumbai - 400 710
Statement of Assets and Liabilities as on 30th September, 2024

	As at September 30, 2024 Unaudited	As at March 31, 2024 Audited
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	9.52	9.30
(b) Other Intangible assets	8.48	12.23
(c) Financial assets		
(i) Other Financials Assets	-	-
(d) Deferred tax assets (Net)	-	-
(e) Income Tax Assets (Net) (Non-Current)	85.17	47.65
(f) Other non-current assets		
Total non-current assets	103.17	69.18
(2) Current assets		
(a) Inventories	209.19	214.81
(b) Financial assets		
(i) Investment	1,096.41	1,064.33
(ii) Trade receivables	379.57	535.35
(iii) Cash and cash equivalents	48.20	88.60
(iv) Bank balances other than (iii) above	9.10	8.67
(v) Loans	1.01	0.77
(vi)Other Financial Assets		
(c) Current Tax (net)		
(d) Other current assets	6.86	23.94
Total current assets	1,750.34	1,936.57
TOTAL ASSETS	1,853.51	2,005.85
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	827.81	827.81
(b) Other equity	804.31	837.80
Total equity	1,632.12	1,665.61
Liabilities		
Non-current liabilities		
(a) Provisions	15.52	15.30
b)Deferred tax liabilities (Net)	5.44	5.45
(c) Other Non Current Liabilities	62.27	62.91
Total non-current liabilities	83.23	83.66
Current liabilities		
(a) Financial liabilities		
(i)Borrowings		
(i) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	8.41	0.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	32.30	176.42
(ii)Other financial liabilities	-	-
(b) Other current liabilities	94.46	73.34
(c) Provisions	-	6.66
(d) Current Tax Liabilities (Net)	-	-
Total current liabilities	135.17	256.59
Total liabilities	221.39	340.25
TOTAL EQUITY AND LIABILITIES	1,853.51	2,005.85

For and on behalf of the Board of Directors
Chembond Clean Water Technologies Ltd.

Nirmal V. Shah
Director
DIN: 00083853

Place : Mumbai.
Date: 19th October, 2024

CHEMBOND CLEAN WATER TECHNOLOGIES LIMITED

Cash Flow Statement For The Half Year Ended 30th September, 2024

	Particulars	For the half year ended 30th Sep'2024		For the year ended 31st March, 2024	
A	Cash Flow from Operating Activities				
	Profit before tax		126.58		510.03
	Adjustments for :				
	Depreciation and amortisation	5.52		5.09	
	Unrealised Loss on FV of MF				
	Finance Cost	0.92		5.75	
			6.44		10.84
	Less :				
	Foreign Exchange Fluctuation				
	Net Gain on Investments	19.70		9.10	
	Sundry balances written back	1.10		1.82	
	Unrealised Gain on Investment	52.38		66.63	
			(83.18)		(77.55)
	Operating Profit before working capital changes		49.84		443.32
	Adjustments for :				
	Trade and Other Receivables	136.21		416.15	
	Inventories	5.68		8.45	
	Trade and Other Payables	-118.23		-31.40	
			23.61		393.20
	Cash generated from operations		73.44		836.51
	Income taxes paid [Net of Refund]		(10.70)		(110.11)
	Net Cash from Operating Activities (A)		62.75		726.40
B	Cash Flow from Investing Activities				
	Payment to acquire Property, plant & equipments		(1.99)		(13.41)
	Purchase of MF Investment		(50.08)		(580.00)
	Sale of Investment		100.00		
	Loan to employees				
	Net Cash used in Investing Activities (B)		48.01		(593.41)
C	Cash Flow from Financing Activites				
	Proceeds/(Repayment) of Short Term Borrowings				
	Dividend paid		-150.00		-149.01
	Finance Cost		(0.92)		(5.75)
	Net Cash from Financing Activities (C)		(150.92)		(154.76)
	Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)		(40.16)		(27.77)
	Cash and Cash Equivalents and Other Bank Balances as on Opening		97.47		125.23
	Cash and Cash Equivalents and Other Bank Balances as on Closing (Refer Note		57.30		97.47

For and on behalf of the Board of Directors
Chembond Clean Water Technologies Ltd.

Nirmal V. Shah
Director
DIN : 00018853

Place : Navi Mumbai
Date : 19th October, 2024

ANNEXURE 5A

Material Technologies

REPORT OF THE BOARD OF DIRECTORS OF CHEMBOND MATERIAL TECHNOLOGIES PRIVATE LIMITED ON EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS) AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

1. Background:

A meeting of the Board of Directors of Chembond Material Technologies Private Limited was held on December 12, 2023 to inter alia, consider and approve the draft Composite Scheme of Arrangement between Chembond Chemicals Limited (**"Demerged Company" / "Transferee Company"**), Chembond Chemical Specialties Limited (**"Resulting Company" or "CCSL"**), Chembond Clean Water Technologies Limited (**"Transferor Company No. 1" or "CCWTL"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2" or "CMTPL"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3" or "PSPL"**) and Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4" or "GCIPL"**) and their respective shareholders ("**Scheme**") pursuant to Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder ("**the Act**").

1.1. The Composite Scheme provides for restructuring the businesses of the Demerged Company and its subsidiaries as below:

a. Demerged Undertaking of the Demerged Company shall be transferred to and vested in the Resulting Company;

b. Transferor Company No. 1 shall be amalgamated with the Resulting Company; and

c. Transferor Company No. 2, Transferor Company No. 3, and Transferor Company No. 4 (collectively referred to as "Transferor Companies") shall be amalgamated with the Demerged Company.

1.2. Provisions of Section 232(2)(c) of the Act, require the Board of Directors to adopt a report explaining the effect of compromise or arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular, the share entitlement ratio and specifying special valuation difficulties, if any, and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

1.3. This report of the Board of Directors is accordingly being made pursuant to the requirements of Section 232(2)(c) of the Act.

Chembond Material Technologies Private Limited Navi Mumbai

Chembond Material Technologies Private Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA.
U: www.chembondmatech.com
T: +91 22 6264 3000 • F: +91 22 2768 1294
E: info@chembondmaterialtechnologies.com
CIN: U24200MH2000PTC125231

2. Documents perused by the Board of Directors

2.1. While deliberating on the Scheme, the Board, inter-alia considered and took on record the following documents:

a. The draft Composite Scheme of Arrangement;
b. Copy of the Certificate dated December 12, 2023, issued by Statutory Auditor to the Demerged and Resulting Company proposed in the Composite Scheme of Arrangement, that the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;
c. Pre and post shareholding pattern of all the Companies involved in the draft Scheme as per format provided under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
d. Draft certificate from M/s. Bathiya & Associates LLP, Chartered Accountants, certifying the undertaking from the Demerged Company with regards to the non-applicability of the requirements prescribed in Part I (A)(10)(a) and Part I (A)(10)(b) of the SEBI Circular;
e. Audited financial statements of the Companies involved in the draft Scheme for last three financial years;
f. Various other document(s)/ certificate(s)/ declaration(s)/ report(s)/ undertaking(s)/ submission(s)/ confirmation(s) / which are incidental to the draft Scheme or any other incidental matter thereto.

After taking on record the documents/confirmations referred above, the Board of the Company approved the draft Scheme.

3. Special Valuation Difficulties (If any):

3.1. The Transferor Companies are wholly owned subsidiary and / or step down subsidiary companies of the Demerged Company. Their entire share capital is directly or indirectly held by the Demerged Company. Hence, upon the Scheme becoming effective, no shares of Demerged Company shall be allotted in lieu or exchange of the shares of the Transferor Companies. Upon the Scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished.

4. Effect on the Stakeholders:

As per Section 232(2)(c) of the Act, the Board hereby takes on record the impact of the Scheme on the following stakeholders of the Company:

Effect of the Scheme on:	
(a) Equity shareholders	➢ As regards to demerger, all the equity shareholders of the Company (promoter and non-promoter), as on the Record

Chembond Material Technologies Private Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA.
U: www.chembondmatech.com

T: +91 22 6264 3000 • F: +91 22 2768 1294
E: info@chembondmaterialtechnologies.com
CIN: U24200MH2000PTC125231

(including Promoters & non Promoters)	Date (*as defined in the Scheme*) shall receive equity shares of the Resulting Company in the following ratio: *"for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five only) each, in the Resulting Company"* in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and after the Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE, thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company. ➢ As regards to Amalgamation – I, Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Transferee Company and there shall be no issue of shares by the Transferee Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Transferee Company and its public shareholders. ➢ All the shares held by the Transferee Company in the Transferor Companies shall stand cancelled without any further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Transferee Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Transferee Company.

Chembond Material Technologies Private Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA.
U: www.chembondmatech.com

Chembond Material Technologies Private Limited Navi Mumbai

T: +91 22 6264 3000 • F: +91 22 2768 1294
E: info@chembondmaterialtechnologies.com
CIN: U24200MH2000PTC125231

	➢ The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.
(b) Directors and Key Managerial Personnels	➢ The Directors and Key Managerial Personnels (KMPs) of the Demerged Company shall continue as Directors and KMPs of the Transferee Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such Directors and KMPs who are also shareholders of the Demerged Company. Other than the above, the Directors and KMPs are not affected pursuant to the Scheme. ➢ Post Amalgamation the Transferor Companies shall stand dissolved without winding up and accordingly, they are not required to appoint any Directors and KMPs.
(c) Employees	➢ Under the Scheme, no rights of the staff and employees of the Demerged Company are being affected. ➢ On the Scheme becoming effective, the employees of the Transferor Companies who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to have become the employees of the Demerged Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Companies on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Companies would in no way be affected by the Scheme.
(d) Creditors (secured & unsecured)	➢ Under the Scheme, no arrangement is sought to be entered into between the Demerged Company and its creditors. ➢ Under the Scheme, there is no arrangement with the creditors of the Transferor Companies. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Companies shall become the creditors of the Demerged Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Companies. The liability of the creditors of the Transferor Companies, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Companies would in no way be affected by the Scheme.

Chembond Material Technologies Private Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA.
U: www.chembondmatech.com

T: +91 22 6264 3000 • F: +91 22 2768 1294
E: info@chembondmaterialtechnologies.com
CIN: U24200MH2000PTC125231

(e) Depositors and Deposit trustee	➢ As on date of Notice, the Company has not accepted any public deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.
(f) Debenture holders and Debenture trustee	➢ As on date of Notice, the Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee(s) does not arise.

5. Conclusions:

While deliberating on the Scheme, the Board has considered its impact on each of the shareholders, KMPs, creditors and employees. In the opinion of the Board, the Scheme is in the best interest of the shareholders, KMPs, Creditors and employees of the Company and there will be no prejudice caused to them in any manner by the Scheme.

The Board has adopted this Report after noting and considering the documents and information set forth in this Report.

For and on behalf of the Board of Directors
Chembond Material Technologies Private Limited

Sameer V. Shah
Director
DIN: 00105721

Chembond Material Technologies Private Limited Navi Mumbai

Place: Mumbai
Date: December 12, 2023

Chembond Material Technologies Private Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA.
U: www.chembondmatech.com

T: +91 22 6264 3000 • F: +91 22 2768 1294
E: info@chembondmaterialtechnologies.com
CIN: U24200MH2000PTC125231

Annexure 5B

The copy of Audited Financial Results of Chembond Material Technologies Private Limited ("Transferor Company No. 2") for the year ended 31st March, 2024, are available/ accessible on the company's website at Subsidiary Financials - Chembond india.

Chembond Material Technologies Pvt Ltd
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
U: www.chembondmatech.com
T: +91 22 6264 3000 ● F: +91 22 2768 1294
E: info@chembondmaterialtechnologies.com
CIN: U24200MH2000PTC125231

M/s. KASTURY & TALATI
CHARTERED ACCOUNTANTS

41, Mistry Bldg., 635, J.S.S. Road, Above Punjab & Sind Bank, Near Metro Cinema, Mumbai - 400 002.
Tel. : 2206 1958 / 2206 1017 • Fax : 2205 7373 • E-mail : admin@kasturytalati.com

No.: 1602/2024

LIMITED REVIEW REPORT ON THE UNAUDITED STANDALONE FINANCIAL RESULTS OF CHEMBOND MATERIAL TECHNOLOGIES PRIVATE LIMITED (FORMERLY KNOWN AS PROTOCHEM INDUSTRIES PRIVATE LIMITED) FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2024

To,
The Board of Directors,
Chembond Material Technologies Private Limited
(formerly known as Protochem Industries Private Limited)
A/737, TTC, MIDC, Mahape,
Navi Mumbai – 400 710

We have reviewed the accompanying statement of unaudited standalone financial results of CHEMBOND MATERIAL TECHNOLOGIES PRIVATE LIMITED (Formerly known as Protochem Industries Private Limited) ("the Company") for the quarter and half year ended 30th September, 2024 ("the Statement"). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

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. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our review report, we draw attention to Note no. 4 of the standalone financial results, which describes, on 12th December, 2023, Chembond Material Technologies Private Limited ("CMTPL") has entered into the composite scheme of arrangement with its parent company Chembond Chemicals Limited ("CCL") and their respective shareholders and creditors under sections 230-232 read with section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder. Upon the scheme becoming effective, "CMTPL" shall be amalgamated with the parent company "CCL" from the appointed date of 1st April, 2024. The scheme will be accounted for on receipt of regulatory and other approvals which are pending as on the date of approval of these financial results.

...2...

M/S. KASTURY & TALATI CHARTERED ACCOUNTANTS MUMBAI-2

M/s. KASTURY & TALATI

COUNTINUATION SHEET

...2...

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of standalone unaudited financial results for the quarter and half year ended 30th September, 2024, read with the Notes thereon, prepared in accordance with applicable Accounting Standards i.e., Ind AS and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular number CIR/CFD/FAC/62/2016 of SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

This report is intended solely for purpose of use by the holding company Chembond Chemicals Limited for the preparation of their Consolidated Financial Statements.

For M/s. Kastury & Talati
Chartered Accountants
Firm Regn. No.: 104908W

Dhiren P. Talati: Partner
Membership No.: F/41867

Place: Mumbai
Date : 19.10.2024

M/S. KASTURY & TALATI CHARTERED ACCOUNTANTS MUMBAI-2

24041867BKFTA2084

Chembond Material Technologies Private Limited
CIN U24200MH2000PTC125231
Regd.Office: A/737/5 TTC MIDC INDL.AREA, VILLAGE MAHAPE, NAVI MUMBAI -400710
Standalone Unaudited Financial Results for theQuarter and Half Year ended 30th September, 2024

(Rs. in Lakhs)

Sr. No	Particulars	Standalone					
		Quarter Ended			Half Year Ended		Year ended
		30.09.2024 Unaudited	30.06.2024 Unaudited	30.09.2023 Unaudited	30.09.2024 Unaudited	30.09.2023 Unaudited	31.03.2024 Audited
1	Revenue from Operations	4,081.14	3,698.05	3,580.22	7,779.19	6,875.14	14,854.58
2	Other Income	12.79	6.84	12.45	19.62	22.74	46.20
3	**Total Revenue**	**4,093.93**	**3,704.89**	**3,592.68**	**7,798.82**	**6,897.89**	**14,900.78**
4	**Expenses**						
	a. Cost of material Consumed	2,818.03	2,446.59	2,347.40	5,264.62	4,807.81	10,432.63
	b. Changes in inventory of finished Goods, work-in-progress and Stock-in-trade	(23.38)	47.62	105.75	24.24	(125.18)	(262.63)
	c. Employees Benefit Expenses	446.10	430.29	460.28	876.39	835.80	1,669.94
	d. Finance Costs	18.11	22.38	27.70	40.48	55.39	116.29
	e. Depreciation and Amortisation Expenses	11.06	10.97	17.60	22.03	25.28	46.63
	f. Other expenses	568.61	522.24	392.22	1,090.84	811.47	1,773.51
	Total Expenses	**3,838.52**	**3,480.08**	**3,350.94**	**7,318.61**	**6,410.56**	**13,776.37**
5	**Profit before exceptional Items and tax**	**255.41**	**224.80**	**241.73**	**480.21**	**487.32**	**1,124.41**
6	Exceptional items						
7	**Profit before tax**	**255.41**	**224.80**	**241.73**	**480.21**	**487.32**	**1,124.41**
8	**Tax Expense**						
	- Current Tax	44.84	34.11	43.20	78.95	77.71	300.54
	- Deferred Tax	(0.93)	5.45	(28.70)	4.52	(82.49)	(0.58)
	- Short/(Excess) provision of Income Tax of earlier years (net)	-	-	2.30	-	2.30	11.56
9	**Profit For the Period**	**211.50**	**185.24**	**224.94**	**396.74**	**489.81**	**812.90**
10	**Other Comprehenshive Income**						
	i) Items that will not be reclassified to profit or loss	(1.63)	(1.63)	3.48	-3.26	5.59	-6.53
	ii) Income Tax relating to items that will not be reclassified to profit or loss	0.50	0.50	0.01	1.01	0.00	2.02
	i) Items that will be reclassified to profit or loss	-	-				
	ii) Income Tax relating to items that will be reclassified to profit or loss	-	-				
	Other Comprehensive Income	**(1.13)**	**(1.13)**	**3.49**	**(2.26)**	**5.59**	**(4.51)**
11	**Total Comprehensive Income for the period**	**210.37**	**184.11**	**228.43**	**394.49**	**495.40**	**808.38**
12	Paid-up equity share capital (face value of Rs 10 per share)	151.50	151.50	151.50	151.50	151.50	151.50
13	Other equity excluding Revaluation Reserve as per balance sheet of previous accounting year						
14	**Earning Per Share (FV of Rs.10 each) (not annualised)**						
	Basic and Diluted EPS	13.96	12.23	14.85	26.19	32.33	53.66
	Basic and Diluted EPS	13.96	12.23	14.85	26.19	32.33	53.66

M/S. KASTURY & TALATI CHARTERED ACCOUNTANTS MUMBAI-2

Place : Navi Mumbai.
Date: 19th October 2024

By Order of the Board of Directors
Chembond Material Technologies Private Limited

Sameer V. Shah
Director
DIN : 00105721

CHEMBOND MATERIAL TECHNOLOGIES PRIVATE LIMITED

Chembond Material Technologies Pvt. Ltd.
Statement of Asset and Liabilities as at 30th Sept'2024

(Rs. in Lakhs)

Sr no	Particulars	30.09.2024 Unaudited	31.03.2024 Audited
	ASSETS		
1	**Non Current Assests**		
	(a)Property, plant and Equipment and Intangible assets		
	(i) Property, Plant and equipment	336.77	310.92
	(ii) Capital Work-in-progress	64.45	46.38
	(iii) Intangible Assets	5.28	6.63
	(b) Deferred tax assets	-	42.65
	(c) Financial Assets		
	i) Investments	410.78	394.20
	ii)Other financial assets	8.96	8.67
	iii) Income tax Assests net	29.69	13.67
	Total non-current assets	857.94	829.12
2	**Current Assets**		
	(a) Inventories	1,344.09	1,272.54
	(b) Financial Assets		
	(i) Trade receivables	3,685.68	3,973.10
	(ii) Cash and cash equivalents	200.89	69.32
	(iii) Bank Balances other than (ii) abov	120.32	110.80
	(iv) Loans	-	8.56
	(v) Other financial assets		
	(c) Current Tax (Net)	76.36	3.80
	(d) Other Current Assets	24.15	106.05
	Total Current assets	5,452.09	5,544.18
	Total Assets	6,310.03	6,373.30
	EQUITY AND LIABILITIES		
1	**Equity**		
	(a) Equity share capital	151.50	151.50
	(b) Other equity	2,589.21	2,194.72
	Total equity	2,740.71	2,346.22
	Liabilities		
2	**Non-Current liabilities**	-	-
	(a) Deferred tax liabilities (Net)	13.29	
	Total non-current liabilities	13.29	-
3	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	675.32	1,153.91
	(ii) Trade Payables		
	Trade payables -MSMED	4.19	266.72
	Trade payables -Others	2,447.84	2,092.67
	(iii)Other financial liabilities	0.35	0.28
	(b) Other current liabilities	57.23	45.62
	(c) Short Term Provisions	371.09	447.86
	(d) Current Tax Liabilites (Net)		
	Total current liabilities	3,556.03	4,027.08
	Total equity and liabilities	6,310.03	6,373.30

Notes :

1. The above results for the quarter and year ended 30th September 2024, have been approved by the Board of Directors at their meeting held on 19th October 2024 and have been subjected to limited review by the Statutory Auditors.

2. This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS), prescribed under Section, 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

3. The Company is engaged in MTC, MRO, Adhesive, Coatings which in the context of IND AS 108- Operating segment specifed under section 133 of the Companies Act, 2013 is considered as a single business segment of the company.

4. **Composite Scheme of Arrangement:**
On 12th December, 2023, Chembond Material Technologies Private Limited has entered into the composite scheme of arrangement with its parent company Chembond Chemicals Limited and their respective shareholders and creditors under sections 230-232 read with section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder. Upon the scheme becoming effective, CMTPL shall be amalgamated with the parent company CCL from the appointed date of 1st April, 2024. The scheme will be accounted for on receipt of regulatory and other approvals which are pending as on the date of approval of these financial results.

5. The figures for corresponding previous periods have been restated/regrouped, rearranged and reclassified wherever necessary to make them comparable.

M/S. KASTURY & JALAN CHARTERED ACCOUNTANTS MUMBAI-2

By Order of the Board of Directors
Chembond Material Technologies Private Limited

Sameer V. Shah
Director
DIN : 00105721

CHEMBOND MATERIAL TECHNOLOGIES PRIVATE LIMITED CIN: U24100MH2023PTC409...

Place : Navi Mumbai.
Date: 19th October 2024

Chembond Material Technologies Private. Limited
Cash Flow Statement for the half year ended 30th September 2024

(Rs.in Lakhs)

Sr No	Particulars	30.09.2024 Unaudited	31.03.2024 Audited
A.	**Cash Flow From Operating Activities**		
	Net profit / (loss) before tax	**480.21**	**1,124.41**
	Adjustments for: Depreciation and Amortization	22.03	46.63
	Loss on sale of Fixed assets	-	
	Finance Cost	36.89	116.29
		58.92	**162.91**
	Less: Foreign exchange fluctuation	4.68	12.52
	Profit on sale of investment	0.00	23.12
	Unrealised gain on Investments	16.03	16.71
	Operating profit before working capital changes	**518.42**	**1,234.97**
	Adjustments for		
	Inventories	(72.15)	(28.89)
	Trade and other receivables	290.16	(346.27)
	Trade and other payables	3.35	(493.86)
	Cash generated from operating activities	**739.78**	**365.95**
	Taxes paid	(77.94)	(311.52)
	Net cash generated from operating activities	**661.84**	**54.43**
B.	**Cash Flow From Investing Activities**		
	Purchase of fixed assets	(38.58)	(28.87)
	Proceeds from sale of fixed asset		-
	Purchase of Investment	-	(125.00)
	Sale of investment	-	215.00
	Net cash used in investing activities	**(38.58)**	**61.13**
C.	**Cash Flow From Financing Activities:**		
	Finance Cost	(36.89)	(116.29)
	Net increase / (decrease) in working capital borrowings	(445.29)	(36.77)
	Issue of Shares (Cash recd from Capital increase)	-	-
	Issue of Shares (Cash recd from Share premium)	-	-
	Net cash used in financing activities	**(482.18)**	**(153.05)**
D.	**Net (decrease) / increase in cash and cash equivalents (A+B+C)**	**141.08**	**(37.49)**
E.	**Cash and cash equivalents - Opening balance**	**180.13**	**217.62**
F.	**Cash and cash equivalents - Closing balance (D+E)**	**321.21**	**180.13**

2 **Components of Cash and cash equivalents:**

Particulars	As at 30th September, 2024	As at 31st March, 2024
Cash and cash equivalents	200.89	69.32
Bank balances	120.32	110.80
Total	**321.21**	**180.13**

M/S. KASTURY & TALATI CHARTERED ACCOUNTANTS MUMBAI-2

Place : Mumbai
Date: 19th October, 2024

For and on behalf of Board of Directors of
Chembond Material Technologies Pvt. Ltd.

Sameer V. Shah
Director
DIN:00105721

CHEMBOND MATERIAL TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 6A

Material Technologies

REPORT OF THE BOARD OF DIRECTORS OF PHIROZE SETHNA PRIVATE LIMITED ON EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS) AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

1. Background:

A meeting of the Board of Directors of Phiroze Sethna Private Limited was held on December 12, 2023 to inter alia, consider and approve the draft Composite Scheme of Arrangement between Chembond Chemicals Limited (**"Demerged Company"/ "Transferee Company"**) and Chembond Chemical Specialties Limited **("Resulting Company" or "CCSL"),** Chembond Clean Water Technologies Limited (**"Transferor Company No. 1" or CCWTL"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2" or "CMTPL"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3" or "PSPL")** and Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4" or "GCIPL"**) and their respective shareholders (**"Scheme"**) pursuant to Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder (**"the Act"**).

1.1. The Composite Scheme provides for restructuring the businesses of the Demerged Company and its subsidiaries as below:

a. Demerged Undertaking of the Demerged Company shall be transferred to and vested in the Resulting Company;

b. Transferor Company No. 1 shall be amalgamated with the Resulting Company; and

c. Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 (collectively referred to "Transferor Companies") shall be amalgamated with the Transferee Company.

1.2. Provisions of Section 232(2)(c) of the Act, require the Board of Directors to adopt a report explaining the effect of compromise or arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular, the share entitlement ratio and specifying special valuation difficulties, if any, and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

1.3. This report of the Board of Directors is accordingly being made pursuant to the requirements of Section 232(2)(c) of the Act.

2. Documents perused by the Board of Directors

2.1. While deliberating on the Scheme, the Board, inter-alia considered and took on record the

Phiroze Sethna Private Limited

Phiroze Sethna Private Limited
EL-71, Chembond Centre, MIDC, Mahape, Navi Mumbai 400710
T: +91 22 22821521/1845 • F: +91 22 22851130
E: info@phirol.com U: www.phirol.com
CIN: U25209MH1975PTC018396

following documents:

a. The draft Composite Scheme of Arrangement;
b. Copy of the Certificate dated December 12, 2023, issued by Statutory Auditor to Demerged and Resulting Company proposed in the Composite Scheme of Arrangement, that the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;
c. Pre and post shareholding pattern of all the Companies involved in the draft Scheme as per format provided under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
d. Draft certificate from M/s. Bathiya & Associates LLP, Chartered Accountants, certifying the undertaking from the Demerged Company with regards to the non-applicability of the requirements prescribed in Part I (A)(10)(a) and Part I (A)(10)(b) of the SEBI Circular;
e. Audited financial statements of the Companies involved in the draft Scheme for last three financial years.
f. Various other document(s)/ certificate (s)/ declaration(s)/ report(s)/ undertaking (s)/ submission(s)/ confirmation (s) / which are incidental to the draft Scheme or any other incidental matter thereto.

After taking on record the documents/confirmations referred above, the Board of the Company approved the draft Scheme.

3. Special Valuation Difficulties (if any):

The Transferor Companies are wholly owned subsidiary and / or step-down subsidiary companies of the Demerged Company. Hence, no shares of Demerged Company shall be allotted in lieu or exchange of the shares of the Transferor Companies. Upon the Scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished.

4. Effect on the Stakeholders:

As per Section 232(2)(c) of the Act, the Board hereby takes on record the impact of the Scheme on the following stakeholders of the Company:

Effect of the Scheme on:	
(a) Equity shareholders (including Promoters & non Promoters)	➢ As regards to demerger, all the equity shareholders of the Demerged Company (promoter and non-promoter), as on the Record Date (*as defined in the Scheme*) shall receive equity shares of the Resulting Company in the following ratio: *"for every 1 (One) fully paid-up equity share having face value of Rs. 5*

Phiroze Sethna Private Limited

Phiroze Sethna Private Limited
EL-71, Chembond Centre, MIDC, Mahape, Navi Mumbai 400710
T: +91 22 22821521/1845 • F: +91 22 22851130
E: info@phirol.com U: www.phirol.com
CIN: U25209MH1975PTC018396

(Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five only) each, in the Resulting Company"

in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and the after Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE, thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

- As regards to Amalgamation – I, Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Demerged Company and there shall be no issue of shares by the Demerged Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Demerged Company and its public shareholders.

- All the shares held by the Demerged Company in the Transferor Companies shall stand cancelled without any further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Demerged Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Demerged Company.

- The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor

Phiroze Sethna Private Limited

Phiroze Sethna Private Limited
EL-71, Chembond Centre, MIDC, Mahape, Navi Mumbai 400710
T: +91 22 22821521/1845 • F: +91 22 22851130
E: info@phirol.com U: www.phirol.com
CIN: U25209MH1975PTC018396

	Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.
(b) Directors and Key Managerial Personnels	➢ The Directors and Key Managerial Personnels (KMPs) of the Demerged Company shall continue as Key Managerial Personnel of the Demerged Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such Directors and KMPs who are also shareholders of the Demerged Company. Other than the above, the Directors and KMPs are not affected pursuant to the Scheme. ➢ Post Amalgamation the Transferor Companies shall stand dissolved without winding up and accordingly, they are not required to appoint any Directors and KMPs.
(c) Employees	➢ Under the Scheme, no rights of the staff and employees of the Demerged Company are being affected. ➢ On the Scheme becoming effective, the employees of the Transferor Companies who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to have become the employees of the Demerged Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Companies on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Companies would in no way be affected by the Scheme.
(d) Creditors (secured & unsecured)	➢ Under the Scheme, no arrangement is sought to be entered into between the Demerged Company and its creditors. ➢ Under the Scheme, there is no arrangement with the creditors of the Transferor Companies. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Companies shall become the creditors of the Demerged Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Companies. The liability of the creditors of the Transferor Companies, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Companies would in no way be affected by the Scheme.
Depositors and Deposit trustee	➢ As on date of Notice, Company has not accepted any public deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.

Phiroze Sethna Private Limited

Phiroze Sethna Private Limited
EL-71, Chembond Centre, MIDC, Mahape, Navi Mumbai 400710
T: +91 22 22821521/1845 • F: +91 22 22851130
E: info@phirol.com U: www.phirol.com
CIN: U25209MH1975PTC018396

Debenture holders and Debenture trustee	➢ As on date of Notice, Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee (s) does not arise.

5. Conclusions:

While deliberating on the Scheme, the Board has considered its impact on each of the shareholders, KMPs, creditors and employees. In the opinion of the Board, the Scheme is in the best interest of the shareholders, KMPs, Creditors and employees of the Company and there will be no prejudice caused to them in any manner by the Scheme.

The Board has adopted this Report after noting and considering the documents and information set forth in this Report

For and on behalf of the Board of Directors
Phiroze Sethna Private Limited

Phiroze Sethna Private Limited

Sameer V. Shah
Director
DIN: 00105721

Place: Mumbai
Date: December 12, 2023

Phiroze Sethna Private Limited
EL-71, Chembond Centre, MIDC, Mahape, Navi Mumbai 400710
T: +91 22 22821521/1845 ● F: +91 22 22851130
E: info@phirol.com U: www.phirol.com
CIN: U25209MH1975PTC018396

chembond
Material Technologies

Annexure 6B

The copy of Audited Financial Results of Phiroze Sethna Private Limited ("Transferor Company No. 3") for the year ended 31st March, 2024, are available/ accessible on the company's website at Subsidiary Financials - Chembond india.

Phiroze Sethna Private Limited
EL-71, MIDC, Mahape, Navi Mumbai 400710
T: +91 22 62643000 ● F: +91 22 27681294
E:info@phirol.com U:www.phirol.com
CIN: U25209MH1975PTC018396

M/s. KASTURY & TALATI
CHARTERED ACCOUNTANTS

41, Mistry Bldg., 635, J.S.S. Road, Above Punjab & Sind Bank, Near Metro Cinema, Mumbai - 400 002.
Tel. : 2206 1958 / 2206 1017 • Fax : 2205 7373 • E-mail : admin@kasturytalati.com

No.: 1605/2024

LIMITED REVIEW REPORT ON THE UNAUDITED STANDALONE FINANCIAL RESULTS OF PHIROZE SETHNA PRIVATE LIMITED FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2024

To
The Board of Directors,
Phiroze Sethna Private Limited
EL-71, Chembond Centre,
TTC, MIDC, Mahape
Navi Mumbai - 400 710.

We have reviewed the accompanying statement of unaudited standalone financial results of PHIROZE SETHNA PRIVATE LIMITED ("the Company") for the quarter and half year ended 30th September, 2024 ("the Statement"). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

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. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our review report, we draw attention to Note no. 3 of the standalone financial results, which describes, on 12th December, 2023, Phiroze Sethna Private Limited ("PSPL") has entered into the composite scheme of arrangement with its parent company Chembond Chemicals Limited ("CCL") and their respective shareholders and creditors under sections 230-232 read with section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder. Upon the scheme becoming effective, "PSPL" shall be amalgamated with the parent company "CCL" from the appointed date of 1st April, 2024. The scheme will be accounted for on receipt of regulatory and other approvals which are pending as on the date of approval of these financial results.

...2...

M/s. KASTURY & TALATI

COUNTINUATION SHEET

...2...

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of standalone unaudited financial results for the quarter and half year ended 30th September, 2024, read with the Notes thereon, prepared in accordance with applicable Accounting Standards i.e. Ind AS and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular number CIR/CFD/FAC/62/2016 of SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

This report is intended solely for purpose of use by the holding company Chembond Chemicals Limited for the preparation of their Consolidated Financial Statements.

For M/s. Kastury & Talati
Chartered Accountants
Firm Regn. No.: 104908W

Dhiren P. Talati: Partner
Membership No.: F/41867

Place: Mumbai
Date : 19.10.2024

M/S. KASTURY & TALATI CHARTERED ACCOUNTANTS MUMBAI-2

2404186 7BKFTB3603

PHIROZE SETHNA PRIVATE LIMITED
CIN U25209MH1975PTC018396
Regd.Office: EL 71, Chembond Centre, MIDC,Mahape, Navi Mumbai 400710
Standalone Unaudited Financial Results for the quarter and half year ended 30th September, 2024

(Rs. in Lakhs)

Sr. No	Particulars	Quarter Ended			Half year ended		Year Ended
		30.09.2024 Unaudited	30.06.2024 Unaudited	30.09.2023 Unaudited	30.09.2024 Unaudited	30.09.2023 Unaudited	31.03.2024 Audited
1	Revenue from Operations	31.87	30.72	12.96	62.59	50.61	88.87
2	Other Income	44.82	50.21	680.77	95.04	711.08	631.91
3	**Total Revenue**	**76.69**	**80.93**	**693.73**	**157.63**	**761.69**	**720.78**
4	**Expenses**						
	a. Cost of materials consumed	1.91	0.46	9.13	2.37	30.40	43.90
	b. Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade	-0.02	0.16	0.65	0.14	6.60	6.83
	c. Employees Benefit Expenses	21.17	24.13	26.58	45.30	55.42	42.73
	d. Finance Costs	0.05	0.01	0.59	0.06	3.75	3.75
	e. Depreciation and Amortisation Expenses	0.74	0.84	1.25	1.58	2.81	5.61
	f. Other Expenses	9.02	9.01	14.01	18.03	67.29	55.40
	Total Expenses	**32.87**	**34.61**	**52.21**	**67.48**	**166.27**	**158.22**
5	**Profit before exceptional Items and tax**	**43.82**	**46.33**	**641.53**	**90.15**	**595.42**	**562.56**
6	Exceptional items	-	-	-	-	-	-
7	**Profit before tax**	**43.82**	**46.33**	**641.53**	**90.15**	**595.42**	**562.56**
8	**Tax Expense**						
	- Current Tax	7.30	7.72	122.44	15.03	122.44	91.32
	Earlier Years Tax adjustments	-	-	-	-	-	-
	- Deferred Tax	-15.53	10.43	13.87	- 5.10	18.31	(10.07)
	Total Tax Expense	**(8.22)**	**18.15**	**136.31**	**9.93**	**140.75**	**81.25**
9	**Profit For the Period**	**52.05**	**28.17**	**505.22**	**80.22**	**454.67**	**481.31**
10	**Other Comprehenshive Income**						
	i) Items that will not be reclassified to profit or loss	-0.06	-0.06	1.71	-0.12	3.41	(0.25)
	ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	0.00	0.00	-
	i) Items that will be reclassified to profit or loss	-	-	-	0.00	0.00	
	ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	0.00	0.00	
	Other Comprehensive Income	**(0.06)**	**(0.06)**	**1.71**	**(0.12)**	**3.41**	**(0.25)**
11	**Total Comprehensive Income for the period**	**51.99**	**28.11**	**506.93**	**80.10**	**458.08**	**481.07**
12	Paid-up equity share capital (face value of Rs 100 per share)	4.00	4.00	4.00	4.00	4.00	4.00
13	**Earning Per Share (of Rs.100/- each) (not annualised)**						
	Basic EPS	1,301.17	704.36	12,630.44	2,005.53	11,366.70	12,032.77
	Diluted EPS	1,301.17	704.36	12,630.44	2,005.53	11,366.70	12,032.77

M/S. KASTURY & TALATI CHARTERED ACCOUNTANTS MUMBAI-2

Place : Navi Mumbai
Date : 19th Oct,2024

Phiroze Sethna Private Limited Navi Mumbai

For and on behalf of Board of Directors of

Phiroze Sethna Private Limited
CIN: CIN U25209MH1975PTC018396

Sameer V. Shah
Director
DIN : 00105721

PHIROZE SETHNA PRIVATE LIMITED
CIN U25209MH1975PTC018396
Regd.Office: EL 71,Chembond Centre,MIDC,Mahape,Navi Mumbai 400710
Standalone Unaudited Financial Results for the Half Year Ended 30th September, 2024

Statement of Asset & Liabilites as at 30th September'2024			(Rs. in Lakhs)
Sr. No	Particulars	Half Year Ended 30.09.2024 Unaudited	Year Ended 31.03.2024 Audited
	I ASSETS		
1	Non-current assets		
(a)	Property, plant and equipment	13.05	14.62
(b)	Financial Assets		
	i)Investments	590.66	609.56
	ii)Other financial assets	60.05	60.05
(c)	Deferred tax assets (net)	104.31	99.21
(d)	Income tax assets(net)	40.54	27.31
2	Current Assets		
(a)	Inventories	5.31	5.46
(b)	Financial Assets		
	i)Investments	0.00	45.05
	ii)Trade receivables	73.83	3.69
	iii)Cash and cash equivalents	6.91	4.29
	iv)Bank balances other than (iii) above	5.00	5.00
	v)Loans	327.00	217.00
(c)	Current Tax (Net)	0.00	13.23
(d)	Other current assets	7.52	9.64
	Total Assets	**1,234.19**	**1,114.12**
	II EQUITY AND LIABILITIES		
1	Equity		
(a)	Share capital	4.00	4.00
(b)	Other equity	1,028.68	948.58
2	Non-Current Liabilities		
3	Current liabilities		
(a)	Financial liabilities		
	i)Borrowings	0.00	0.00
	ii)Trade payables		
	Trade payables -MSMED	0.00	0.00
	Trade payables -Others	16.50	20.56
(b)	Other current liabilities	122.84	116.35
(c)	Provisions	54.00	24.62
(d)	Current Tax Liabilites (Net)	8.17	0.00
	Total Equity and Liabilities	**1,234.19**	**1,114.12**

Notes

1 The above results for the quarter ended 30th Sept 2024, have been approved by the Board of Directors at their meeting held on 19th Oct, 2024 and have been subjected to limited review by the Statutory Auditors.

2 This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS), prescribed under Section, 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

3 **Composite Scheme of Arrangement:**
On 12th December, 2023, Phiroze Sethna Private Limited has entered into the composite scheme of arrangement with its parent company Chembond Chemicals Limited and their respective shareholders and creditors under sections 230-232 read with section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder. Upon the scheme becoming effective, PSPL shall be amalgamated with the parent company CCL from the appointed date of 1st April, 2024. The scheme will be accounted for on receipt of regulatory and other approvals which are pending as on the date of approval of these financial results.

4 The figures for corresponding previous periods have been restated/regrouped, rearranged and reclassified wherever necessary to make them comparable.

M/S. KASTHURY & TALATI CHARTERED ACCOUNTANTS MUMBAI-2

Place : Navi Mumbai
Date : 19th Oct,2024

For and on behalf of Board of Directors of

Phiroze Sethna Private Limited
CIN: CIN U25209MH1975PTC018396

Phiroze Sethna Private Limited Navi Mumbai

Sameer V. Shah
Director
DIN : 00105721

Phiroze Sethna Private Limited

Cash Flow Statement for the half year ended 30th Sept 2024

(Rs. In Lakhs)

		30.09.2024 (Unaudited)		31.03.2024 (Audited)	
A	**Cash Flow from Operating Activities**				
	Profit before tax		90.15		562.56
	Adjustments for :				
	Depreciation and amortisation	1.58		5.61	
	Profit/Loss on Sale of Property, Plant & Equipment			-	
	Employee ESOP compensation	-		-	
	Finance Cost	0.06		3.75	
			1.64		9.36
	Less :				
	Foreign Exchange Fluctuation	-		-	
	Net Gain on Investments	61.63		52.63	
	Profit on Sale of Property, Plant & Equipment	-		524.72	
	Prior Period Items	-		-	
	Interest income & management Fee	30.23		49.77	
	Dividend Received	3.18		4.74	
			(95.04)		(631.86)
	Operating Profit before working capital changes		(3.25)		(59.94)
	Adjustments for :				
	Trade and Other Receivables	(178.02)		(8.12)	
	Inventories	0.14		11.11	
	Trade and Other Payables	31.68		(76.27)	
			(146.20)		(73.27)
	Cash generated from operations		(149.45)		(133.21)
	Income taxes paid (Net of Refund)		(6.86)		(104.55)
	Net Cash from Operating Activities (A)		(156.31)		(237.76)
B	**Cash Flow from Investing Activities**				
	Proceeds from Sale of Property, plant & equipment's		0.01		589.38
	Payment to acquire Property, plant & equipment's		-		-
	Purchase of Investment		0.00		(510.21)
	Sale of Investment		125.58		181.21
	Interest Income & Management fees		30.23		49.77
	Dividend Income		3.18		4.74
	Net Cash from Investing Activities (B)		159.00		314.89
C	**Cash Flow from Financing Activities**				
	Proceeds/(Repayment) of Short Term Borrowings		-		(90.00)
	ESOP Shares Allotted		-		-
	Share Premium on ESOP Shares Allotted		-		-
	Dividend paid		-		-
	Tax on dividend paid		-		-
	Proceeds/(Repayment) of Long Term Borrowings		-		-
	Finance Cost		(0.06)		(3.75)
	Net Cash from Financing Activities (C)		(0.06)		(93.75)
	Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)		2.62		(16.63)
	Cash and Cash Equivalents and Other Bank Balances as on Opening		9.29		25.92
	Cash and Cash Equivalents and Other Bank Balances as on Closing		11.91		9.29

M/S. KASTURY & TALATI CHARTERED ACCOUNTANTS MUMBAI-2

Place : Navi Mumbai
Date : 19th Oct 2024

For and on behalf of the Board of Directors of
Phiroze Sethna Private Limited

Sameer V Shah
Director
Din: 00105721

Phiroze Sethna Private Limited Navi Mumbai

REPORT OF THE BOARD OF DIRECTORS OF GRAMOS CHEMICALS (INDIA) PRIVATE LIMITED ON EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS) AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

1. Background:

A meeting of the Board of Directors of Gramos Chemicals (India) Private Limited was held on December 12, 2023 to inter alia, consider and approve the draft Composite Scheme of Arrangement between Chembond Chemicals Limited (**"Transferee Company"/"Demerged Company"**) and Chembond Chemical Specialties Limited **("Resulting Company" or "CCSL")**, Chembond Clean Water Technologies Limited (**"Transferor Company No. 1" or "CCWTL"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2" or "CMTPL"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3" or "PSPL"**) and Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4" or "GCIPL"**) and their respective shareholders ("**Scheme**") pursuant to Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder ("**the Act**").

1.1. The Composite Scheme provides for restructuring the businesses of the Demerged Company and its subsidiaries as below:

a. Demerged Undertaking of the Demerged Company shall be transferred to and vested in the Resulting Company.

b. Transferor Company No. 1 shall be amalgamated with the Resulting Company; and

c. Transferor Company No. 2, Transferor Company No. 3, and Transferor Company No. 4 ("collectively referred to as "Transferor Companies") shall be amalgamated with the Demerged Company.

1.2. Provisions of Section 232(2)(c) of the Act, require the Board of Directors to adopt a report explaining the effect of compromise or arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular, the share entitlement ratio and specifying special valuation difficulties, if any, and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

1.3. This report of the Board of Directors is accordingly being made pursuant to the requirements of Section 232(2)(c) of the Act.

2. Documents perused by the Board of Directors

2.1. While deliberating on the Scheme, the Board, inter-alia considered and took on record the following documents:

a. The draft Composite Scheme of Arrangement;

b. Copy of the Certificate dated December 12, 2023, issued by Statutory Auditor to the Demerged and Resulting Company proposed in the Composite Scheme of Arrangement, that the scheme

Gramos Chemicals India Private Limited

Gramos Chemicals India Private Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
E:cs@chembondindia.com U:www.gramosindia.com
CIN: U99999MH1985PTC035486

is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

c. Pre and post shareholding pattern of all the Companies involved in the draft Scheme as per format provided under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d. Draft certificate from M/s. Bathiya & Associates LLP, Chartered Accountants, certifying the undertaking from the Demerged Company with regards to the non-applicability of the requirements prescribed in Part I (A)(10)(a) and Part I (A)(10)(b) of the SEBI Circular.

e. Audited financial statements of the Companies involved in the draft Scheme for last three financial years.

f. Various other document(s)/ certificate (s)/ declaration(s)/ report(s)/ undertaking (s)/ submission(s)/ confirmation (s) / which are incidental to the draft Scheme or any other incidental matter thereto.

After taking on record the documents/confirmations referred above, the Board of the Company approved the draft Scheme.

3. Special Valuation Difficulties (if any):

The Transferor Companies are wholly owned subsidiary and / or step-down subsidiary companies of the Demerged Company. Hence, no shares of Demerged Company shall be allotted in lieu or exchange of the shares of the Transferor Companies. Upon the Scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished.

4. Effect on the Stakeholders:

As per Section 232(2)(c) of the Act, the Board hereby takes on record the impact of the Scheme on the following stakeholders of the Company:

Effect of the Scheme on:	
(a) Equity shareholders (including Promoters & non Promoters)	➢ As regards to demerger, all the equity shareholders of the Demerged Company (promoter and non-promoter), as on the Record Date (*as defined in the Scheme*) shall receive equity shares of the Resulting Company in the following ratio: *"for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five only) each, in the Resulting Company"* in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and after the Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting

Gramos Chemicals India Private Limited

Gramos Chemicals India Private Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
E:cs@chembondindia.com U:www.gramosindia.com
CIN: U99999MH1985PTC035486

	Company will be issued as consideration pursuant to the Scheme. These shares shall be listed on BSE and NSE, thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company. ➢ As regards to Amalgamation – I, Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Demerged Company and there shall be no issue of shares by the Demerged Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Demerged Company and its public shareholders. ➢ All the shares held by the Demerged Company in the Transferor Companies shall stand cancelled without any further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Demerged Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Demerged Company. ➢ The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.
(b) Directors and Key Managerial Personnels	➢ The Directors and Key Managerial Personnels (KMPs) of the Demerged Company shall continue as Directors and KMPs of the Demerged Company after effectiveness of the Scheme. Please refer to point (a) above for details regarding the effect of the Scheme on such Directors and KMPs who are also shareholders of the Demerged Company. Other than the above, the Directors and KMPs are not affected pursuant to the Scheme. ➢ Post Amalgamation the Transferor Companies shall stand dissolved without winding up and accordingly, they are not required to appoint any Directors and KMPs.
(c) Employees	➢ Under the Scheme, no rights of the staff and employees of the Demerged Company are being affected. ➢ On the Scheme becoming effective, the employees of the Transferor Companies who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed

Gramos Chemicals India Private Limited

Gramos Chemicals India Private Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
E:cs@chembondindia.com U:www.gramosindia.com
CIN: U99999MH1985PTC035486

	to have become the employees of the Demerged Company, without any interruption or break of service and on terms and conditions no less favourable than those applicable to them with reference to their employment in the Transferor Companies on the Effective Date. In the circumstances, the rights of the staff and employees of the Transferor Companies would in no way be affected by the Scheme.
(d) Creditors (secured & unsecured)	➢ Under the Scheme, no arrangement is sought to be entered into between the Demerged Company and its creditors. The interest of the creditors of the Transferor Companies shall not be impacted in any manner. ➢ Under the Scheme, there is no arrangement with the creditors of the Transferor Companies. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Companies shall become the creditors of the Demerged Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Companies. The liability of the creditors of the Transferor Companies, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Companies would in no way be affected by the Scheme.
(e) Depositors and Deposit trustee	➢ As on date of Notice, the Company has not accepted any deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.
(f) Debenture holders and Debenture trustee	➢ As on date of Notice, the Company has not issued any debentures and therefore, the effect of the Scheme on the Debenture holders and Debenture trustee (s) does not arise.

5. Conclusions:

While deliberating on the Scheme, the Board has considered its impact on each of the shareholders, KMPs, creditors and employees. In the opinion of the Board, the Scheme is in the best interest of the shareholders, KMPs, Creditors and employees of the Company and there will be no prejudice caused to them in any manner by the Scheme.

The Board has adopted this Report after noting and considering the documents and information set forth in this Report

For and on behalf of the Board of Directors
Gramos Chemicals India Private Limited

Gramos Chemicals India Private Limited

Sameer V. Shah
Director
DIN: 00105721

Place: Mumbai
Date: December 12, 2023

Gramos Chemicals India Private Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 • F: +91 22 27681294
E:cs@chembondindia.com U:www.gramosindia.com
CIN: U99999MH1985PTC035486

Annexure 7B

The copy of Audited Financial Results of Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") for the year ended 31st March, 2024, are available/ accessible on the company's website at Subsidiary Financials - Chembond india.

Gramos Chemicals India Private Limited
EL-71, MIDC, Mahape, Navi Mumbai 400710
T: +91 22 62643000 ● F: +91 22 27681294
E:info@gramosindia.com U:www.gramosindia.com
CIN: U99999MH1985PTC035486

M/s. KASTURY & TALATI
CHARTERED ACCOUNTANTS

41, Mistry Bldg., 635, J.S.S. Road, Above Punjab & Sind Bank, Near Metro Cinema, Mumbai - 400 002.
Tel. : 2206 1958 / 2206 1017 • Fax : 2205 7373 • E-mail : admin@kasturytalati.com

No.: 1604/2024

LIMITED REVIEW REPORT ON THE UNAUDITED STANDALONE FINANCIAL RESULTS OF GRAMOS CHEMICALS INDIA PRIVATE LIMITED FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2024

To
The Board of Directors,
Gramos Chemicals India Private Limited
W-268, TTC Industrial Area,
Rabale, Thane Belapur Road,
Navi Mumbai – 400 701.

We have reviewed the accompanying statement of unaudited standalone financial results of GRAMOS CHEMICALS INDIA PRIVATE LIMITED ("the Company") for the quarter and half year ended 30th September, 2024 ("the Statement"). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

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. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our review report, we draw attention to Note no. 4 of the standalone financial results, which describes, on 12th December, 2023, Gramos Chemicals India Private Limited ("GCIPL") has entered into the composite scheme of arrangement with its Ultimate parent company Chembond Chemicals Limited ("CCL") and their respective shareholders and creditors under sections 230-232 read with section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder. Upon the scheme becoming effective, "GCIPL" shall be amalgamated with the ultimate parent company "CCL" from the appointed date of 1st April, 2024. The scheme will be accounted for on receipt of regulatory and other approvals which are pending as on the date of approval of these financial results.

...2...

M/S. KASTURY & TALATI CHARTERED ACCOUNTANTS MUMBAI-2

M/s. KASTURY & TALATI

COUNTINUATION SHEET

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of standalone unaudited financial results for the quarter and half year ended 30th September, 2024 read with the Notes thereon, prepared in accordance with applicable Accounting Standards i.e. Ind AS and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular number CIR/CFD/FAC/62/2016 of SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

This report is intended solely for purpose of use by the Step Up Ultimate holding company Chembond Chemicals Limited for the preparation of their Consolidated Financial Statements.

For M/s. Kastury & Talati
Chartered Accountants
Firm Regn. No.: 104908W

Place: Mumbai
Date: 19.10.2024

Dhiren P. Talati: Partner
Membership No.: F/41867

M/S. KASTURY & TALATI CHARTERED ACCOUNTANTS * MUMBAI *

24041867BKFTBC6379

Gramos Chemicals India Private Limited
CIN: U99999MH1985PTC035486
Register Office:- EL 71,Chembond Centre,MIDC,Mahape,Navi Mumbai 400710
Standalone Unaudited Financial Results for the quarter and half year ended 30th September, 2024

(Rs. in Lakhs)

Sr. No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	388.59	358.74	259.71	747.33	519.92	1,170.97
2	Other Income	5.32	3.63	3.64	8.95	7.27	14.64
3	**Total Revenue**	**393.91**	**362.37**	**263.35**	**756.27**	**527.19**	**1,185.61**
4	**Expenses**						
	a. Cost of materials consumed	172.27	181.29	113.42	353.57	252.24	580.24
	b. Purchases of Stock-in trade	-		-	-	-	-
	c. Changes in inventories of Finished Goods,	0.91	(0.22)	(3.00)	0.68	3.00	(1.03)
	d. Employees Benefit Expenses	11.65	11.17	16.19	22.82	32.19	65.91
	e. Finance Cost	7.47	6.29	6.58	13.76	10.02	2.71
	f. Depreciation and Amortisation Expenses	49.23	48.72	30.49	97.95	41.05	113.91
	g. Other Expenses	120.73	100.58	93.83	221.31	175.87	410.41
	Total Expenses	**362.25**	**347.83**	**257.51**	**710.08**	**514.38**	**1,172.15**
5	**Profit before exceptional Items and tax**	**31.65**	**14.54**	**5.84**	**46.19**	**12.81**	**13.47**
6	Exceptional items	-	-	-	-	-	-
7	**Profit before tax**	**31.65**	**14.54**	**5.84**	**46.19**	**12.81**	**13.47**
8	**Tax Expense**						
	- Current Tax	2.91	4.29	0.97	7.21	2.08	4.98
	- Deferred Tax	(8.52)	(6.32)	12.12	(14.85)	(7.90)	9.76
	Short/(Excess) Provision of Income Tax of earlier years	(1.00)			(1.00)		
9	**Profit For the Period**	**38.27**	**16.57**	**(7.25)**	**54.83**	**18.63**	**(1.27)**
10	**Other Comprehenshive Income**						
	i) Items that will not be reclassified to profit or loss	(0.13)	(0.13)	(0.66)	(0.26)	(0.49)	(0.53)
	ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	i) Items that will be reclassified to profit or loss	-	-				-
	ii) Income Tax relating to items that will be reclassified to profit or loss	-	-				-
	Other Comprehensive Income	**(0.13)**	**(0.13)**	**(0.66)**	**(0.26)**	**(0.49)**	**(0.53)**
11	**Total Comprehensive Income for the period**	**38.14**	**16.44**	**(7.92)**	**54.57**	**18.14**	**(1.80)**
12	Paid-up equity share capital (face value of Rs 100 per share)	48.00	48.00	48.00	48.00	48.00	48.00
13	**Earning Per Share (of Rs.100 each) (not annualised)**						
	Basic EPS	79.72	34.52	(15.11)	114.24	38.81	(2.65)
	Diluted EPS	79.72	34.52	(15.11)	114.24	38.81	(2.65)

By Order of the of the Board of Directors
For Gramos Chemicals India Private Limited

Sameer V Shah
Director
DIN : 00105721

Place : Navi Mumbai
Date : 19th Oct'2024

Gramos Chemicals India Private Ltd
CIN: U99999MH1985PTC035486
Register Office:-EL 71,Chembond Centre,MIDC,Mahape,Navi Mumbai 400710
Unaudited Financial Results for the Half year ended 30th September, 2024

Statement of Asset & Liabilites as at 30th September'2024 (Rs. in Lakhs)

Sr. No	Particulars	Year Ended 30.09.2024 Unaudited	Year Ended 31.03.2024 Audited
	I ASSETS		
1	Non-current assets		
(a)	Property, plant and equipment		
	(i) Property, plant and equipment	973.80	1,056.33
	(ii) Capital work-in-progress	156.68	118.19
	(iii) Other intangible assets	0.41	0.50
(b)	Financial Assets		
	i)Investments	0.00	0.00
(c)	Deferred tax assets (net)	0.00	0.00
(d)	Other non-current assets	5.71	1.51
(e)	Income Tax Assets (net)	164.08	149.76
2	Current Assets		
(a)	Inventories	82.17	52.34
(b)	Financial Assets		
	i)Investments		
	ii)Trade receivables	110.21	13.65
	iii)Cash and cash equivalents	16.55	7.41
	iv)Bank balances other than (iii) above	2.50	22.16
	v)Loans	0.00	0.00
	v)Other financial assets		
(c)	Income Tax Asset (Net)	3.02	14.28
(d)	Other current assets	217.61	229.93
	Total Assets	**1,732.75**	**1,666.06**
	II EQUITY AND LIABILITIES		
1	Equity		
(a)	Share capital	48.00	48.00
(b)	Other equity	971.38	916.81
2	Non-Current Liabilities		
(a)	Deferred Tax liabilities (Net)	17.83	33.67
3	Current liabilities		
(a)	Financial liabilities		
	i)Borrowings	327.00	217.00
	ii)Trade payables	328.63	400.49
(b)	Other current liabilities	39.92	50.08
(c)	Provisions		
(d)	Current Tax Liabilites (Net)	0.00	
	Total Equity and Liabilities	**1,732.75**	**1,666.06**

Notes

1 The above results for the quarter ended 30th Sept 2024, have been approved by the Board of Directors at their meeting held on 19th Oct'2024 and have been subjected to limited review by the statutory auditors

2 This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS), prescribed under Section, 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

3 The Company is engaged in manufacturing of chemically treated Tak Rag / Dust Free Cloth which in the context of IND AS 108- operating segment specified under Section 133 of the Companies Act 2013 is considered as a single business segment of the Company.

4 **Composite Scheme of Arrangement:**
On 12th December, 2023, Gramos Chemicals India Private Limited has entered into the composite scheme of arrangement with its ultimate parent company Chembond Chemicals Limited and their respective shareholders and creditors under sections 230-232 read with section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder. Upon the scheme becoming effective, GCIPL shall be amalgamated with the ultimate parent company CCL from the appointed date of 1st April, 2024. The scheme will be accounted for on receipt of regulatory and other approvals which are pending as on the date of approval of these financial results.

5 The Company is 100% subsidiary of Phiroze Sethna Private Limited which is in turn is a 100% subsidiary of Chembond Chemicals Limited a listed Company

6 The figures for corresponding previous periods have been restated/regrouped, rearranged and reclassified wherever necessary to make them comparable.

By Order of the of the Board of Directors
For Gramos Chemicals India Private Limited
CIN: U99999MH1985PTC035486

Sameer V Shah
Director
DIN : 00105721

Place : Mumbai
Date : 19th October, 2024

M/S. KASHURY & TALATI CHARTERED ACCOUNTANTS MUMBAI-2

GRAMOS CHEMICALS INDIA PRIVATE LIMITED NAVI MUMBAI

Gramos Chemicals India Private Limited

Cash Flow Statement for the half year ended 30th Sept 2024

(Rs. In Lakhs)

	Particulars	30.09.2024	(Unaudited)	31.03.2024	(Audited)
A	**Cash Flow from Operating Activities**				
	Profit before tax		46.19		13.46
	Adjustments for :				
	Depreciation and amortisation	97.95		113.91	
	Loss on Sale of Property, Plant & Equipment	-		-	
	Employee ESOP compensation	-		-	
	Finance Cost	13.76		2.71	
			111.70		116.62
	Less :				
	Foreign Exchange Fluctuation	-		-	
	Net Gain on Investments	-		-	
	Profit on Sale of Property, Plant & Equipment	-		-	
	Dividend Received	-		-	
			-		-
	Operating Profit before working capital changes		157.90		130.08
	Adjustments for :				
	Trade and Other Receivables	(88.43)		13.14	
	Inventories	(29.84)		(9.21)	
	Trade and Other Payables	(81.28)		7.47	
			(199.54)		11.41
	Cash generated from operations		(41.65)		141.49
	Income taxes paid (Net of Refund)		(11.27)		2.36
	Net Cash from Operating Activities (A)		(52.92)		143.84
B	**Cash Flow from Investing Activities**				
	Payment to acquire Property, plant & equipment's		(53.85)		(287.77)
	Proceeds from Sale of Property, plant & equipment's		-		-
	Purchase of Investment		-		-
	Sale of Investment		-		-
	Dividend Income		-		-
	Net Cash used in Investing Activities (B)		(53.85)		(287.77)
C	**Cash Flow from Financing Activates**				
	Proceeds/(Repayment) of Short Term Borrowings		110.00		141.00
	ESOP Shares Allotted		-		-
	Share Premium on ESOP Shares Allotted		-		-
	Dividend paid		-		-
	Tax on dividend paid		-		-
	Borrowings		-		-
	Finance Cost		(13.76)		(2.71)
	Net Cash from Financing Activities (C)		96.24		138.29
	Net (Decrease)/Increase in Cash & Cash Activities (A+B+C)		(10.52)		(5.62)
	Cash and Cash Equivalents and Other Bank Balances as on Opening		29.56		35.18
	Cash and Cash Equivalents and Other Bank Balances as on Closing		19.05		29.56

For and on behalf of the Board of Directors of
Gramos Chemicals India Private Limited

Sameer V. Shah
Director
Din : 00105721

Place : Navi Mumbai
Date : 19th Oct 2024

ANNEXURE 8A

Chembond Chemicals Limited

REPORT OF THE AUDIT COMMITTEE OF CHEMBOND CHEMICALS LIMITED FOR RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT BETWEEN CHEMBOND CHEMICALS LIMITED AND RESULTING COMPANY, TRANSFEROR COMPANY NO. 1, TRANSFEROR COMPANY NO. 2, TRANSFEROR COMPANY NO. 3 AND TRANSFEROR COMPANY NO. 4 AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTION 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON TUESDAY, DECEMBER 12, 2023 AT 11.15 A.M. AT MUMBAI

The following Audit Committee Members were present:

Mr. Mahendra K. Ghelani	Independent Director – Chairperson
Mr. Sushil U. Lakhani	Independent Director – Member
Mr. Nirmal V. Shah	Vice-Chairman & Managing Director - Member
Mrs. Saraswati Sankar	Independent Director – Member

The following were also present during the discussion on proposed Scheme:

By Invitation

Mr. Sameer V. Shah	Managing Director
Mrs. Rashmi Gavli	Chief Financial Officer

In Attendance

Mrs. Suchita Singh, Company Secretary and Compliance Officer

1. Background

1.1. A meeting of Audit Committee of Company was held on Tuesday, December 12, 2023 to consider and, if thought fit, recommend to the Board of the Directors of the Company, the proposed Composite Scheme of Arrangement ("Scheme") between Chembond Chemicals Limited (**"Company"** or **"Demerged Company"** or **"Transferee Company"**) and Chembond Chemical Specialties Limited (**"Resulting Company"**), Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3"**) Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4"**) and their respective shareholders pursuant to Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 (**"Act"**).

1.2. The Company is a listed public limited Company within the meaning of the Act. The equity shares of the Company are listed on BSE Limited (**"BSE"**) and National Stock Exchange of India Limited (**"NSE"**), (BSE and NSE are collectively referred to as the **"Stock Exchanges"**)

1.3. Resulting Company is a public limited company incorporated under the Companies Act, 2013 as wholly owned subsidiary of the Company.

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

1.4. Transferor Company No. 1 is a public limited company incorporated under the Companies Act, 1956 and is an indirect wholly owned subsidiary of the Company.

1.5. Transferor Company No. 2 is a private limited company incorporated under the Companies Act, 1956 and is wholly owned subsidiary of the Company.

1.6. Transferor Company No. 3 is a private limited company incorporated under the Companies Act, 1956 and is wholly owned subsidiary of the Company.

1.7. Transferor Company No. 4 is a private limited company incorporated under the Companies Act, 1956 and is wholly owned subsidiary of the Transferor Company No. 3 and indirect wholly owned subsidiary of the Company.

1.8. The capitalised terms not defined in this report shall have the same meaning as ascribed to them in the draft Scheme.

1.9. This Report of the Independent Directors Committee is made to comply with the requirements of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations) and master circular in relation to scheme of arrangement issued by Securities and Exchange Board of India ("**SEBI**") having No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by SEBI on June 20, 2023 covering all circulars issued by SEBI in relation to scheme of arrangement including any amendments or modifications thereof, and any other circular issued pursuant to Regulations 11, 37 and 94 of SEBI LODR Regulations considering following:

i. Draft Scheme of Arrangement, duly initialled by the Director of the Company for the purpose of identification;

ii. Fair Share Entitlement Ratio Report dated December 12, 2023 issued by SSPA & Co., an Independent Registered Valuer (Registration No. IBBI/RV/06/2018/10140) ("**Registered Valuer**") appointed for recommending the fair share entitlement ratio for the purpose of the draft Scheme;

iii. Fairness Opinion Report dated December 12, 2023 issued by Vivro Financial Services Private Limited, Independent SEBI Registered Merchant Banker (Registration No. INM000010122) providing opinion ("**Fairness Opinion**") on the share entitlement ratio recommended in the Fair Share Entitlement Ratio Report issued by the Registered Valuer; and

iv. Draft certificate to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Act, from the Statutory Auditors of the Demerged Company/Transferee Company i.e., Bathiya & Associates LLP, Chartered Accountants (ICAI Firm's Registration No. 101046W/W100063).

2. Proposed Scheme

2.1. The Scheme, inter-alia, provides the following:

i. Demerger, transfer and vesting of 'CC & WT Business' of the Company into Resulting Company;

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

ii. Amalgamation of Transferor Company No. 1 with the Resulting Company;
iii. Amalgamation of Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 ("Transferor Companies") with the Company; and
iv. Various other matters consequential or otherwise integrally connected herewith.

2.2. Appointed Date of the draft Scheme is commencement of the business hours of April 1, 2024.

2.3. The Effective Date for the draft Scheme means the day on which last of the conditions specified in the draft Scheme are complied with.

2.4. The draft Scheme would be subject to the sanction or approval of the National Company Law Tribunal, SEBI, Stock Exchanges, Shareholders, Creditors and other Appropriate Authorities (as defined in the draft Scheme).

3. Salient features of the Scheme

3.1. The Scheme provides to restructure the various business of the Demerged Company and its subsidiaries (direct/ indirect) as mentioned in above point.

3.2. Appointed date for proposed draft Scheme is fixed as commencement of business hours of April 1, 2024.

3.3. The Scheme envisages the demerger of the Demerged Undertaking into the Resulting Company (elaborated in Section I) in compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961 ("IT Act"), such that:

a. all the property of the Demerged Undertaking, being transferred by the Demerged Company immediately before the demerger, becomes the property of the Resulting Company by virtue of the demerger;

b. all the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company immediately before the demerger, become the liabilities of the Resulting Company by virtue of the demerger;

c. the property and the liabilities of the Demerged Undertaking being transferred by the Demerged Company are transferred at values appearing in its books of account immediately before the demerger;

d. the Resulting Company issues, in consideration of the demerger, its shares to the shareholders of the Demerged Company;

e. the transfer of the Demerged Undertaking will be on a going concern basis;

f. the demerger will be in accordance with the conditions, if any, notified under sub-section (5) of section 72A of the IT Act, by the Central Government in this behalf.

3.4. Upon the demerger of the Demerged Undertaking of the Demerged Company and its transfer to and vesting in the Resulting Company pursuant to the Scheme becoming effective on the Effective Date,

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

the Resulting Company will issue shares to the shareholders of the Demerged Company on the Record Date, in accordance with the Share Exchange Ratio approved by the Board of Directors of each of the Demerged Company and the Resulting Company and pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the IT Act.

3.5. Such demerger will be effective from the Appointed Date but will be operative from the Effective Date.

3.6. The Scheme also envisages the amalgamation of the Transferor Company No. 1 with and into the Resulting Company ("Amalgamation – I") and amalgamation of Transferor Companies with and into the Transferee Company ("Amalgamation – II") in compliance with the provisions of Section 2(1B) of the IT Act, such that:

a. all the properties of the Transferor Company No. 1 immediately before the amalgamation, shall become the property of the Resulting Company by virtue of Amalgamation – I and all the properties of the Transferor Companies immediately before the amalgamation, shall become the property of the Transferee Company, by virtue of Amalgamation - II;

b. all the liabilities of the Transferor Company No. 1 immediately before the amalgamation, shall become the liabilities of the Resulting Company by virtue of Amalgamation – I and all the liabilities of the Transferor Companies immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of Amalgamation - II;

c. Transferor Company No. 1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to the demerger and hence, in consideration for Amalgamation - I, the Resulting Company shall not issue any shares under the Scheme. The existing shareholding of the Transferor Company No. 1 will get cancelled pursuant to the Scheme;

d. Transferor Companies are wholly owned subsidiaries and/or step-down subsidiaries of the Transferee Company, and hence, in consideration, the Transferee Company shall not issue any shares under the Scheme. The existing shareholding of the Transferor Companies will get cancelled pursuant to the Scheme.

3.7. Amalgamation – I and Amalgamation - II will be effective from the Appointed Date but will be operative from the Effective Date.

4. Rationale of Scheme

4.1. The Audit Committee noted the following rationale of the Scheme:

4.2. The Independent Directors Committee noted the following rationale of the Scheme:

4.2.1. The Chembond group, represented by the Demerged Company, viz. Chembond Chemicals Limited and its subsidiaries, step-down subsidiaries and step-down associates, is a well-known name in India and engaged in manufacturing a diverse range of specialty chemicals and all products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited Navi Mumbai

Chembond Chemicals Limited

Demerged Company has excellent infrastructure facilities like a well-equipped R & D laboratory, multiple regional offices, and production plants, well trained personnel and references across several business segments from the best-known companies in the field. The Demerged Company has come a long way and evolved from being a fledging start-up to India's leading specialty chemicals manufacturer. Based on the aforesaid, the Demerged Company's several businesses carried on by itself and through its subsidiary and step-down subsidiary companies and associate companies can broadly be segregated into the following areas: (i) Water Technologies; (ii) Material Technologies; (iii) Construction Chemicals; (iv) Biotechnology; (v) Distribution; (vi) Tolling (vii) Adhesives; and (viii) Industrial Sealants.

4.2.2. Each of the several businesses carried on by the Demerged Company by itself and through its subsidiaries, step-down subsidiaries and step-down associate, including CC & WT Business has significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking can attract a different set of investors, strategic partners, lenders, and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, Demerged Company proposes to re-organize and segregate, by way of a demerger of its Demerged Undertaking and vesting of the same in the Resulting Company and subsequently, amalgamation of Transferor Company No. 1 into the Resulting Company and amalgamation of the Transferor Companies into the Transferee Company.

4.2.3. The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits:f

a. segregation and unbundling of the CC & WT Business of the Demerged Company into the Resulting Company, which will enable enhanced focus on Retained Business of the Demerged Company and Resulting Company for exploiting opportunities of each of their businesses;

b. unlocking of value for the shareholders of the Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth;

c. logistics alignment leading to economies of scale for the Resulting Company and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and

d. enhancing competitive strength, achieving cost optimisation, ensuring benefits through focused management of the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Company and the Demerged Company thereby significantly contributing to future growth and maximizing shareholders' value.

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

4.2.4. Upon completion of proposed demerger, Transferor Company No. 1 will become a step-down subsidiary of the Resulting Company. The proposed Amalgamation – I and Amalgamation - II of the subsidiary companies (direct and indirect) into their respective holding company pursuant to this Scheme is expected, inter alia, to result in the following benefits:

a. It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;

b. It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition;

c. It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholders value;

d. It will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and

e. In summary, the proposed restructuring focuses on optimizing the operational structure to enable better focus, specialization, and efficiency across different business segments, ultimately leading to increased shareholder value and sustained growth for the entities involved.

4.2.5. The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the Companies.

5. Synergies of business of the entities involved in the Scheme

5.1. The Committee reviewed the draft Scheme and noted the following:

5.1.1. Demerger of the Demerged Undertaking of the Company into the Resulting Company would create simplified structure and would create independent listed companies with distinct set of growth opportunities. The said demerger would result in achieving efficiency in operational processes, implementation of intendent strategies specifically designed for each business and in optimizing profitability of each of these entities.

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

5.1.2. Amalgamation of the Transferor Companies into and with the Transferee Company will create greater synergies and efficient utilization of resources and create a consolidated and diverse portfolio of products under a single entity.

5.2. Thus, the re-structuring is proposed to result into enhanced development and growth of the business of the Demerged Company with independent focus on each business segment and more productive utilization of such resources which would be beneficial for all stakeholders. Further, pursuant to the proposed Scheme, the benefits as stated in paragraph 4 above are proposed to be derived.

6. Impact of the Scheme on the shareholders

6.1. As regards to demerger, all the equity shareholders of the Company (promoter and non-promoter), as on the Record Date (*as defined in the Scheme*) shall receive equity shares of the Resulting Company in the following ratio:

"for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five) each, in the Resulting Company"

in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA &Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and after Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company issued as consideration pursuant to the Scheme shall be listed on BSE and NSE and thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

6.2. As regards to Amalgamation – I, the Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of the Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies 2, 3 & 4 are wholly owned subsidiaries (direct and indirect) of the Transferee Company and there shall be no issue of shares by the Transferee Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Transferee Company and its public shareholders.

6.3. All the shares held by the Transferee Company in the Transferor Companies shall stand cancelled without further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Transferee Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Transferee Company.

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

6.4. The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.

7. Cost benefit analysis of the Scheme

Although the Scheme would lead to incurring of some cost towards its implementation, however, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Demerged Company/Transferee Company and the Resulting Company respectively.

8. Recommendations of the Audit Committee

The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme, Share Entitlement Ratio Report, Fairness Opinion Report, certificate(s) issued by the Statutory Auditors of the Company and in view of above stated factors including the need and rationale of the Scheme, benefits and impact of the Scheme on the shareholders and in particular the fact that the Scheme is not detrimental to the interests of the shareholders of the Demerged Company/Transferee Company, recommends the draft Scheme to the Board of Directors of the Company for its consideration and approval.

By Order of the Audit Committee
For and on behalf of **Chembond Chemicals Limited**

Mahendra K. Ghelani
Chairman of the Audit Committee
DIN: 01108297
Place: Mumbai
Date: December 12, 2023

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF CHEMBOND CHEMICALS LIMITED FOR RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT BETWEEN CHEMBOND CHEMICALS LIMITED AND RESULTING COMPANY, TRANSFEROR COMPANY NO. 1, TRANSFEROR COMPANY NO. 2, TRANSFEROR COMPANY NO. 3 AND TRANSFEROR COMPANY NO. 4 THEIR RESPECTIVE SHAREHOLDERS UNDER SECTION 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON TUESDAY, DECEMBER 12, 2023 AT 9.30 A.M AT MUMBAI

The following members of the Committee of Independent Directors were present:

Mr. Mahendra K. Ghelani	Chairman
Mr. Sushil U. Lakhani	Member
Dr. Prakash D. Trivedi	Member
Mrs. Saraswati Sankar	Member

In attendance:

Mrs. Suchita Singh, Company Secretary and Compliance Officer

1. Background

1.1. A meeting of Independent Directors Committee of the Company was held on Tuesday, December 12, 2023 to consider and, if thought fit, recommend to the Board of Directors of the Company, the proposed Composite Scheme of Arrangement ("Scheme") between Chembond Chemicals Limited (**"Company"** or **"Demerged Company"** or **"Transferee Company"**) and Chembond Chemical Specialties Limited (**"Resulting Company"**), Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3"**) Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4"**) and their respective shareholders pursuant to Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 (**"Act"**).

1.2. The Company is a listed public limited Company within the meaning of the Act. The equity shares of the Company are listed on BSE Limited (**"BSE"**) and the National Stock Exchange of India Limited (**"NSE"**), (BSE and NSE are collectively referred to as the **"Stock Exchanges"**)

1.3. Resulting Company is a public limited company incorporated under the Companies Act, 2013 as wholly owned subsidiary of the Company.

1.4. Transferor Company No. 1 is a public limited company incorporated under the Companies Act, 1956 and is an indirect wholly owned subsidiary of the Company.

1.5. Transferor Company No. 2 is a private limited company incorporated under the Companies Act, 1956 and is wholly owned subsidiary of the Company.

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

1.6. Transferor Company No. 3 is a private limited company incorporated under the Companies Act, 1956 and is wholly owned subsidiary of the Company.

1.7. Transferor Company No. 4 is a private limited company incorporated under the Companies Act, 1956 and is wholly owned subsidiary of the Transferor Company No. 3 and indirect wholly owned subsidiary of the Company.

1.8. The capitalised terms not defined in this report shall have the same meaning as ascribed to them in the draft Scheme.

1.9. This Report of the Independent Directors Committee is made to comply with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and master circular in relation to Scheme of Arrangement issued by Securities and Exchange Board of India ("**SEBI**") having No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the SEBI on June 20, 2023 covering all circulars issued by SEBI in relation to scheme of arrangement including any amendments or modifications thereof, and any other circular issued pursuant to Regulations 11, 37 and 94 of SEBI LODR Regulations considering following:

i. Draft Scheme of Arrangement, duly initialled by the Director of the Company for the purpose of identification;

ii. Fair Share Entitlement Ratio Report dated December 12, 2023 issued by SSPA & Co., an Independent Registered Valuer (Registration No. IBBI/RV/06/2018/10140) ("**Registered Valuer**") appointed for recommending the fair share entitlement ratio for the purpose of the draft Scheme;

iii. Fairness Opinion Report dated December 12, 2023 issued by Vivro Financial Services Private Limited, Independent SEBI Registered Merchant Banker (Registration No. INM000010122) providing opinion ("**Fairness Opinion**") on the share entitlement ratio recommended in the Fair Share Entitlement Ratio Report issued by the Registered Valuer; and

iv. Draft certificate to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013, from the Statutory Auditors of the Demerged Company/Transferee Company i.e., Bathiya & Associates LLP, Chartered Accountants (ICAI Firm's Registration No. 101046W/W100063).

2. Proposed Scheme

2.1. The Scheme, inter-alia, provides the following:

i. Demerger, transfer and vesting of 'CC & WT Business' of the Company into Resulting Company;

ii. Amalgamation of Transferor Company No. 1 with the Resulting Company;

Chembond Chemicals Limited Navi Mumbai

Chembond Chemicals Limited

iii. Amalgamation of Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 ("Transferor Companies") with the Company viz. Chembond Chemicals Limited; and

iv. Various other matters consequential or otherwise integrally connected herewith.

2.2. Appointed Date of the draft Scheme is commencement of the business hours of April 1, 2024.

2.3. The Effective Date for the draft Scheme means the day on which last of the conditions specified in the draft Scheme are complied with.

2.4. The draft Scheme would be subject to the sanction or approval of the National Company Law Tribunal, SEBI, Stock Exchanges, Shareholders, Creditors and other Appropriate Authorities (as defined in the draft Scheme).

3. Salient features of the Scheme:

3.1. The Scheme provides to restructure the various business of the Demerged Company and its subsidiaries (direct/ indirect) as mentioned in above point.

3.2. Appointed date for proposed draft Scheme is fixed as commencement of business hours of April 1, 2024.

3.3. The Scheme envisages the demerger of the Demerged Undertaking into the Resulting Company (elaborated in Section I) in compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961 ("IT Act"), such that:

a. all the property of the Demerged Undertaking, being transferred by the Demerged Company immediately before the demerger, becomes the property of the Resulting Company by virtue of the demerger;

b. all the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company immediately before the demerger, become the liabilities of the Resulting Company by virtue of the demerger;

c. the property and the liabilities of the Demerged Undertaking being transferred by the Demerged Company are transferred at values appearing in its books of account immediately before the demerger;

d. the Resulting Company issues, in consideration of the demerger, its shares to the shareholders of the Demerged Company;

e. the transfer of the Demerged Undertaking will be on a going concern basis;

f. the demerger will be in accordance with the conditions, if any, notified under sub-section (5) of section 72A of the IT Act, by the Central Government in this behalf.

3.4. Upon the demerger of the Demerged Undertaking of the Demerged Company and its transfer to and vesting in the Resulting Company pursuant to the Scheme becoming effective on the Effective Date, the Resulting Company will issue shares to the shareholders of the Demerged Company on the Record Date, in accordance with the Share Exchange Ratio approved by the Board of Directors of each of the Demerged Company and the Resulting Company and pursuant

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited Navi Mumbai

Chembond Chemicals Limited

to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the IT Act.

3.5. Such demerger will be effective from the Appointed Date but will be operative from the Effective Date.

3.6. The Scheme also envisages the amalgamation of the Transferor Company No. 1 with and into the Resulting Company ("Amalgamation – I") and amalgamation of Transferor Companies with and into the Transferee Company ("Amalgamation – II") in compliance with the provisions of Section 2(1B) of the IT Act, such that:

a. all the properties of the Transferor Company No. 1 immediately before the amalgamation, shall become the property of the Resulting Company by virtue of Amalgamation – I and all the properties of the Transferor Companies immediately before the amalgamation, shall become the property of the Transferee Company, by virtue of Amalgamation - II;

b. all the liabilities of the Transferor Company No. 1 immediately before the amalgamation, shall become the liabilities of the Resulting Company by virtue of Amalgamation – I and all the liabilities of the Transferor Companies immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of Amalgamation - II;

c. Transferor Company No. 1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to the demerger and hence, in consideration for Amalgamation - I, the Resulting Company shall not issue any shares under the Scheme. The existing shareholding of the Transferor Company No. 1 will get cancelled pursuant to the Scheme;

d. Transferor Companies are wholly owned subsidiaries and/or step-down subsidiaries of the Transferee Company, and hence, in consideration, the Transferee Company shall not issue any shares under the Scheme. The existing shareholding of the Transferor Companies will get cancelled pursuant to the Scheme.

3.7. Amalgamation – I and Amalgamation - II will be effective from the Appointed Date but will be operative from the Effective Date.

4. Rationale of Scheme

4.1. The Independent Directors Committee noted the following rationale of the Scheme:

4.1.1. The Chembond group, represented by the Demerged Company, viz. Chembond Chemicals Limited and its subsidiaries, step-down subsidiaries and step-down associates, is a well-known name in India and engaged in manufacturing a diverse range of specialty chemicals and all products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health industrial adhesives and sealants and tolling. The Demerged Company has excellent infrastructure facilities like a well-equipped R & D laboratory, multiple regional offices, and production plants, well trained personnel and references across several business segments from the best-known companies in the field. The Demerged Company has come a long way and evolved from being a fledging start-up to India's leading specialty chemicals manufacturer. Based on the aforesaid, the Demerged Company's several businesses carried on by itself and through its subsidiary and step-down subsidiary companies and associate companies can broadly be segregated into the following areas: (i) Water

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited Navi Mumbai

Technologies; (ii) Material Technologies; (iii) Construction Chemicals; (iv) Biotechnology; (v) Distribution; (vi) Tolling (vii) Adhesives; and (viii) Industrial Sealants.

4.1.2. Each of the several businesses carried on by the Demerged Company by itself and through its subsidiaries, step-down subsidiaries and step-down associate, including CC & WT Business has significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking can attract a different set of investors, strategic partners, lenders, and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, Demerged Company proposes to re-organize and segregate, by way of a demerger of its Demerged Undertaking and vesting of the same in the Resulting Company and subsequently, amalgamation of Transferor Company No. 1 into the Resulting Company and amalgamation of the Transferor Companies into the Transferee Company.

4.1.3. The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits:

a. segregation and unbundling of the CC & WT Business of the Demerged Company into the Resulting Company, which will enable enhanced focus on Retained Business the Demerged Company and Resulting Company for exploiting opportunities of each of their businesses;

b. unlocking of value for the shareholders of the Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth;

c. logistics alignment leading to economies of scale for the Resulting Company and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and

d. enhancing competitive strength, achieving cost optimisation, ensuring benefits through focused management of the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Company and the Demerged Company thereby significantly contributing to future growth and maximizing shareholders' value.

4.1.4. Upon completion of proposed demerger, Transferor Company No. 1 will become a step-down subsidiary of the Resulting Company. The proposed Amalgamation – I and Amalgamation - II of the subsidiary companies (direct and indirect) into their respective holding company pursuant to this Scheme is expected, inter alia, to result in the following benefits:

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

a. It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;

b. It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition;

c. It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholders value;

d. It will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and

e. In summary, the proposed restructuring focuses on optimizing the operational structure to enable better focus, specialization, and efficiency across different business segments, ultimately leading to increased shareholder value and sustained growth for the entities involved.

4.1.5. The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the Companies.

5. Synergies of business of the entities involved in the Scheme

5.1. The Committee reviewed the draft Scheme and noted the following:

5.1.1. Demerger of the Demerged Undertaking of the Company into the Resulting Company would create simplified structure and would create independent listed companies with distinct set of growth opportunities. The said demerger would result in achieving efficiency in operational processes, implementation of intendent strategies specifically designed for each business and in optimizing profitability of each of these entities.

5.1.2. Amalgamation of the Transferor Companies into and with the Transferee Company will create greater synergies and efficient utilization of resources and create a consolidated and diverse portfolio of products under a single entity.

5.2. Thus, the re-structuring is proposed to result into enhanced development and growth of the business of the Demerged Company with independent focus on each business segment and

more productive utilization of such resources which would be beneficial for all stakeholders. Further, pursuant to the proposed Scheme, the benefits as stated in paragraph 4 above are proposed to be derived.

6. Impact of the Scheme on the shareholders

6.1. As regards to demerger, all the equity shareholders of the Company (promoter and non-promoter), as on the Record Date (*as defined in the Scheme*) shall receive equity shares of the Resulting Company in the following ratio:

"for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five only) each, in the Resulting Company"

in consideration for the transfer of the Demerged Undertaking pursuant to Demerger basis a Fair Share Entitlement Ratio recommended by SSPA & Co, Registered Valuers and Vivro Financial Services Private Limited, Category – I Merchant Banker. There will be no change in the economic interest of the shareholders of the Demerged Company, before and after Scheme. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company issued as consideration pursuant to the Scheme shall be listed on BSE and NSE and thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

6.2. As regards to Amalgamation – I, the Transferor Company No.1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger and hence there shall be no issue of shares by the Resulting Company as consideration for the amalgamation of the Transferor Company No. 1. With regards to Amalgamation – II, Transferor Companies are wholly owned subsidiaries (direct and indirect) of the Transferee Company and there shall be no issue of shares by the Transferee Company as consideration for the amalgamation of the Transferor Companies. Accordingly, Amalgamation – I and Amalgamation – II would be neutral to the Resulting Company, Transferee Company and its public shareholders.

6.3. All the shares held by the Transferee Company in the Transferor Companies shall stand cancelled without further act or deed on amalgamation coming into effect. There would neither be any change in the existing number of shares nor in the percentage shareholding of the promoters on an aggregate basis in the Transferee Company pursuant to amalgamation. Also, the Scheme does not provide for any reduction in the public shareholding percentage in the Transferee Company.

6.4. The proposed Scheme is expected to be beneficial to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Companies and their respective shareholders and all their stake holders and will enable the Demerged Company/Transferee Company and the Resulting Company to achieve and fulfil their objectives more effectively and efficiently.

7. Cost benefit analysis of the Scheme

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

Although the Scheme would lead to incurring of some cost towards its implementation, however, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Demerged Company/Transferee Company and the Resulting Company respectively.

8. Recommendations of the Committee of Independent Directors

The Committee of Independent Directors after due deliberations and due consideration of all the terms of the draft Scheme, Fair Share Entitlement Ratio Report, Fairness Opinion Report, certificate(s) issued by the Statutory Auditors of the Company and in view of above stated factors including the need and rationale of the Scheme, benefits and impact of the Scheme on the shareholders and in particular the fact that the Scheme is not detrimental to the interests of the shareholders of the Demerged Company/Transferee Company, recommends the draft Scheme to the Board of Directors of the Company for its consideration and approval.

By Order of the Committee of Independent Directors

For and on behalf of **Chembond Chemicals Limited**

Chembond Chemicals Limited Navi Mumbai

Mahendra K. Ghelani
Chairman of the Committee of Independent Directors
DIN: 01108297
Place: Mumbai
Date: December 12, 2023

Chembond Chemicals Limited

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF CHEMBOND CHEMICALS LIMITED AT THEIR MEETING HELD ON DECEMBER 12, 2023, AT SHORTER NOTICE, AT 12 NOON AT 601, CENTRE POINT, SANTACRUZ (W), MUMBAI 400054.

Approval of the draft Composite Scheme of Arrangement (**"Scheme"**) in the nature of demerger of CC & WT Business of Chembond Chemicals Limited ("**Demerged Company**" or **"Transferee Company"** or **"Company"**) into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Demerged Company ("**Resulting Company**") and amalgamation of Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"**) with the Resulting Company and amalgamation of Chembond Material Technologies Private Limited (**"Transferor Company No. 2"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3"**), Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4"**) with the Transferee Company under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 "Act".

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other Rules, Circulars and Notifications made thereunder as may be applicable, Section 2(1B) and 2(19AA) read with any other applicable provisions of the Income- tax Act, 1961 (as amended) ("IT Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR Regulations"**) and applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India (**"SEBI"**) from time to time, and Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (as amended from time to time) or any other circulars issued by SEBI applicable to schemes of arrangement from time to time ("SEBI Scheme Circular") and relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of the Company, and subject to the approval of BSE Limited (**"BSE"**), National Stock Exchange of India Limited (**"NSE"**), SEBI, the Hon'ble National Company Law Tribunal, Mumbai (**"NCLT"**) and such other approvals, permissions and sanctions of regulatory or governmental and other authorities or tribunals, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by NCLT, or by any regulatory or other authorities or tribunals, while granting such consents, approvals and permissions which is acceptable to the Board of Directors of the Company (hereinafter referred to as "Board", which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the consent of the Board be and is hereby accorded to the draft Scheme between the Demerged Company and the Resulting Company, Transferor Company No. 1, Transferor Company No. 2 , Transferor Company No. 3 and Transferor Company No. 4 for:

1. the demerger of the 'CC & WT Business' (as defined in the Scheme) ("Demerged Undertaking") of the Company into Resulting Company on a going concern basis;
2. amalgamation of the Transferor Company No. 1 with and into Resulting Company;
3. amalgamation of Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with and into Transferee Company;

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

RESOLVED FURTHER THAT the report of the Audit Committee and the Committee of Independent Directors recommending the draft Scheme duly considering the parameters as stated in the master circular in relation to Composite Scheme of Arrangement issued by SEBI bearing No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 covering all circulars issued by SEBI under SEBI LODR Regulations in relation to draft Scheme including any amendments or modifications thereof ("**SEBI Scheme Circular**"), as placed before the Board be and is hereby accepted and approved.

RESOLVED FURTHER THAT the draft of the report from M/s. SSPA & Co., Registered Valuers on the share entitlement ratio for the issue of shares by the Resulting Company pursuant to the draft Scheme, and the final drafts of the fairness opinions on such share entitlement ratio from M/s. Vivro Financial Services Pvt. Ltd, Merchant Banker placed before the Board, be and are hereby approved.

RESOLVED FURTHER THAT for the purpose of Section 232 of the Act, the certificate from Statutory Auditors of the Company, certifying that the accounting treatment contained in the draft Scheme, as it relates to the Company, is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Act and the rules made thereunder and specified in Paragraph (A)(5) of Part I of the SEBI Scheme Circular, be and is hereby accepted and taken on record and approved.

RESOLVED FURTHER THAT in terms of the SEBI Scheme Circular, the Board do hereby confirm and record that requirements of Part I A. 10. (a) read with conditions prescribed in Part I A. 10. (b) of the SEBI Scheme Circular is not applicable to the Company and an undertaking to this effect clearly stating the reasons for non-applicability of requirements of Part I A. 10. (a) read with conditions prescribed in Part I A. 10. (b) of Part I of the SEBI Scheme Circular, which is also certified by Statutory Auditor of the Company, as placed before the Board be and is hereby taken on record and approved.

RESOLVED FURTHER THAT the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 ("**Transferor Companies**") are wholly owned subsidiary companies (direct and indirect), of the Company. Accordingly, pursuant to this draft Scheme, no shares of the Company will be issued and allotted in lieu or exchange of the shares of the Transferor Companies and the shares of the Transferor Companies held by the Company shall stand cancelled.

RESOLVED FURTHER THAT a draft report under Section 232(2)(c) of the Act as placed before the Board at this meeting and duly initialed by Mr. Sameer V. Shah, Director for the purpose of identification, explaining the effect of the proposed Scheme on each of the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, is hereby adopted and taken on record and any of the Director of the Company be and is hereby authorized to finalize and sign the same.

RESOLVED FURTHER THAT in the opinion of the Board, the draft Scheme will be advantageous and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable and is not detrimental to the shareholders of the Company.

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6764 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

RESOLVED FURTHER THAT the said draft Scheme be submitted to BSE and NSE for their consideration and for obtaining Observation Letter or No-objection Letter, before filing the draft Scheme with NCLT.

RESOLVED FURTHER THAT NSE be and is hereby designated as the "Designated Stock Exchange" for co-ordinating with SEBI for obtaining approval of SEBI in accordance with SEBI LODR Regulations read with SEBI Scheme Circular.

RESOLVED FURTHER THAT Mr. Sameer V. Shah and Mr. Nirmal V. Shah, Directors of the Company, Mrs. Rashmi Gavli, Chief Financial Officer and Mrs. Suchita Singh, Company Secretary of the Company ("**Authorised Persons**") be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign, execute and deliver any documents, deeds, writings, letters and declarations as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the draft Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by NCLT, while sanctioning the draft Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the draft Scheme, or as may be deemed fit and proper.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorized to take all necessary steps including but not limited to the following:

a. To finalize and settle the draft Scheme, applications, petitions, affidavits, undertakings, vakalatnama, declarations, letters, notice, documents, and the like on behalf of the Company for the purpose of giving effect to the draft Scheme;

b. To file and submit the draft Scheme, necessary petitions, affidavits, letters, documents, application and the like with NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, Stock Exchange, SEBI, other Governmental Authorities and/or any other authority as may be required pursuant to the relevant provisions of applicable laws, rules and regulations;

c. To finalize and settle the notices and the explanatory statement thereto under Section 232 of the Companies Act, 2013 for convening the class meetings of the members and/or creditors, as required, with such modifications as they may deem fit;

d. To affix the Common Seal of the Company on any documents in connection with draft Scheme or for the purpose of this Resolution, as may be required, in accordance with the Articles of Association of the Company;

e. To send the Common Seal of the Company to other places, if so required, to facilitate execution of any documents, writings, declaration etc. in connection with the draft Scheme;

f. To make applications to the relevant authorities or other persons for their approval to the draft Scheme as may be required, and to make such disclosures to governmental or regulatory authorities as may be required for the purpose;

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

g. To make such modifications/ alterations/ changes in the draft Scheme as may be suggested, prescribed, expedient or necessary for satisfying the requirement or conditions imposed by NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, Stock Exchange, SEBI, other Governmental Authorities and/or any other authority;

h. To settle any question or difficulty that may arise with regard to the implementation of the draft Scheme including the meaning or interpretation of any provisions of the draft Scheme or in any manner whatsoever connected therewith, and to give such directions as may be considered necessary or expedient; and

i. To do all such acts, matters, deeds and things as may be considered necessary and expedient to obtain necessary orders from NCLT and to do or perform such incidental, consequential and supplemental acts as are necessary or considered appropriate to implement the draft Scheme.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby severally authorized to sign the certified true copy of the resolution and furnish the same to BSE, NSE or any other concerned authority as may be required with a request to act thereon."

CERTIFIED TRUE COPY

For Chembond Chemicals Limited

Chembond Chemicals Limited Navi Mumbai

Sameer V. Shah
Chairman and Manging Director
DIN: 00105721

Date of Issue: December 28, 2023
Place: Navi Mumbai

ANNEXURE 9
Resulting Company

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF CHEMBOND CHEMICAL SPECIALTIES LIMITED AT THEIR FIRST MEETING HELD ON DECEMBER 12, 2023 AT SHORTER NOTICE, AT 4.30 P.M AT 601, CENTRE POINT, SANTACRUZ (W), MUMBAI 400054

Approval of the draft Composite Scheme of Arrangement (**"Scheme"**) in the nature of demerger of CC & WT Business of Chembond Chemicals Limited (**"Demerged Company"** or **"Transferee Company"**) into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Demerged Company (**"Resulting Company" or "Company"**) and amalgamation of Chembond Clean Water Technologies Limited **("Transferor Company No. 1")** with the Resulting Company and amalgamation of Chembond Material Technologies Private Limited **("Transferor Company No. 2")**, Phiroze Sethna Private Limited **("Transferor Company No. 3")**, Gramos Chemicals (India) Private Limited **("Transferor Company No. 4")** with the Transferee Company under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013("Act").

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other Rules, Circulars and Notifications made thereunder as may be applicable, Section 2(1B) and 2(19AA) read with any other applicable provisions of the Income- Tax Act, 1961 (as amended) ("IT Act"), relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of the Company, subject to approval of the Hon'ble National Company Law Tribunal, Mumbai (**"NCLT"**) and such other approvals, permissions and sanctions of regulatory or governmental and other authorities or tribunals, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by NCLT, or by any regulatory or other authorities or tribunals, while granting such consents, approvals and permissions which is acceptable to the Board of Directors of the Company (hereinafter referred to as **"Board"**, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the consent of the Board be and is hereby accorded to the draft Scheme between the Demerged Company and the Resulting Company, Transferor Company No. 1, Transferor Company No. 2, the Transferor Company No. 3 and Transferor Company No. 4 for:

1. the demerger of the 'CC & WT Business' ("Demerged Undertaking") (as defined in the Scheme) of the Demerged Company into Resulting Company on a going concern basis;
2. amalgamation of the Transferor Company No. 1 with and into Resulting Company;
3. amalgamation of Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with and into Transferee Company.

RESOLVED FURTHER THAT the final draft of the report from M/s. SSPA & Co., Registered Valuers on the share entitlement ratio for the issue of shares by the Resulting Company pursuant to the Scheme, and the final drafts of the fairness opinions on such share entitlement ratio from M/s. Vivro Financial Services Pvt. Ltd, Merchant Banker before the Board, be and are hereby approved;

Chembond Chemical Specialties Limited

Chembond Chemical Specialties Limited
EL-37 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
www.chembondindia.com
CIN: U20116MH2023PLC415282

RESOLVED FURTHER THAT for the purpose of Section 232 of the Act, the certificate from Statutory Auditors of the Company, certifying that the accounting treatment contained in the draft Scheme, as it relates to the Company, is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Act and the rules made thereunder, be and is hereby accepted and taken on record and approved;

RESOLVED FURTHER THAT the Transferor Company No. 1 will become an indirect wholly owned subsidiary of the Company pursuant to demerger. Accordingly, pursuant to this draft Scheme, no shares of the Company will be issued and allotted in lieu or exchange of the shares of the Transferor Company No. 1 and the shares of the Transferor Company no. 1 held by Chembond Water Technologies Limited shall stand cancelled.

RESOLVED FURTHER THAT a draft report under Section 232(2)(c) of the Act as placed before the Board at this meeting and duly initialed by Mr. Nirmal V. Shah, Director for the purpose of identification, explaining the effect of the proposed Scheme on each of the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, is hereby adopted and taken on record and any of the Director of the Company be and is hereby authorized to finalize and sign the same;

RESOLVED FURTHER THAT in the opinion of the Board, the draft Scheme will be advantageous and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable and is not detrimental to the shareholders of the Company;

RESOLVED FURTHER THAT Mr. Sameer V. Shah and Mr. Nirmal V. Shah, and Mrs. Rashmi Gavli, Directors, Mrs. Suchita Singh and Mrs. Prachi Mahadik, Authorised Representative of the Company ("**Authorised Persons**") be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign, execute and deliver any documents, deeds, writings, letters and declarations as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the draft Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by NCLT, while sanctioning the draft Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the draft Scheme, or as may be deemed fit and proper;

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorized to take all necessary steps including but not limited to the following:

a. To finalize and settle the draft Scheme, applications, petitions, affidavits, undertakings, vakalatnama, declarations, letters, notice, documents, and the like on behalf of the Company for the purpose of giving effect to the draft Scheme;

b. To file and submit the draft Scheme, necessary petitions, affidavits, letters, documents, application and the like with NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority as may be required pursuant to the relevant provisions of applicable laws, rules and regulations;

Chembond Chemical Specialties Limited

Chembond Chemical Specialties Limited
EL-37 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 • F: +91 22 27681294
www.chembondindia.com
CIN: U20116MH2023PLC415282

c. To finalize and settle the notices and the explanatory statement thereto under Section 232 of the Companies Act, 2013 for convening the class meetings of the members and/or creditors, as required, with such modifications as they may deem fit;

d. To affix the Common Seal of the Company on any documents in connection with draft Scheme or for the purpose of this Resolution, as may be required, in accordance with the Articles of Association of the Company;

e. To send the Common Seal of the Company to other places, if so required, to facilitate execution of any documents, writings, declaration etc. in connection with the draft Scheme;

f. To make applications to the relevant authorities or other persons for their approval to the draft Scheme as may be required, and to make such disclosures to governmental or regulatory authorities as may be required for the purpose;

g. To make such modifications/ alterations/ changes in the draft Scheme as may be suggested, prescribed, expedient or necessary for satisfying the requirement or conditions imposed by NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority;

h. To settle any question or difficulty that may arise with regard to the implementation of the draft Scheme including the meaning or interpretation of any provisions of the draft Scheme or in any manner whatsoever connected therewith, and to give such directions as may be considered necessary or expedient; and

i. To do all such acts, matters, deeds and things as may be considered necessary and expedient to obtain necessary orders from NCLT and to do or perform such incidental, consequential and supplemental acts as are necessary or considered appropriate to implement the draft Scheme.

RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorized to sign the certified true copy of the resolution and to furnish the same to the concerned authorities as may be required, with a request to act thereon."

CERTIFIED TRUE COPY

For Chembond Chemical Specialties Limited

Nirmal V. Shah
Director
DIN: 00083853

Chembond Chemical Specialties Limited

Date of Issue: December 28, 2023
Place: Navi Mumbai

chembond
Clean Water Technologies

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF CHEMBOND CLEAN WATER TECHNOLOGIES LIMITED AT ITS MEETING HELD ON DECEMBER 12, 2023, AT SHORTER NOTICE AT 7.30 AM AT 601, CENTRE POINT, SANTACRUZ (W) MUMBAI 400 054.

Approval of the draft Composite Scheme of Arrangement ("**Scheme**") in the nature of demerger of CC & WT Business of Chembond Chemicals Limited ("**Demerged Company**" or "**Transferee Company**") into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Demerged Company ("**Resulting Company**") and amalgamation of Chembond Clean Water Technologies Limited ("**Transferor Company No. 1**" or "**Company**") with the Resulting Company and amalgamation of Chembond Material Technologies Private Limited ("**Transferor Company No. 2**"), Phiroze Sethna Private Limited ("**Transferor Company No. 3**"), Gramos Chemicals (India) Private Limited ("**Transferor Company No. 4**") with the Transferee Company under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Act").

"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other Rules, Circulars and Notifications made thereunder as may be applicable, Section 2(1B) and 2(19AA) read with any other applicable provisions of the Income- Tax Act, 1961 (as amended) ("IT Act"), relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of the Company, subject to approval of the Hon'ble National Company Law Tribunal, Mumbai ("**NCLT**") and such other approvals, permissions and sanctions of regulatory or governmental and other authorities or tribunals, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by the NCLT, or by any regulatory or other authorities or tribunals, while granting such consents, approvals and permissions which is acceptable to the Board of Directors of the Company (hereinafter referred to as "**Board**", which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the consent of the Board be and is hereby accorded to the draft Scheme between the Demerged Company and the Resulting Company, Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 and the Transferor Company No. 4 for:

1. the demerger of the 'CC & WT Business' ("Demerged Undertaking") (as defined in the Scheme) of the Demerged Company into Resulting Company on a going concern basis;
2. amalgamation of the Transferor Company No. 1 with and into Resulting Company;
3. amalgamation of Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with and into Transferee Company;

RESOLVED FURTHER THAT as the Company viz. Chembond Clean Water Technologies Limited will become an indirect wholly owned subsidiary of the Resulting Company pursuant to demerger, with the entire issued, subscribed and paid-up share capital of the Company being held indirectly by the Resulting Company, no new shares whatsoever shall be issued by the Resulting Company in consideration of amalgamation and entire share capital of the Company shall stand cancelled and extinguished;

Chembond Clean Water Technologies Limited
EL-71 Mahape MIDC, Navi Mumbai 400 710. INDIA.
T: +91 22 62643000 • F: +91 22 27681294
E: info@chembondwater.com • U: www.chembondwater.com
CIN: U29248MH2010PLC202124

chembond
Clean Water Technologies

RESOLVED FURTHER THAT a draft report under Section 232(2)(c) of the Act as placed before the Board at this meeting and duly initialed by Mr. Nirmal V. Shah, Director for the purpose of identification, explaining the effect of the proposed Scheme on each of the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, is hereby adopted and taken on record and any of the Director of the Company be and is hereby authorized to finalize and sign the same;

RESOLVED FURTHER THAT in the opinion of the Board, the draft Scheme will be advantageous and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable and is not detrimental to the shareholders of the Company;

RESOLVED FURTHER THAT Mr. Nirmal V. Shah, Director, Mr. Vinod Deshpande, Director, Mrs. Rashmi Gavli, Mrs. Suchita Singh, Mrs. Prachi Mahadik Authorised Representatives and Company Secretary of the Company ("**Authorised Persons**") be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign, execute and deliver any documents, deeds, writings, letters and declarations as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the draft Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by NCLT, while sanctioning the draft Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the draft Scheme, or as may be deemed fit and proper;

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorized to take all necessary steps including but not limited to the following:

a. To finalize and settle the draft Scheme, applications, petitions, affidavits, undertakings, vakalatnama, declarations, letters, notice, documents, and the like on behalf of the Company for the purpose of giving effect to the draft Scheme;

b. To file and submit the draft Scheme, necessary petitions, affidavits, letters, documents, application and the like with NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority as may be required pursuant to the relevant provisions of applicable laws, rules and regulations;

c. To finalize and settle the notices and the explanatory statement thereto under Section 232 of the Companies Act, 2013 for convening the class meetings of the members and/or creditors, as required, with such modifications as they may deem fit;

d. To affix the Common Seal of the Company on any documents in connection with draft Scheme or for the purpose of this Resolution, as may be required, in accordance with the Articles of Association of the Company;

e. To send the Common Seal of the Company to other places, if so required, to facilitate execution of any documents, writings, declaration etc. in connection with the draft Scheme;

CHEMBOND CLEAN WATER TECHNOLOGIES LTD.

Chembond Clean Water Technologies Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA.
T: +91 22 62643000-03 • F: +91 22 27681294
E: info@chembondwater.com • U: www.chembondwater.com
CIN: U29248MH2010PLC202124

chembond
Clean Water Technologies

f. To make applications to the relevant authorities or other persons for their approval to the draft Scheme as may be required, and to make such disclosures to governmental or regulatory authorities as may be required for the purpose;

g. To make such modifications/ alterations/ changes in the draft Scheme as may be suggested, prescribed, expedient or necessary for satisfying the requirement or conditions imposed by NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority;

h. To settle any question or difficulty that may arise with regard to the implementation of the draft Scheme including the meaning or interpretation of any provisions of the draft Scheme or in any manner whatsoever connected therewith, and to give such directions as may be considered necessary or expedient; and

i. To do all such acts, matters, deeds and things as may be considered necessary and expedient to obtain necessary orders from NCLT and to do or perform such incidental, consequential and supplemental acts as are necessary or considered appropriate to implement the draft Scheme;

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby severally authorized to sign the certified true copy of the resolution and to furnish the same to the concerned authorities with a request to act thereon."

CERTIFIED TRUE COPY

For Chembond Clean Water Technologies Limited

CLEAN WATER TECHNOLOGIES LTD. CHEMBOND

Nirmal V. Shah
Director
DIN: 00083853

Date of issue: December 28, 2023
Place: Navi Mumbai

Material Technologies

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF CHEMBOND MATERIAL TECHNOLOGIES PRIVATE LIMITED AT ITS MEETING HELD ON DECEMBER 12, 2023, AT SHORTER NOTICE AT 8.20 A.M AT 601, CENTRE POINT, SANTACRUZ (W) MUMBAI 400 054

Approval of the draft Composite Scheme of Arrangement ("**Scheme**") in the nature of demerger of CC & WT Business of Chembond Chemicals Limited ("**Demerged Company**" or "**Transferee Company**") into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Demerged Company ("**Resulting Company**") and amalgamation of Chembond Clean Water Technologies Limited ("**Transferor Company No. 1**") with the Resulting Company and amalgamation of Chembond Material Technologies Private Limited ("**Transferor Company No. 2**" or "**Company**"), Phiroze Sethna Private Limited ("**Transferor Company No. 3**"), Gramos Chemicals (India) Private Limited ("**Transferor Company No. 4**") with the Transferee Company under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Act").

"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other Rules, Circulars and Notifications made thereunder as may be applicable, Section 2(1B) and 2(19AA) read with any other applicable provisions of the Income- Tax Act, 1961 (as amended) ("IT Act"), relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of the Company, subject to approval of the Hon'ble National Company Law Tribunal, Mumbai ("**NCLT**") and such other approvals, permissions and sanctions of regulatory or governmental and other authorities or tribunals, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by NCLT, or by any regulatory or other authorities or tribunals, while granting such consents, approvals and permissions which is acceptable to the Board of Directors of the Company (hereinafter referred to as "**Board**", which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the consent of the Board be and is hereby accorded to the draft Scheme between the Demerged Company and the Resulting Company, Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 and the Transferor Company No. 4 for:

1. the demerger of the 'CC & WT Business' ("Demerged Undertaking") (as defined in the Scheme) of the Demerged Company into Resulting Company on a going concern basis;
2. amalgamation of the Transferor Company No. 1 with and into Resulting Company;
3. amalgamation of Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with and into Transferee Company;

RESOLVED FURTHER THAT as the Company viz. Chembond Material Technologies Private Limited is a wholly owned subsidiary of the Transferee Company with the entire issued, subscribed and paid-up share capital of the Company being held by the Transferee Company, no new shares whatsoever shall be issued by the Transferee Company in consideration of amalgamation and entire share capital of the Company shall stand cancelled and extinguished;

RESOLVED FURTHER THAT a draft report under Section 232(2)(c) of the Act as placed before the Board at this meeting and duly initialed by Mr. Sameer V. Shah, Director for the purpose of identification, explaining the effect of the proposed Scheme on each of the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, is hereby adopted and taken on record and any of the Director of the Company be and is hereby authorized to finalize and sign the same;

RESOLVED FURTHER THAT in the opinion of the Board, the draft Scheme will be advantageous and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable and is not detrimental to the shareholders of the Company;

RESOLVED FURTHER THAT Mr. Sameer V. Shah, Director, Mr. Nirmal V. Shah, Director, Mrs. Rashmi Gavli, Mrs. Suchita Singh and Mrs. Prachi Mahadik Authorised Representatives of the Company ("**Authorised Persons**") be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign, execute and deliver any documents, deeds, writings, letters and declarations as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the draft Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by NCLT, while sanctioning the draft Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the draft Scheme, or as may be deemed fit and proper;

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorized to take all necessary steps including but not limited to the following:

a. To finalize and settle the draft Scheme, applications, petitions, affidavits, undertakings, vakalatnama, declarations, letters, notice, documents, and the like on behalf of the Company for the purpose of giving effect to the draft Scheme;

b. To file and submit the draft Scheme, necessary petitions, affidavits, letters, documents, application and the like with NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority as may be required pursuant to the relevant provisions of applicable laws, rules and regulations;

c. To finalize and settle the notices and the explanatory statement thereto under Section 232 of the Companies Act, 2013 for convening the class meetings of the members and/or creditors, as required, with such modifications as they may deem fit;

d. To affix the Common Seal of the Company on any documents in connection with draft Scheme or for the purpose of this Resolution, as may be required, in accordance with the Articles of Association of the Company;

e. To send the Common Seal of the Company to other places, if so required, to facilitate execution of any documents, writings, declaration etc. in connection with the draft Scheme;

Chembond Material Technologies Private Limited Navi Mumbai

f. To make applications to the relevant authorities or other persons for their approval to the draft Scheme as may be required, and to make such disclosures to governmental or regulatory authorities as may be required for the purpose;

g. To make such modifications/ alterations/ changes in the draft Scheme as may be suggested, prescribed, expedient or necessary for satisfying the requirement or conditions imposed by NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority;

h. To settle any question or difficulty that may arise with regard to the implementation of the draft Scheme including the meaning or interpretation of any provisions of the draft Scheme or in any manner whatsoever connected therewith, and to give such directions as may be considered necessary or expedient; and

i. To do all such acts, matters, deeds and things as may be considered necessary and expedient to obtain necessary orders from NCLT and to do or perform such incidental, consequential and supplemental acts as are necessary or considered appropriate to implement the draft Scheme;

RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorized to sign the certified true copy of the resolution and to furnish the same to the concerned authorities with a request to act thereon."

CERTIFIED TRUE COPY
For Chembond Material Technologies Private Limited

Sameer V. Shah
Director
DIN: 00105721

Chembond Material Technologies Private Limited Navi Mumbai

Date of issue: December 28, 2023
Place: Navi Mumbai

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF PHIROZE SETHNA PRIVATE LIMITED AT ITS MEETING HELD ON DECEMBER 12, 2023, AT SHORTER NOTICE AT 8.50 AM AT 601, CENTRE POINT, SANTACRUZ (W) MUMBAI 400 054

Approval of the draft Composite Scheme of Arrangement ("**Scheme**") in the nature of demerger of CC & WT Business of Chembond Chemicals Limited ("**Demerged Company**" or "**Transferee Company**") into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Demerged Company ("**Resulting Company**") and amalgamation of Chembond Clean Water Technologies Limited ("**Transferor Company No. 1**") with the Resulting Company and amalgamation of Chembond Material Technologies Private Limited ("**Transferor Company No. 2**"), Phiroze Sethna Private Limited ("**Transferor Company No. 3**" or "**Company**"), Gramos Chemicals (India) Private Limited ("**Transferor Company No. 4**") with the Transferee Company under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Act").

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other Rules, Circulars and Notifications made thereunder as may be applicable, Section 2(1B) and 2(19AA) read with any other applicable provisions of the Income- Tax Act, 1961 (as amended) ("IT Act"), relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of the Company, subject to approval of the Hon'ble National Company Law Tribunal, Mumbai ("**NCLT**") and such other approvals, permissions and sanctions of regulatory or governmental and other authorities or tribunals, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by the NCLT, or by any regulatory or other authorities or tribunals, while granting such consents, approvals and permissions which is acceptable to the Board of Directors of the Company (hereinafter referred to as "**Board**", which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the consent of the Board be and is hereby accorded to the draft Scheme between the Demerged Company and the Resulting Company, Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 and the Transferor Company No. 4 for:

1. the demerger of the 'CC & WT Business' ("Demerged Undertaking") (as defined in the Scheme) of the Demerged Company into Resulting Company on a going concern basis;
2. amalgamation of the Transferor Company No. 1 with and into Resulting Company;
3. amalgamation of Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with and into Transferee Company;

RESOLVED FURTHER THAT as the Company viz. Phiroze Sethna Private Limited is a wholly owned subsidiary of the Transferee Company with the entire issued, subscribed and paid up share capital of the Company being held by the Transferee Company, no new shares whatsoever shall be issued by the Transferee Company in consideration of amalgamation and entire share capital of the Company shall stand cancelled and extinguished;

Phiroze Sethna Private Limited

RESOLVED FURTHER THAT a draft report under Section 232(2)(c) of the Act as placed before the Board at this meeting and duly initialed by Mr. Sameer V. Shah, Director for the purpose of identification, explaining the effect of the proposed Scheme on each of the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, is hereby adopted and taken on record and any of the Director of the Company be and is hereby authorized to finalize and sign the same;

RESOLVED FURTHER THAT in the opinion of the Board, the draft Scheme will be advantageous and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable and is not detrimental to the shareholders of the Company;

RESOLVED FURTHER THAT Mr. Nirmal V. Shah, Mr. Sameer V. Shah, Mrs. Rashmi Gavli, Directors and Mrs. Suchita Singh, Mrs. Prachi Mahadik Authorised Representative of the Company ("**Authorised Persons**") be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign, execute and deliver any documents, deeds, writings, letters and declarations as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the draft Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by NCLT, while sanctioning the draft Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the draft Scheme, or as may be deemed fit and proper;

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorized to take all necessary steps including but not limited to the following:

a. To finalize and settle the draft Scheme, applications, petitions, affidavits, undertakings, vakalatnama, declarations, letters, notice, documents, and the like on behalf of the Company for the purpose of giving effect to the draft Scheme;

b. To file and submit the draft Scheme, necessary petitions, affidavits, letters, documents, application and the like with NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority as may be required pursuant to the relevant provisions of applicable laws, rules and regulations;

c. To finalize and settle the notices and the explanatory statement thereto under Section 232 of the Companies Act, 2013 for convening the class meetings of the members and/or creditors, as required, with such modifications as they may deem fit;

d. To affix the Common Seal of the Company on any documents in connection with draft Scheme or for the purpose of this Resolution, as may be required, in accordance with the Articles of Association of the Company;

e. To send the Common Seal of the Company to other places, if so required, to facilitate execution of any documents, writings, declaration etc. in connection with the draft Scheme;

Phiroze Sethna Private Limited

Phiroze Sethna Private Limited
EL-71, Chembond Centre, MIDC, Mahape, Navi Mumbai 400710
T: +91 22 22821521/1845 • F: +91 22 22851130
E: info@phirol.com U: www.phirol.com
CIN: U25209MH1975PTC018396

f. To make applications to the relevant authorities or other persons for their approval to the draft Scheme as may be required, and to make such disclosures to governmental or regulatory authorities as may be required for the purpose;

g. To make such modifications/ alterations/ changes in the draft Scheme as may be suggested, prescribed, expedient or necessary for satisfying the requirement or conditions imposed by NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority;

h. To settle any question or difficulty that may arise with regard to the implementation of the draft Scheme including the meaning or interpretation of any provisions of the draft Scheme or in any manner whatsoever connected therewith, and to give such directions as may be considered necessary or expedient; and

i. To do all such acts, matters, deeds and things as may be considered necessary and expedient to obtain necessary orders from NCLT and to do or perform such incidental, consequential and supplemental acts as are necessary or considered appropriate to implement the draft Scheme;

RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorized to sign the certified true copy of the resolution and to furnish the same to the concerned authorities with a request to act thereon."

CERTIFIED TRUE COPY

For Phiroze Sethna Private Limited

Phiroze Sethna Private Limited

Sameer V. Shah
Director
DIN: 00105721

Date of issue: December 28, 2023
Place: Navi Mumbai

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF GRAMOS CHEMICALS (INDIA) PRIVATE LIMITED AT ITS MEETING HELD ON DECEMBER 12, 2023, AT SHORTER NOTICE AT 9.10 AM AT 601, CENTRE POINT, SANTACRUZ (W) MUMBAI 400 054

Approval of the draft Composite Scheme of Arrangement ("**Scheme**") in the nature of demerger of CC & WT Business of Chembond Chemicals Limited ("**Demerged Company**" or "**Transferee Company**") into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Demerged Company ("**Resulting Company**") and amalgamation of Chembond Clean Water Technologies Limited ("**Transferor Company No. 1**") with the Resulting Company and amalgamation of Chembond Material Technologies Private Limited ("**Transferor Company No. 2**"), Phiroze Sethna Private Limited ("**Transferor Company No. 3**"), Gramos Chemicals (India) Private Limited ("**Transferor Company No. 4**" or "**Company**") with the Transferee Company under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Act").

"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, If any (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other Rules, Circulars and Notifications made thereunder as may be applicable, Section 2(1B) and 2(19AA) read with any other applicable provisions of the Income- tax Act, 1961 (as amended) ("IT Act"), relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of the Company, subject to approval of the Hon'ble National Company Law Tribunal, Mumbai ("**NCLT**") and such other approvals, permissions and sanctions of regulatory or governmental and other authorities or tribunals, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by the NCLT, or by any regulatory or other authorities or tribunals, while granting such consents, approvals and permissions which is acceptable to the Board of Directors of the Company (hereinafter referred to as "**Board**", which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the consent of the Board be and is hereby accorded to the draft Scheme between the Demerged Company and the Resulting Company, Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 for:

1. the demerger of the 'CC & WT Business' ("Demerged Undertaking") (as defined in the Scheme) of the Demerged Company into Resulting Company on a going concern basis;
2. amalgamation of the Transferor Company No. 1 with and into Resulting Company;
3. amalgamation of Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with and into Transferee Company;

RESOLVED FURTHER THAT as the Company viz. Gramos Chemicals (India) Private Limited is a wholly owned subsidiary of the Transferor Company No. 3 and an indirect wholly owned subsidiary of the Transferee Company with the entire issued, subscribed and paid-up share capital of the Company being held by the Transferor Company 3, no new shares whatsoever shall be issued by the Transferee Company in consideration of amalgamation and entire share capital of the Company shall stand cancelled and extinguished;

RESOLVED FURTHER THAT a draft report under Section 232(2)(c) of the Act as placed before the Board at this meeting and duly initialed by Mr. Sameer V. Shah, Director for the purposes of identification, explaining the effect of the proposed Scheme on each of the equity shareholders, key

Gramos Chemicals India Private Limited

managerial personnel, promoter and non-promoter shareholders, is hereby adopted and taken on record and any of the Director of the Company be and is hereby authorized to finalize and sign the same;

RESOLVED FURTHER THAT in the opinion of the Board, the draft Scheme will be advantageous and beneficial to the company, its shareholders and other stakeholders and the terms thereof are fair and reasonable and is not detrimental to the shareholders of the Company;

RESOLVED FURTHER THAT Mr. Sameer V. Shah, Mr. Nirmal V. Shah, Mrs. Rashmi Gavli, Directors and Mrs. Suchita Singh, Mrs. Prachi Mahadik Authorised Representatives of the Company ("**Authorised Persons**") be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign, execute and deliver any documents, deeds, writings, letters and declarations as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the draft Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by NCLT, while sanctioning the draft Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the draft Scheme, or as may be deemed fit and proper;

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorized to take all necessary steps including but not limited to the following:

a. To finalize and settle the draft Scheme, applications, petitions, affidavits, undertakings, vakalatnama, declarations, letters, notice, documents, and the like on behalf of the Company for the purpose of giving effect to the draft Scheme;

b. To file and submit the draft Scheme, necessary petitions, affidavits, letters, documents, application and the like with NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority as may be required pursuant to the relevant provisions of applicable laws, rules and regulations;

c. To finalize and settle the notices and the explanatory statement thereto under Section 232 of the Companies Act, 2013 for convening the class meetings of the members and/or creditors, as required, with such modifications as they may deem fit;

d. To affix the Common Seal of the Company on any documents in connection with draft Scheme or for the purpose of this Resolution, as may be required, in accordance with the Articles of Association of the Company;

e. To send the Common Seal of the Company to other places, if so required, to facilitate execution of any documents, writings, declaration etc. in connection with the draft Scheme;

f. To make applications to the relevant authorities or other persons for their approval to the draft Scheme as may be required, and to make such disclosures to governmental or regulatory authorities as may be required for the purpose;

g. To make such modifications/ alterations/ changes in the draft Scheme as may be suggested, prescribed, expedient or necessary for satisfying the requirement or conditions imposed by NCLT, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority;

Gramos Chemicals India Private Limited

h. To settle any question or difficulty that may arise with regard to the implementation of the draft Scheme including the meaning or interpretation of any provisions of the draft Scheme or in any manner whatsoever connected therewith, and to give such directions as may be considered necessary or expedient; and

i. To do all such acts, matters, deeds and things as may be considered necessary and expedient to obtain necessary orders from NCLT and to do or perform such incidental, consequential and supplemental acts as are necessary or considered appropriate to implement the draft Scheme;

RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorized to sign the certified true copy of the resolution and to furnish the same to the concerned authorities with a request to act thereon."

CERTIFIED TRUE COPY

For Gramos Chemicals (India) Private Limited

Sameer V. Shah
Director
DIN: 00105721

Gramos Chemicals India Private Limited

Date of issue: December 28, 2023
Place: Navi Mumbai

BSE
The Power of Vibrance

DCS/AMAL/AK/R37/3294/2024-25

August 13, 2024

The Company Secretary,

CHEMBOND CHEMICALS LTD
EL- 71,Chembond Centre
MIDC, Mahape,
Navi Mumbai,
Maharashtra, 400710

Dear Sir,

Sub: Observation letter regarding Composite Scheme of Arrangement between Chembond Chemicals Limited (Demerged Company"/'Transferee company') and Chembond Chemical Specialties Limited (Resulting company') and Chembond Clean Water Technologies Limited (Transferor Company no.1 or "CCWTL") and Chembond Material Technologies Private Limited (Transferor Company no. 2" or "CMTPL") and Phiroze Sethna Private Limited ("Transferor company no. 3" or 'PSPL') and Gramos Chemicals (India) Private Limited (Transferor company no. 4" or 'GCIPL') and their respective shareholders and creditors

We are in receipt of Composite Scheme of Arrangement between Chembond Chemicals Limited (Demerged Company"/'Transferee company') and Chembond Chemical Specialties Limited (Resulting company') and Chembond Clean Water Technologies Limited (Transferor Company no.1 or "CCWTL") and Chembond Material Technologies Private Limited (Transferor Company no. 2" or "CMTPL") and Phiroze Sethna Private Limited ("Transferor company no. 3" or 'PSPL') and Gramos Chemicals (India) Private Limited (Transferor company no. 4" or 'GCIPL') and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act,2013 read with section 66 of the Companies Act, 2013 along with applicable rules made thereunder as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 37 and 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS_Divl/P/CIR/2022/0000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated August 12, 2024 has inter alia given the following comment(s) on the draft scheme of Arrangement:

a. **"The Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."**

b. **"Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**

c. **"Company shall ensure compliance with SEBI circulars issued from time to time."**

d. "The entities involved in the scheme shall duly comply with the various provisions of the circular and ensure that all liabilities of the Transferor Company are transferred to the Transferee company."

e. "Company is advised that the information pertaining to all the unlisted companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of the schedule VI of the ICDR Regulations 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."

f. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."

g. "Company shall ensure that the details of the proposed scheme under consideration as provided to the stock exchange shall be prominently disclosed in the notice to shareholders."

h. "The Companies are advised to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013.

- Need and rationale of the scheme, Synergies of business of the companies involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.
- Value of assets and liabilities of and Listed Amalgamating Companies, Unlisted Amalgamating Companies and Demerged Undertaking that are being transferred to and Post-Merger Balance Sheet of CCL and CCSL.
- Impact of Scheme on revenue generating capacity of CCL along with future prospects of CCL.
- Rationale for not issuing shares to shareholders of Transferor Companies."

i. "Company shall ensure that applicable additional information, if any, to be submitted to SEBI along with draft scheme of arrangement and document requested via 'Query No. 1 to 23' dated March 11, 2024 shall form part of disclosures to the shareholders."

j. "Company is advised that the proposed equity shares to be issued in the terms of the "Scheme" shall be mandatorily in demat form only."

k. "Company is advised that the 'Scheme' shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."

l. "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."

PUBLIC

m. **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."**

n. **"Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."**

o. **"It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the Company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the Company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

However, the listing of equity shares of Chembond Chemical Specialties Limited (Resulting company') shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Further, Chembond Chemical Specialties Limited (Resulting company') shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Companies shall fulfil the Exchange's criteria for listing the securities of such Companies and also comply with other applicable statutory requirements. However, the listing of shares of Chembond Chemical Specialties Limited (Resulting company') is at the discretion of the Exchange. In addition to the above, the listing of Chembond Chemical Specialties Limited (Resulting company') pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Chembond Chemical Specialties Limited (Resulting company') in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the Companies are also advised to make the same available to the public through its website.

PUBLIC

2. To publish an advertisement in the newspapers containing all details of Chembond Chemical Specialties Limited (Resulting company') in line with the details required as per the aforesaid SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about Chembond Chemical Specialties Limited (Resulting company') on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:
   - "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
   - "There shall be no change in the shareholding pattern of Chembond Chemical Specialties Limited (Resulting company') between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **the validity of this Observation Letter shall be Six Months from the date of this Letter,** within which the scheme shall be submitted to the NCLT.

With reference to Part II (A) (5) of SEBI Master Circular dated June 20, 2023, Chembond Chemical Specialties Limited shall be ensured that steps for listing of specified securities are completed and trading in securities commences **within sixty days of receipt of the order of the Hon'ble High Court/NCLT,** simultaneously on all the stock exchanges where the equity shares of the listed entity (or Transferor or Demerged entity) are/were listed. Accordingly, the Company must initiate necessary steps to ensure strict adherence to said timeline.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such**

PUBLIC

Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted**. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sabah Vaze
Senior Manager

Tanmayi Lele
Assistant Manager

PUBLIC

National Stock Exchange Of India Limited

Ref: NSE/LIST/39271 August 14, 2024

The Company Secretary
Chembond Chemicals Ltd
EL-71, Mahape MIDC,
Navi Mumbai – 400 710.

Kind Attn.: Ms. Suchita Singh

Dear Madam,

Sub: Observation Letter for draft composite scheme of arrangement between Chembond Chemicals Limited ("Demerged Company"/ "Transferee Company") and Chembond Chemical Specialties Limited ("Resulting Company") and Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL") and Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL") and Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL") and Gramos Chemicals (India) Private Limited ("Transferor Company no. 4" or "GCIPL") and their respective shareholders under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with section 66 of the Companies Act, 2013 along with applicable rules made thereunder.

We are in receipt for draft composite scheme of arrangement between Chembond Chemicals Limited ("Demerged Company"/ "Transferee Company") and Chembond Chemical Specialties Limited ("Resulting Company") and Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL") and Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL") and Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL") and Gramos Chemicals (India) Private Limited ("Transferor Company no. 4" or "GCIPL") and their respective shareholders under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with section 66 of the Companies Act, 2013 along with applicable rules made thereunder.

Based on our letter reference no. NSE/LIST/39271 dated May 13, 2024, submitted to SEBI pursuant to SEBI Master Circulars no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 read with regulation 94(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI vide its letter dated August 12, 2024, has inter alia given the following comment(s) on the draft scheme of arrangement:

a) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*

This Document is Digitally Signed
Signer: PRIYA RANJITH IYER
Date: Wed, Aug 14, 2024 16:22:41 IST
Location: NSE

b) *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Company and the Stock Exchanges.*

c) *The company shall ensure compliance with the SEBI circulars from time to time. The Companies involved in the Scheme shall duly comply with various provisions of the Circular and also ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*

d) *The Company shall ensure that the information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*

e) *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

f) *The Company shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.*

g) *The Companies involved in the scheme shall ensure to disclose the following, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013:*

- *Need for the demerger and amalgamation, Rationale of the scheme, Synergies of business of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.*
- *Value of Assets and liabilities of and Listed Amalgamating Companies, Unlisted Amalgamating Companies and Demerged Undertaking that are being transferred to and post-merger Balance Sheet of CCL and CCSL.*
- *Impact of scheme on revenue generating capacity of CCL along with future prospects of CCL.*
- *Rationale for not issuing shares to shareholders of Transferor Companies.*

h) *The Company shall ensure that all the applicable additional information shall form part of disclosures to shareholders, which was submitted by the Company to the Stock Exchange as per Annexure M of Exchange checklist.*

i) *The Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*

This Document is Digitally Signed

Signer: PRIYA RANJITH IYER
Date: Wed, Aug 14, 2024 16:22:41 IST
Location: NSE

NSE

Continuation Sheet

j) *The Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*

k) *The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.*

l) *The Companies shall ensure that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*

m) *The Companies shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*

n) *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock Exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*

o) *The listed entity involved in the proposed scheme shall disclose the No-objection letter of the Stock Exchanges on its website within 24 hours of receiving the same.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

The Company should also fulfil the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Chembond Chemical Specialties Limited is at the discretion of the Exchange.

This Document is Digitally Signed

NSE

Signer: PRIYA RANJITH IYER
Date: Wed, Aug 14, 2024 16:22:41 IST
Location: NSE

NSE

Continuation Sheet

The listing of Chembond Chemical Specialties Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Chembond Chemical Specialties Limited and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited ("NSE") for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

   "The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Chembond Chemical Specialties Limited, its promoters, its management etc."

2. To publish an advertisement in the newspapers containing all the information Chembond Chemical Specialties Limited in line with the details required as per SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20,2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Chembond Chemical Specialties Limited to NSE on continuous basis to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

   (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

   (b) "There shall be no change in the shareholding pattern or control in Chembond Chemical Specialties Limited between the record date and the listing which may affect the status of this approval."

With reference to Part II (A) (5) of SEBI Master Circular dated June 20, 2023, Chembond Chemical Specialties Limited shall ensure that steps for listing of specified securities are completed and trading in securities commences within sixty days of receipt of the order of the Hon'ble High Court/NCLT, simultaneously on all the stock exchanges where the equity shares of the listed entity (or transfer entity) are/were listed. Accordingly, the company must initiate necessary steps to ensure strict adherence to said timeline.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

This Document is Digitally Signed

NSE

Signer: PRIYA RANJITH IYER
Date: Wed, Aug 14, 2024 16:22:41 IST
Location: NSE

NSE

Continuation Sheet

The validity of this "Observation Letter" shall be six months from August 14, 2024, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Priya Iyer
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist

This Document is Digitally Signed

NSE

Signer: PRIYA RANJITH IYER
Date: Wed, Aug 14, 2024 16:22:41 IST
Location: NSE

ANNEXURE 12

Details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Demerged or Transferee Company, its promoters and directors and details of regulatory actions against the entities involved.

1. Davendra Feeds India Private Limited has lodged F.I.R no.231/2022 dated 24th June, 2022 with police station Safidon District Jind Haryana against Chembond Chemicals Limited, Mr. Sameer Shah (Chairman & Managing Director) and 3 other current & ex-employees, with respect to damage caused by inferior quality of Products supplied in the year 2018-19. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.

2. Rajkumar Mor of Mor Hatcheries has lodged. F.I.R. no.004/2023 dated 4th January, 2023 with police station Pillukhera District Jind Haryana against one of our Distributors in Haryana and Mr. Sameer Shah (Managing Director in Chembond Biosciences Limited), regarding alleged defective supply of vitamin premix. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is currently being considered by the Competent Authorities and Courts.

   Since both the matters are interlinked, they have been clubbed together and the litigations are going on at the High Court of Judicature at Punjab and Haryana.

   Apart from the aforementioned details, there have been no significant regulatory actions taken or pending against the Companies, their promoters, or directors involved in scheme.

****

Chembond Chemicals Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
E: info@chembondindia.com U: www.chembondindia.com
CIN: L24100MH1975PLC018235

ANNEXURE 13A

Chembond Chemicals Limited

February 23, 2024

BSE Limited
Listing Department,
P.J. Tower,
Dalal Street, Fort,
Mumbai – 400 001.

Dear Sir/Madam,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement providing for demerger of "CC & WT Business" of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Demerged Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Transferee Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ("Scheme")

Details of Complaint:

Part A

Sr. No.	Particular	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchanges	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B – Not Applicable

Sr. No.	Name of complainant	Date of Complaint	Status

For Chembond Chemicals Limited

Suchita Singh

Suchita Singh
Company Secretary and Compliance Officer
Membership no. – A43837

Chembond Chemicals Limited Navi Mumbai

Chembond Centre
EL- 71 Mahape MIDC,
Navi Mumbai 400710. INDIA
CIN : L24100MH1975PLC018235

Tel.: +91 22 6264 3000
Fax : +91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

March 12, 2024

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (W),
Mumbai – 400 051
Scrip Code – CHEMBOND

Dear Sir/Madam,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement providing for demerger of "CC & WT Business" of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Demerged Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Transferee Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ("Scheme")

We would like to refer to our application made under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which was submitted to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

We would like to inform you that the draft Scheme, which was approved by our Board of Directors at its meeting held on 12th December, 2023, along with all related documents, application was filed by the Company in respect of the captioned subject on 2nd January, 2024 on BSE & NSE. The Company has uploaded the scheme along with all related documents to its website on 3rd January, 2024. Further the Scheme and relevant documents were posted by NSE on its website on 15th February, 2024.

We write to confirm that the Company has not received any complaints in relation to the Scheme during the period of 21 days from 15th February, 2024 till 7th March, 2024. Accordingly, the Report on Complaints / Comments received is enclosed herewith.

We kindly request you to acknowledge receipt of this Complaints Report and issue the necessary "No Objection" letter in connection with the Scheme.

For Chembond Chemicals Limited

Suchita Hemantkumar Singh
Digitally signed by Suchita Hemantkumar Singh
Date: 2024.03.12 14:30:38 +05'30'

Suchita Singh
Company Secretary and Compliance Officer
Membership no. – A43837

March 12, 2024

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (W),
Mumbai – 400 051
Scrip Code – CHEMBOND

Dear Sir/Madam,

Sub: Submission of Report on Complaints/ Comments received on proposed Scheme of Arrangement providing for demerger of "CC & WT Business" of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Demerged Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Transferee Company ("Amalgamation – II") and their respective shareholders

Part A

Sr. No.	Particular	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchanges	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B – Not Applicable

Sr. No.	Name of complainant	Date of Complaint	Status

For Chembond Chemicals Limited

Suchita Hemantkumar Singh
Digitally signed by Suchita Hemantkumar Singh
Date: 2024.03.12 14:31:20 +05'30'

Suchita Singh
Company Secretary and Compliance Officer
Membership no. – A43837

ANNEXURE 14

Value of Assets and Liabilities (Balance-sheet) of the Chembond Chemicals Limited (Demerged Company, CCL), Chembond Clean Water Technologies Limited (Transferor Company No. 1, CCWTL), Chembond Material Technologies Private Limited (Transferor Company No. 2, CMTPL), Phiroze Sethna Private Limited (Transferor Company No. 3, PSPL), Gramos Chemicals (India) Private Limited (Transferor Company No. 4, GCPL) as on September 30, 2023:

(Amount Rs. in Lakhs)

	Particulars	CCL	CCWTL	CMTPL	PSPL	GCIPL
I	**ASSETS**					
1	**Non-current assets**					
	(a) Property, plant and equipment	2,736.81	7.49	325.06	17.43	450.02
	(b) Capital work-in-progress	1,132.89		43.77		625.69
	(c) Other Intangible Assets	54.52	0.58	5.08		0.62
	(d) Financial Assets					
	i) Investments	14,558.54		500.26	580.08	
	ii) Other financial assets	37.19	5.04	4.68	61.66	
	iii) Deferred tax Asset (net)	23.13	4.42	231.30	70.76	
	(e) Income tax asset (net)	278.39			27.31	171.45
	(f) Other non-current assets	56.06				1.65
	Total Non-current assets	**18,877.52**	**17.53**	**1,110.15**	**757.24**	**1,249.43**
2	**Current Assets**					
	(a) Inventories	273.48	220.22	1,181.39	6.90	52.41
	(b) Financial Assets					
	i) Investments	1,893.79	630.22		52.62	
	ii) Trade receivables	2,163.72	1,396.85	4,574.55	60.25	63.69
	iii) Cash and cash equivalents	18.10	64.26	135.03	5.60	16.37
	iv) Bank balances other than (iii) above	789.87	3.60	108.58	5.00	22.16
	v) Loans	1,070.00	0.03	0.76	217.00	
	vi) Other financial assets	44.40				
	(c) Current Tax asset (Net)					1.77
	(d) Other current assets	144.59	13.46	8.08	6.37	199.24
	Total current assets	**6,397.95**	**2,328.63**	**6,008.39**	**353.74**	**355.64**
	Total Assets	**25,275.47**	**2,346.16**	**7,118.54**	**1,110.98**	**1,605.07**

Chembond Chemicals Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
E: info@chembondindia.com U: www.chembondindia.com
CIN: L24100MH1975PLC018235

II	**EQUITY AND LIABILITIES**					
1	**Equity**					
	a) Equity Share Capital	672.41	827.81	151.50	4.00	48.00
	b) Other equity	23,558.85	666.62	1,881.74	925.09	936.75
	Total Equity	**24,231.26**	**1,494.43**	**2,033.24**	**929.09**	**984.75**
2	**Non Current Liabilities**	**93.14**	**69.31**	-	-	**16.01**
3	**Current Liabilities**					
	a) Borrowings			1,163.25		217.00
	b) Trade Payables	714.61	580.62	3,458.63	39.29	349.62
	c) Other financial liabilities	214.26	5.22	6.49		
	d) Other current liabilities	14.68	74.50	59.74	30.91	37.70
	e) Provisions	7.52	122.10	397.18	84.11	
	f) Current Tax Liabilities (net)				27.57	
	Total current liabilities	**951.07**	**782.44**	**5,085.29**	**181.88**	**604.32**
	Total Equity and Liabilities	**25,275.47**	**2,346.18**	**7,118.53**	**1,110.97**	**1,605.08**

Value of Assets and Liabilities (Balance-Sheet) of Chembond Chemical Specialties Limited (Resulting Company, CCSL) as on March 31, 2024:

		Particulars	(Amount in Lakhs)
I		**ASSETS**	
	1	**Non-current assets**	-
		Total Non-current assets	**-**
	2	**Current Assets**	
		i) Cash and cash equivalents	-
		ii) Bank balances other than (iii) above	0.47
		Total current assets	**0.47**
		Total Assets	**0.47**
II		**EQUITY AND LIABILITIES**	
	1	**Equity**	
		a) Equity Share Capital	0.50

Chembond Chemicals Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
E: info@chembondindia.com U: www.chembondindia.com
CIN: L24100MH1975PLC018235

	b) Other equity	-0.92
	Total Equity	**-0.42**
2	**Non Current Liabilities**	**-**
3	**Current Liabilities**	
	b) Trade Payables	0.84
	d) Other current liabilities	0.06
	Total current liabilties	**0.90**
	Total Equity and Liabilities	**0.48**

Value of Assets and Liabilities of the Demerged Undertaking (CC & WT) as on September 30, 2023.

(Amount in Lakhs)

	Particulars	CC & WT
I	**ASSETS**	
1	**Non-current assets**	
	(a) Property, plant and equipment	1,441.07
	(b) Financial Assets	
	i) Investments	5,012.66
	ii) Other financial assets	7.15
	(c) Other non-current assets	22.16
	Total Non-current assets	**6,483.04**
2	**Current Assets**	
	(a) Inventories	254.15
	(b) Financial Assets	
	i) Trade receivables	992.92
	ii) Other financial assets	20.21
	(c) Other current assets	52.10
	Total current assets	**1,319.37**
	Total Assets	**7,802.41**
1	**Non Current Liabilities (Provisions)**	**41.24**
2	**Current Liabilities**	
	a) Borrowings	
	b) Trade Payables	409.33
	c) Other financial liabilities	90.89

Chembond Chemicals Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
E: info@chembondindia.com U: www.chembondindia.com
CIN: L24100MH1975PLC018235

	d) Other current liabilities	4.77
	e) Provisions	3.33
	Total current liabilities	**508.33**
	Total Liabilities	**549.57**

Post-Merger Balance Sheet of Chembond Chemicals Limited ("CCL", "Demerged Company") and Chembond Chemical Specialties Limited ("CCSL, "Resulting Company"):

		CCL	CCSL
	Particulars	**Post Scheme**	**Post Scheme**
I	**ASSETS**		
1	**Non-current assets**		
	(a) Property, plant and equipment	3,275.66	-
	(b) Capital work-in-progress	669.46	-
	(c) Investment property	-	1,449.14
	(d) Other Intangible Assets	5.70	-
	(e) Financial Assets		
	i) Investments	4,456.31	5,012.66
	ii) Other financial assets	96.39	12.19
	iii) Deferred tax Asset (net)	325.19	4.42
	(f) Income tax asset (net)	477.15	-
	(g) Other non-current assets	35.55	22.16
	Total Non-current assets	**9,341.41**	**6,500.56**
2	**Current Assets**		
	(a) Inventories	1,260.02	474.37
	(b) Financial Assets		
	i) Investments	1,946.41	625.06
	ii) Trade receivables	5,325.00	2,389.77
	iii) Cash and cash equivalents	175.09	64.26
	iv) Bank balances other than (iii) above	925.61	3.60
	v) Loans	2.53	0.03
	vi) Other financial assets	24.18	20.21
	(c) Current Tax asset (Net)	-	-
	(d) Other current assets	306.18	65.56
	Total current assets	**9,965.03**	**3,642.85**
	Total Assets	**19,306.44**	**10,143.42**
II	**EQUITY AND LIABILITIES**		
1	**Equity**		
	a) Equity Share Capital	672.41	1,344.83
	b) Other equity	14,082.66	7,402.43
	Total Equity	**14,755.07**	**8,747.26**
2	**Non Current Liabilities**	**67.91**	**110.55**

Chembond Chemicals Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
E: info@chembondindia.com U: www.chembondindia.com
CIN: L24100MH1975PLC018235

3	**Current Liabilities**		
	a) Borrowings	93.25	
	b) Trade Payables	3,608.52	984.79
	c) Other financial liabilities	129.86	96.11
	d) Other current liabilities	138.26	79.27
	e) Provisions	485.98	9.46
	f) Current Tax Liabilities (net)	27.57	115.97
	Total current liabilities	**4,483.45**	**1,285.61**
	Total Equity and Liabilities	**19,306.44**	**10,143.42**

Chembond Chemicals Limited
EL-71 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 ● F: +91 22 27681294
E: info@chembondindia.com U: www.chembondindia.com
CIN: L24100MH1975PLC018235

Chembond Chemicals Limited

January 29, 2024

To,
BSE Limited
Listing Department,
P.J. Tower, Dalal Street, Fort,
Mumbai – 400 001.

Dear Sir/Madam,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement providing for demerger of "CC & WT Business" of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Demerged Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Transferee Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ("Scheme")

Ref: BSE remarks dated January 24, 2024

This is with reference to your abovementioned letter pertaining to our application for Composite Scheme of Arrangement between Chembond Chemicals Limited, Chembond Chemical Specialties Limited, Chembond Clean Water Technologies Limited, Chembond Material Technologies Private Limited, Phiroze Sethna Private Limited and Gramos Chemicals (India) Private Limited and their respective shareholders.

Please refer our pointwise reply to your queries:

Sr. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
1.	In case of Demerger, Apportionment of losses of the listed company among the companies involved in the scheme.	N.A.	The Demerged Company do not have any losses since it is incorporated on 12 Dec 2023.	N.A.
2.	Details of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement, along with a write up on the history of the demerged undertaking/Transferor Company certified by Chartered Accountant (CA).	Yes		Annexure A
3.	Any type of arrangement or agreement	N.A.	N.A.	N.A.

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited Navi Mumbai

Sr. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
	between the demerged company / resulting company / merged / amalgamated company/ creditors / shareholders / promoters / directors /etc., which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity.			
4.	In the cases of capital reduction, reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve, certified by CA.	N.A.	The same is not applicable as the scheme is not for utilization of reserves.	N.A.
5.	In the cases of capital reduction, Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, certified by CA.			
6.	In the cases of capital reduction, Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are notional and/or unrealized, certified by CA.			
7.	In the cases of capital reduction, the built up of the accumulated losses over the years, certified by CA.			
8.	Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA.			
9.	Details of shareholding of companies involved in the scheme at each stage, in case of composite scheme.	Yes		Kindly refer Annexure B
10.	Whether the Board of unlisted company has taken the decision regarding issuance of Bonus shares. If yes provide the details thereof. If not, provide the reasons thereof.	No	No such decision has been taken by the Board of the Unlisted Company	N.A.
11.	List of comparable companies considered for comparable companies' multiple method.	N.A.	Please refer the Fair Share Entitlement Ratio Report – as per which no such valuation method needs to be considered in the	N.A.

Chembond Chemicals Limited Navi Mumbai

Sr. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
			present Scheme.	
12.	Share Capital built-up in case of scheme of arrangement involving unlisted entity/entities, certified by CA.	Yes	Details of Share Capital built-up of all companies involved in the Scheme	Annexure C
13.	Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme for the period of recent 8 years.	No	No action has been taken by the Govt./Regulatory body/Agency against any of the entities involved in the Scheme.	N.A.
14.	Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years.	Yes		Annexure D
15.	Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed company.	Yes	Please refer the Fair Share Entitlement Ratio Report – please specifically refer Para 6.3 thereof.	Covered in Annexure E
16.	In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity.	Yes	The specific assets and liabilities belonging to respective divisions / undertakings as defined under the Scheme have been allocated. Further, general / corporate level common assets if any, have been retained in the Demerged Company.	
17.	How the scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post scheme of arrangement.	Yes	The Scheme provides for demerger of CC & WT Business into wholly owned subsidiary company with existing shareholders of the listed Demerged	

Chembond Chemicals Limited Navi Mumbai

Sr. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
			Company becoming shareholders of the Resulting company in same proportion thereby achieving mirror shareholding pattern upon effectiveness of the Scheme. The Scheme is proposed with intended objectives as more particularly stated in the Scheme. Hence, the Scheme is in the interest of public shareholders of the Listed entity.	
18.	Tax/other liability/benefit arising to the entities involved in the scheme, if any.	Not Applicable	No specific tax / other liability / benefit is intended to be arisen to the entities involved in the Scheme.	Not Applicable
19.	Comments of the Company on the Accounting treatment specified in the scheme to conform whether it is in compliance with the Accounting Standards/Indian Accounting Standards.	Yes	Company hereby confirms that the accounting treatment specified in the Scheme is in compliance with the Accounting Standards / Indian Accounting Standards. Please refer Certificate from Statutory Auditor confirming that it is in compliance with the Accounting Standards / Indian Accounting Standards.	Annexure F

Chembond Chemicals Limited Navi Mumbai

Sr. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
20.	If the Income Approach method used in the Valuation, Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA / PAT margin considered in the valuation report.	Not Applicable	Please refer the Fair Share Entitlement Ratio Report – Para 6.3 thereof.	Covered in Annexure E
21.	Confirmation from valuer that the valuation done in the scheme is in accordance with applicable valuation standards.	Yes	Please refer the Fair Share Entitlement Ratio Report.	Covered in Annexure E
22.	Confirmation from Company that the scheme is in compliance with the applicable securities laws.	Yes		Annexure G
23.	Confirmation that the arrangement proposed in the scheme is yet to be executed.	Yes		Annexure H

For Chembond Chemicals Limited

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

Suchita Singh

Chembond Chemicals Limited Navi Mumbai

Suchita Singh
Company Secretary and Compliance Officer
Membership No. – A43837

Jignesh Goradia & Associates
CHARTERED ACCOUNTANTS

Jignesh A. Goradia
B. Com., F.C.A.

Annexure A

To,
The Board of Directors,
Chembond Chemicals Limited
Chembond Centre, EL-71 Mahape MIDC,
Navi Mumbai - 400 710,
Maharashtra, India.

Subject: **Independent Chartered Accountant's Certificate on computation of assets, liabilities, revenue and net worth of Companies involved in the scheme (both pre and post Scheme), pursuant to the Composite Scheme of Arrangement in nature of demerger of "CC & WT Business Undertaking" of Chembond Chemicals Limited ("Company" or "Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals India Private Limited ("Transferor Company No. 4") with the Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013 ("Scheme").**

1. I, Jignesh Goradia, Proprietor of Jignesh Goradia & Associates, Chartered Accountant, have been requested by the Company to certify the computation of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post Scheme of Arrangement of the Company pursuant to the Scheme in nature of demerger of **"CC & WT Business Undertaking"** of Chembond Chemicals Limited into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals India Private Limited ("Transferor Company No. 4") with the Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013.

   This certificate is required by the Company for the submission to the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") and if required, to Securities and Exchange Board of India ("**SEBI**") and other regulatory authorities including National Company Law Tribunal (NCLT), Registrar of Companies (ROC), Regional Director (RD)and Official Liquidator (OL). The Board of Directors of the Company at its meeting held on December 12, 2023 considered and approved the Scheme, subject to receipt of requisite approvals, inter alia, in terms of sections 230 to 232 read with section 66 and other relevant provisions of the Companies Act, 2013 and as required under SEBI Regulations.

2. For the purpose of certifying the accompanying 'Statement of computation of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post Scheme of Arrangement of the Company as at September 30, 2023' (**Statement**") (enclosed herewith as **"Annexure A"**, prepared by the management of the Company, which has been stamped and initialed by us for identification purpose only), we have referred to and relied on i) limited reviewed financials of the Company for the six months period ended September 30, 2023, ii) audited financial statements for the six months period ended September 30, 2023 of all the other companies involved in the scheme including Resulting Company, Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferor Company 4, iii) audited financials statements of the Company for FY22-23 along with FY21-22 and FY20-21 iv) working of bifurcation of the balance sheet line items between **"CC & WT** Business Undertaking" and remaining business undertaking of the Demerged Company, prepared by the management of the Company, v) the accounting treatment contained in Clause 14 of the Scheme and vi) such other relevant records and documents maintained by the Company.

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

403, Doshi Mansion, M. G. Cross Road No. 3, Kandivali (West), Mumbai - 400 067.
Tel. : 022 2807 5626 Cell : 80807 57001 / 98691 23301 E-mail : jigneshgoradia_ca@yahoo.com

3. Background & History of Companies involved in the Scheme

I. Chembond Chemicals Limited ("Demerged Company" / "Transferee Company") is a Company incorporated on March 22, 1975 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Chembond Chemicals Private Limited". Subsequently its name was changed to "Chembond Chemicals Limited". The Registered Office of the Demerged Company is situated at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Demerged Company is engaged in the business of manufacturing a diverse range of specialty chemicals and products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The equity shares of the Demerged Company are listed on BSE (as defined hereinafter) and NSE (as defined hereinafter). The Corporate Identification Number of the Demerged Company is L24100MH1975PLC018235.

II. Chembond Chemical Specialties Limited ("Resulting Company") is a Company incorporated on December 12, 2023 in the State of Maharashtra under the Companies Act, 2013 in the name and style of "Chembond Chemical Specialties Limited". The Registered Office of the Resulting Company is situated at Plot No. EL-37, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Resulting Company was formed with the object to carry on the business of Specialty chemicals including but not limited to Construction chemicals and Water Treatment Chemicals. The Corporate Identification Number of the Resulting Company is U20116MH2023PLC415282.

III. "Demerged Undertaking" means the CC & WT Business of the Demerged Company as identified by the board of directors of Demerged Company and Resulting Company, to be transferred to Resulting Company on a going concern basis with effect from the Appointed Date. "CC & WT Business" means the construction chemicals, water technologies and cleaning & hygiene businesses of manufacturing, selling, distribution and trading of chemicals, including chemicals used in construction and civil repair industry as well as in relation to chemicals, equipment and services required for water treatment.

IV. Chembond Clean Water Technologies Limited ("Transferor Company No. 1") is a Company incorporated on April 17, 2010 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "H2O Innovation Private Limited". Subsequently its name was changed to "Chembond Clean Water Technologies Limited" on June 8, 2013. The Registered Office of the Transferor Company No. 1 is situated at - EL-37, MIDC, Mahape, Navi Mumbai 400 710. Transferor Company No. 1 is engaged in the business of design, manufacture, trade and marketing of whole range of water and waste water system, including but not limited to membrane technologies, providing total water management solutions, including services (detailed engineering, O&M manuals, design centre etc.) The Corporate Identification Number of the Transferor Company No. 1 is U29248MH2010PLC202124. The Transferor Company No. 1 is an indirect wholly owned subsidiary of Demerged Company.

V. Chembond Material Technologies Private Limited ("Transferor Company No. 2") is a Company incorporated on March 24, 2000 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Protochem Industries Private Limited". Subsequently its name was changed to "Chembond Material Technologies Private Limited" on July 21, 2018. The Registered Office of the Transferor Company is situated at Chembond Center, No. 1 A- A-737/5, TTC MIDC Area, Mahape Village, Thane Belapur Road, Navi Mumbai, Maharashtra, India, 400710. The Transferor Company No. 2 is engaged in the business of offering innovative & value delivering solutions to industrial customers in the areas of surface treatment, bonding & sealing. The corporate identity number ("CIN") of the Transferor Company No. 2 is U24200MH2000PTC125231. The Transferor Company No. 2 is a wholly owned subsidiary of the Transferee Company.

VI. Phiroze Sethna Private Limited ("Transferor Company No. 3") is a Company incorporated on June 24, 1975 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Phiroze Sethna Private Limited". The Registered Office of the Transferor Company No. 3 is situated at Chembond Centre, EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Transferor Company No. 3 is engaged in the business of manufacturing and marketing a wide range of products to automobiles manufacturers, ancillary industries and other manufacturing sectors. The corporate identity number ("CIN") of the Transferor Company No. 3 is U25209MH1975PTC018396. The Transferor Company No. 3 is a wholly owned subsidiary of the Transferee Company.

VII. Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") is a Company incorporated on February 26, 1985 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Sunbeam Solvents Private Limited". Subsequently its name was changed to "Gramos Chemicals (India) Private Limited on March 24, 1988. The Registered Office of the Transferor Company No. 4 is situated at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC Electronics, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Transferor Company No. 4 is engaged in the business of manufacturing products for paint shop with a presence in the leading automotive and industrial plants of the country. The corporate identity number ("CIN") of the Transferor Company No. 4 is U99999MH1985PTC035486. The Transferor Company No. 4 is a step down subsidiary of the Transferee Company and wholly owned subsidiary of Transferor Company No. 3.

Management's Responsibility

4. The management of the Company is responsible for preparation of the Statement computing the pre and post scheme net worth of the Company as at September 30, 2023, duly considering all the documents, records and information as relevant including those mentioned in paragraph 2 above. This responsibility of the management of the Company includes collecting, collating and validating data and presentation thereof in the Statement and the design, implementation and maintenance of internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The responsibility also includes maintenance of all accounting and other relevant supporting records and documents.

Chartered Accountant's Responsibility

5. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Statement including computation thereof, duly considering all the documents, records and information as relevant, as specifically mentioned in paragraph 2 above.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (**"Guidance Note"**) issued by the Institute of Chartered Accountants of India (**"ICAI"**). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by ICAI. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Draft Scheme.

Conclusion

8. Based on the above and according to the information, explanations and representations provided to us by the Management of the Company, we hereby confirm the pre and post scheme details of Assets, Liabilities, Revenue and Networth of Companies involved in the scheme as at September 30, 2023 computed in accordance with paragraph 2, based on the Statement enclosed herewith as Annexure A.

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Restriction on use

9. This Certificate is issued at the request of the Company, solely for the purpose of onward submission by the Company to BSE, NSE, SEBI or any other regulatory authorities, as applicable. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Jignesh Goradia & Associates**
Chartered Accountants
Firm Reg No. : 114719W

JIGNESH GORADIA & ASSOCIATES * Chartered Accountants * MUMBAI M. No. 048640 FRN:114719W

Jignesh A. Goradia
Proprietor
Membership No.: 048460

UDIN : 24048640BJZXUE9207

Place: Mumbai
Date: 29.12.2023

Enclosure: As above.

29 A

chembond

Chembond Chemicals Limited

Annexure A

Statement of computation of pre and post scheme Assets, Liabilities, Revenue and Networth of Companies involved in the scheme as at September 30, 2023 (Forming part of Certificate dated **29.12.2023**)

I. **The details of Assets, Liabilities, Revenue and Networth of Companies derived from the limited review financial statements of the Company for the six months period ended September 30, 2023, effect of Scheme of demerger of "CC & WT Business Undertaking" of Chembond Chemicals Limited into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Company ("Amalgamation – II") as per accounting treatment contained in the Scheme and likely post scheme status is as follows:**

A. **Pre-Scheme details:**

(Amount in INR lakhs)

Companies	Company Type (As per Scheme)	Revenue	Assets	Liabilities	Net worth
Chembond Chemicals Limited	Demerged Company	3,303.03	25,275.47	1,044.21	24,231.26
Chembond Chemical Specialties Limited	Resulting Company	-	0.50	-	0.50
Chembond Clean Water Technologies Limited	Transferor Company No. 1	1,694.57	2,346.01	851.60	1,494.41
Chembond Material Technologies Private Limited	Transferor Company No. 2	6,897.89	7,118.54	5,085.30	2,033.24
Phiroze Sethna Private Limited	Transferor Company No. 3	761.69	1,110.98	181.88	929.09
Gramos Chemicals (India) Private Limited	Transferor Company No. 4	527.19	1,605.07	620.33	984.75
Total		13,184.37	37,456.57	7,783.32	29,673.25

Chembond Chemicals Limited Navi Mumbai

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

B. Post-Scheme details :

(Amount in INR lakhs)

Companies	Company Type (As per Scheme)	Revenue	Assets	Liabilities	Net worth
Chembond Chemicals Limited	Demerged Company	8,252.60	19,306.44	4,551.36	14,755.08
Chembond Chemical Specialties Limited	Resulting Company	3,890.40	10,143.42	1,396.15	8,747.26
Chembond Clean Water Technologies Limited	Transferor Company No. 1	-	-	-	-
Chembond Material Technologies Private Limited	Transferor Company No. 2	-	-	-	-
Phiroze Sethna Private Limited	Transferor Company No. 3	-	-	-	-
Gramos Chemicals (India) Private Limited	Transferor Company No. 4	-	-	-	-
Total		12,143.00	29,449.86	5,947.51	23,502.34

Working Notes :

1. The above financial information is presented for six months period ended September 30, 2023.
2. The networth is calculated and derived as the difference between the assets and liabilities of the respective divisions.

For and on behalf of the Board of Directors of
Chembond Chemicals Limited

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

Chembond Chemicals Limited Navi Mumbai

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Annexure-13

Chembond Chemicals Limited

January 29, 2024

To,
BSE Limited
Listing Department,
P.J. Tower, Dalal Street, Fort,
Mumbai – 400 001

Dear Sir/Madam,

Subject: Details of shareholding of companies involved in the Scheme at each stage.

Reference: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement providing for demerger of "CC & WT Business" of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Demerged Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Transferee Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ("Scheme")

With reference to the aforesaid subject and captioned reference, shareholding of companies involved in the Scheme at each stage is as follows:

A. Demerged Company

Particulars	Shareholding pattern							
	Pre-Scheme (as on September 30, 2023)*		After giving effect of Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Promoter and Promoter Group	90,82,652	67.54%	90,82,652	67.54%	90,82,652	67.54%	90,82,652	67.54%
Public	43,65,636	32.46%	43,65,636	32.46%	43,65,636	32.46%	43,65,636	32.46%
Custodian	NA	NA	NA	NA	NA	NA	NA	NA
Total	**1,34,48,288**	**100%**	**1,34,48,288**	**100%**	**1,34,48,288**	**100%**	**1,34,48,288**	**100%**

* Post this date the Promoters holding increased by 1,152 shares resulting to 90,83,804 (67.55%).

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

B. Resulting Company

Particulars	Shareholding pattern							
	Pre-Scheme (as on December 12, 2023)		After giving effect of Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Promoters	10,000	100%	1,81,65,304	67.54%	1,81,65,304	67.54%	1,81,65,304	67.54%
Public	0	0%	87,31,272	32.46%	87,31,272	32.46%	87,31,272	32.46%
Custodian	NA	NA	NA	NA	NA	NA	NA	NA
Total	**10,000**	**100%**	**2,68,96,576**	**100%**	**2,68,96,576**	**100%**	**2,68,96,576**	**100%**

C. Transferor Company No. 1

Particulars	Shareholding pattern							
	Pre-Scheme (as on September 30, 2023)		After giving effect of Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Promoters	82,78,057	100%	82,78,057	100%	Not Applicable as the Transferor Company No. 1 gets dissolved pursuant to the Scheme			
Public	0	0	0	0				
Custodian	0	0	0	0				
Total	**82,78,057**	**100%**	**82,78,057**	**100%**				

D. Transferor Company No. 2

Particulars	Shareholding pattern							
	Pre-Scheme (as on September 30, 2023)		After giving effect of Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Promoters	15,15,000	100%	15,15,000	100%	15,15,000	100%	Not Applicable as the Transferor Company No. 2 gets dissolved pursuant to the Scheme	
Public	0	0	0	0	0	0		
Custodian	0	0	0	0	0	0		
Total	**15,15,000**	**100%**	**15,15,000**	**100%**	**15,15,000**	**100%**		

E. Transferor Company No. 3

Particulars	Shareholding pattern							
	Pre-Scheme (as on September 30, 2023)		After giving effect of Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of	% of	No. of	% of	No. of	% of	No. of	% of holding

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

	shares	holding	shares	holding	shares	holding	shares	
Promoters	4000	100%	4000	100%	4000	100%	Not Applicable as the Transferor Company No. 3 gets dissolved pursuant to the Scheme	
Public	0	0	0	0	0	0		
Custodian	0	0	0	0	0	0		
Total	**4000**	**100%**	**4000**	**100%**	**4000**	**100%**		

F. **Transferor Company No. 4**

Particulars	Shareholding pattern							
	Pre-Scheme (as on September 30, 2023)		After giving effect of Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Promoters	48,000	100%	48,000	100%	48,000	100%	Not Applicable as the Transferor Company No. 4 gets dissolved pursuant to the Scheme	
Public	0	0	0	0	0	0		
Custodian	0	0	0	0	0	0		
Total	**48,000**	**100%**	**48,000**	**100%**	**48,000**	**100%**		

For Chembond Chemicals Limited

Chembond Chemicals Limited Navi Mumbai

Nirmal V. Shah
VC and Managing Director
DIN: 00083853

Suchita Singh
Company Secretary and Compliance Officer
Membership no. – A43837

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Jignesh Goradia & Associates
CHARTERED ACCOUNTANTS

Jignesh A. Goradia
B. Com., F.C.A.

Annexure C

To, The Board of Directors, **Chembond Chemicals Limited** Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India – 400710.	To, The Board of Directors, **Chembond Chemical Specialties Limited** Plot No. EL-37, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710
To, The Board of Directors, **Chembond Clean Water Technologies Limited** EL-37, MIDC, Mahape, Navi Mumbai 400 710	To, The Board of Directors, **Chembond Material Technologies Private Limited** Chembond Center, No. 1 A- A-737/5, TTC MIDC Area, Mahape Village, Thane Belapur Road, Navi Mumbai, Maharashtra, India, 400710
To, The Board of Directors, **Phiroze Sethna Private Limited** Chembond Centre, EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710	To, The Board of Directors, **Gramos Chemicals (India) Private Limited** Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC Electronics, Mahape, Navi Mumbai, Maharashtra, India - 400710

Dear Sir/Ma'am,

Subject: **Independent Chartered Accountant's Certificate on Share Capital built-up for the purpose of the Scheme of Arrangement in nature of demerger of 'CC & WT Business' of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Company ("Resulting Company") and amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1"), (which will become an indirectly wholly owned subsidiary company of the Resulting Company upon effectiveness of the Demerger), into and with the Resulting Company ("Amalgamation I") and amalgamation of (i) Chembond Material Technologies Private Limited("Transferor Company No. 2"), (ii) Phiroze Sethna Private Limited ("Transferor Company No. 3") and (iii) Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") ("Amalgamation II"), and their respective shareholders.**

1. I, Jignesh Goradia, Proprietor of Jignesh Goradia & Associates, Chartered Accountant, have been requested by the Demerged Company to certify the Statement containing the Share Capital built-up of the Demerged Company, the Resulting Company, Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 pursuant to the Scheme of Arrangement in nature of demerger of 'CC & WT Business' of Chembond Chemicals Limited into

403, Doshi Mansion, M. G. Cross Road No. 3, Kandivali (West), Mumbai - 400 067
Tel. : 022 2807 5626 Cell : 80807 57001 / 98691 23301 E-mail : jigneshgoradia_ca@yahoo.com

Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Company ("Resulting Company") and amalgamation of Chembond Clean Water Technologies Limited, (which will become an indirectly wholly owned subsidiary company of the Resulting Company upon effectiveness of the Demerger), into and with the Resulting Company ("Amalgamation I") and amalgamation of (i) Chembond Material Technologies Private Limited, (ii) Phiroze Sethna Private Limited and (iii) Gramos Chemicals (India) Private Limited ("Amalgamation II"), and their respective shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 read with applicable rules made thereunder ("Scheme"). This certificate is required by Demerged Company for the submission to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and if required, to Securities and Exchange Board of India ("SEBI") and other regulatory authorities. The Board of Directors of the Company at its meeting held on December 12, 2023 considered and approved the Scheme, subject to receipt of requisite approvals, inter alia, in terms of sections 230 to 232 read with section 66 and other relevant provisions of the Companies Act, 2013 and as required under SEBI Regulations.

2. For the purpose of certifying the Statement containing the Share Capital built-up, (enclosed herewith as "Annexure A", prepared by the management of the Company, which has been stamped and initialed by us for identification purpose only), we have referred to and relied on i) details of capital evolution of the companies involved in the Scheme, ii) such other relevant records and documents maintained by the Demerged Company.

Management's Responsibility

3. The management of the Demerged Company is responsible for preparation of the Statement containing the Share Capital built-up of the companies involved in the Scheme duly considering all the documents, records and information as relevant including those mentioned in paragraph 2 above. This responsibility of the management of the Demerged Company includes collecting, collating and validating data and presentation thereof in the Statement and the design, implementation and maintenance of internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The responsibility also includes maintenance of all accounting and other relevant supporting records and documents.

Independent Chartered Accountant's Responsibility

4. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Statement, duly considering all the documents, records and information as relevant, as specifically mentioned in paragraph 2 above.

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by ICAI. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Draft Scheme.

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Opinion

7. Based on the above and according to the information, explanations and representations provided to us by the Management of the Demerged Company, we hereby certify the details of Share Capital built-up of the companies involved in the Scheme, provided in accordance with paragraph 2, based on the Statement enclosed herewith as Annexure A.

Restriction on use

8. This Certificate is issued at the request of the Demerged Company, solely for the purpose of onward submission by the Demerged Company to NSE or any other regulatory authorities, as applicable. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Jignesh Goradia & Associates**
Chartered Accountants
Firm Reg. No.: 114719W

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Jignesh A. Goradia
Proprietor
Membership No.: 048460

UDIN : **24048640BJZXUF5742**

Place: Mumbai
Date: 29th December, 2023

Enclosed: Annexure A

chembond

Chembond Chemicals Limited

Details of Capital evolution of the transferee/resulting and transferor/demerged companies:

1. Transferor Company No. 1 – Chembond Clean Water Technologies Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
17/04/2010	5,00,000	10	Incorporation	5,00,000	No, as the Company is unlisted
25/06/2010	4,87,878	10	Allotment of shares	9,87,878	
31/03/2012	10,44,857	10	Issue of shares otherwise than of cash	20,32,735	
05/08/2012	10,61,216	10	Further Issue	30,93,951	
23/09/2013	15,30,613	10	Preferential Issue	46,24,564	
31/03/2014	36,53,493	10	Preferential Issue	82,78,057	

2. Transferor Company No. 2 – Chembond Material Technologies Private Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
24/03/2000	10,00,000	10	Incorporation	10,00,000	No, as the Company is unlisted
19/03/2020	5,15,000	97.10 (F.V. of Rs. 10 and Premium of Rs. 87.10)	Right Issue	15,15,000	

3. Transferor Company No. 3 – Phiroze Sethna Private Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
24/06/1975	2	100	Incorporation	2	No, as the Company is unlisted
07/07/1975	2000	100	Allotment of shares	2002	
13/01/1981	1998	100	Allotment of shares	4000	

Chembond Chemicals Limited Navi Mumbai

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

4. Transferor Company No. 4 – Gramos Chemicals (India) Private Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
26/02/1985	2	100	Incorporation	2	No, as the Company is unlisted
26/10/1989	5998	100	Allotment of shares	6000	
28/03/2000	42000	100	Bonus	48000	

5. Demerged / Transferee Company – Chembond Chemicals Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
18/04/1975	200	100	Incorporation	200	Yes
25/07/1975	1100	100	Equity	1300	
09/10/1975	3700	100	Equity	5000	
01/04/1976	1000	100	Shares allotted for consideration other than cash (Goodwill)	6000	
04/05/1987	6000	100	Bonus	12000	
17/04/1990	12000	100	Bonus	24000	
28/03/1991	12000	100	Rights Issue	36000	
03/10/1992	54000	100	Bonus	90000	
04/01/1993	6607	100	Rights issue	96607	
17/03/1993	2393	100	Rights Issue	99000	
15/05/1993	950	100	Shares issued to Employees	99950	
01/09/1994	50	100	Further Issue	100000	
14/09/1994	1000000	10	Split of Face Value from Rs.100/- to Rs.10/-	1000000	
01/11/1994	400000	10	Bonus	1400000	
05/01/1995	850000	10	Rights	2250000	
15/05/1995	750000	10	IPO	3000000	
06/02/2009	180206	10	Shares allotted to the shareholders of erstwhile Shree Mahalasa Electronics Pvt Ltd pursuant to its amalgamation	3180206	
17/03/2010	3180206	10	Bonus	6360412	
25/03/2013	300000	10	Preferential Allotment	6660412	

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited Navi Mumbai

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Chembond Chemicals Limited

09/04/2015	15950	10	ESOP	6676362	
01/02/2016	20532	10	ESOP	6696894	
08/09/2016	6696894	5	Split of Face Value from Rs.10/- to Rs.5/-	13393788	
08/12/2016	54500	5	ESOP	13448288	

6. Resulting Company – Chembond Chemical Specialties Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
12/12/2023	10000	5	Incorporation	10000	No, as the Company is unlisted

For Chembond Chemicals Limited

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Annexure D Annexure 19-B

Jignesh Goradia & Associates
CHARTERED ACCOUNTANTS

Jignesh A. Goradia
B. Com., F.C.A.

To,
The Board of Directors,
Chembond Chemicals Limited
Chembond Centre, EL-71 Mahape MIDC,
Navi Mumbai - 400 710,
Maharashtra, India.

Subject: **Independent Chartered Accountant's Certificate on divisional net worth, turnover and profitability of the divisions being hived off / demerged vis a vis the remaining division of Chembond Chemicals Limited ("Company" or "Demerged Company" or "Transferee Company") pursuant to the Composite Scheme of Arrangement in nature of demerger of "CC & WT Business Undertaking" of Chembond Chemicals Limited into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013 ("Scheme").**

1. I, Jignesh Goradia, Proprietor of Jignesh Goradia & Associates, Chartered Accountant, have been requested by the Company to certify the divisional net worth, turnover and profitability of the division being hived off / demerged vis-à-vis the remaining divisions of the Company, in respect of the limited reviewed financials for the six months period ended September 30, 2023 and preceding two financial years i.e FY 2022-23 and FY 2021-22, pursuant to the Scheme in nature of demerger of **"CC & WT Business Undertaking"** of Chembond Chemicals Limited into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013.

   This certificate is required by the Company for the submission to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and if required, to Securities and Exchange Board of India ("**SEBI**") and other regulatory authorities including National Company Law Tribunal (NCLT), Registrar of Companies (ROC), Regional Director (RD)and Official Liquidator (OL). The Board of Directors of the Company at its meeting held on December 12, 2023 considered and approved the Scheme, subject to receipt of requisite approvals, inter alia, in terms of sections 230 to 232 read with section 66 and other relevant provisions of the Companies Act, 2013 and as required under SEBI Regulations.

403, Doshi Mansion, M. G. Cross Road No. 3, Kandivali (West), Mumbai - 400 067.
Tel. : 022 2807 5626 Cell : 80807 57001 / 98691 23301 E-mail : jigneshgoradia_ca@yahoo.com

2. For the purpose of certifying the accompanying 'Statement of computation of divisional net worth, turnover and profitability of the division being hived off / demerged vis-à-vis the remaining divisions of the Company, in respect of the limited reviewed financials for the six months period ended September 30, 2023 and preceeding two financial years i.e FY 2022-23 and FY 2021-22 ("Statement") (enclosed herewith as **"Annexure A"**, prepared by the management of the Company, which has been stamped and initialed by us for identification purpose only), we have referred to and relied on i) limited reviewed financials of the Company for the six months period ended September 30, 2023, ii) audited financial statements of the Company for the year ended FY22-23 along with FY21-22 and FY20-21 , iii) the working of bifurcation of the balance sheet and profit and loss line items between **'CC & WT** Business Undertaking' and remaining business undertaking of the Demerged Company, prepared by the management of the Company, iv) the accounting treatment contained in Clause 14 of the Draft Scheme and v) such other relevant records and documents maintained by the Company.

Management's Responsibility

3. The management of the Company is responsible for preparation of the Statement computing the divisional net worth, turnover and profitability of the division being hived off / demerged vis-à-vis the remaining divisions of the Company, in respect of limited reviewed financials for the six months period ended September 30, 2023 and preceeding two financial years i.e FY 2022-23 and FY 2021-22 duly considering all the documents, records and information as relevant including those mentioned in paragraph 2 above. This responsibility of the management of the Company includes collecting, collating and validating data and presentation thereof in the Statement and the design, implementation and maintenance of internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The responsibility also includes maintenance of all accounting and other relevant supporting records and documents.

Chartered Accountant's Responsibility

4. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Statement including computation thereof, duly considering all the documents, records and information as relevant, as specifically mentioned in paragraph 2 above.

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (**"Guidance Note"**) issued by the Institute of Chartered Accountants of India (**"ICAI"**). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by ICAI. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Draft Scheme.

Conclusion

7. Based on the above and according to the information, explanations and reptesentations provided to us by the Management of the Company, we hereby confirm the details of divisional net worth, turnover and profitability of the division being hived off / demerged vis-à-vis the remaining divisions of the Company, in respect of the limited reviewed financials for the six months period ended September 30, 2023 and preceeding two financial years i.e FY 2022-23 and FY 2021-22 computed in accordance with paragraph 2, based on the Statement enclosed herewith as Annexure A.

Restriction on use

8. This Certificate is issued at the request of the Company, solely for the purpose of onward submission by the Company to BSE, NSE, SEBI or any other regulatory authorities, as applicable. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Jignesh Goradia & Associates
Chartered Accountants
Firm Reg No. : 114719W

Jignesh A. Goradia
Proprietor
Membership No.: 048460

UDIN: 24048640BJZXUB3863

Place: Mumbai
Date: 29.12.2023

Enclosure: As above.

198

Chembond Chemicals Limited

Annexure A

Statement of computation of divisional net worth, turnover and profitability of the division being hived off / demerged vis-à-vis the remaining divisions of the Company, in respect of limited reviewed financials for the six months period ended September 30, 2023 and preceeding two financial years i.e FY 2022-23 and FY 2021-22 (Forming part of Certificate dated 29.12.2023)

I. The details of bifurcation of the net worth, turnover and profit after tax between "CC & WT Business Undertaking" (Demerged Division) and remaining business undertaking of the Company.

(Rs. in lakhs)

Particulars	Financial Year	Networth	% to total	Turnover	% to total	Profit after Tax	% to total
Demerged division	2023-24	7,252.85	30%	2,201.33	67%	340.53	71%
	2022-23	6,878.33	28%	3,877.21	69%	391.42	99%
	2021-22	6,758.12	28%	3,551.00	64%	472.84	54%
Other divisions	2023-24	16,978.41	70%	1,101.66	33%	136.66	29%
	2022-23	17,302.12	72%	1,750.59	31%	4.51	1%
	2021-22	17,742.84	72%	2,023.42	36%	401.52	46%
Total	2023-24	24,231.26	100%	3,302.99	100%	477.19	100%
	2022-23	24,180.45	100%	5,627.80	100%	395.93	100%
	2021-22	24,500.96	100%	5,574.42	100%	874.36	100%

Working notes :

1. The financial information provided above for FY23-24 is for the six months period ended September 30, 2023.
2. The net worth is calculated and derived as the difference between the assets & liabilities of the divisions.
3. In calculation of the divisional profit after tax, the specific income and expenditure pertaining to the respective divisions have been considered and in respect of income and expenditure which are common / general and not specifically allocable to a particular division, the same have been allocated between the divisions based on the Turnover ratio as mentioned above.

For and on behalf of the Board of Directors of

Chembond Chemicals Limited

Suchita Singh
Company Secretary and Compliance Officer
Membership No. A43837

Chembond Chemicals Limited Navi Mumbai

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN: 114719W Chartered Accountants

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Annexure E

SSPA & CO.
Chartered Accountants
1st Floor, "Arjun", Plot No.6A,
V. P. Road, Andheri (W),
Mumbai – 400 058. INDIA.
Tel. : 91 (22) 2670 4376 / 77
91 (22) 2670 3682
Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

December 12, 2023

To,
The Board of Directors,
Chembond Chemicals Limited
EL-71, Chembond Centre,
MIDC, Mahape,
Navi Mumbai – 400710

Dear Sir(s)/ Madam(s),

Re: Fair share entitlement ratio for the proposed demerger of 'CC & WT Business' of Chembond Chemicals Limited

We refer to the engagement letter dated November 29, 2023, whereby, SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Registered Valuer' or 'We') have been appointed by the management of Chembond Chemicals Limited ('CCL' or 'the Company' or 'Demerged Company') to issue a report opining on the fair share entitlement ratio for the proposed demerger of CC & WT Business of CCL (hereinafter referred to as the 'CC & WT Business' or 'Demerged Undertaking') into a new wholly owned subsidiary of CCL to be incorporated (hereinafter referred to as 'Proposed New Co.').

CCL and Proposed New Co. are hereinafter collectively referred to as the 'Companies'.

1. SCOPE AND PURPOSE OF THIS REPORT

1.1 We have been informed by the management of CCL (hereinafter referred to as 'the Management') that they are considering a proposal for demerger of 'Demerged Undertaking' of CCL into Proposed New Co. pursuant to a composite scheme of arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as the 'Scheme'). Subject to necessary approvals, Demerged Undertaking of CCL would be demerged into

Proposed New Co. with effect from the appointed date of April 01, 2024 (hereinafter referred to as 'Appointed Date').

The proposed transaction is hereinafter referred to as the 'Proposed Demerger'.

1.2 Proposed New Co. is to be incorporated as a wholly owned subsidiary of CCL. As part of the Scheme, the equity shares of Proposed New Co. which will be held by CCL will stand cancelled on demerger coming into effect.

1.3 Pursuant to the Scheme, as a consideration for the Proposed Demerger, equity shareholders of CCL are proposed to be allotted equity shares of face value of INR 5 each fully paid up of Proposed New Co.

1.4 In this regard, we have been requested to issue a report opining on the fair share entitlement ratio as recommended by the Management for the Proposed Demerger.

2. BRIEF BACKGROUND

2.1. CHEMBOND CHEMICALS LIMITED

CCL is one of the leading manufacturer and supplier of specialty performance chemicals to a cross section of industries across India. CCL is engaged in the business of manufacturing a diverse range of specialty chemicals and products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants.

CCL has lab and R&D facilities at their head office in MIDC Mahape, Navi Mumbai. The Company's manufacturing plants are located at Tarapur, Dudhwada, Baddi, Chennai and Balasore.

The equity shares of CCL are listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

The shareholding pattern of CCL as on September 30, 2023 is as follows:

Category of shareholders	No. of shares	% of holding
Promoter and promoter group	90,82,652	67.54%
Public	43,65,636	32.46%
Total (face value of INR 5 each)	**1,34,48,288**	**100.00%**

The issued, subscribed, and fully paid-up share capital of the Demerged Company as on September 30, 2023 is INR 6.72 crores comprising of 1,34,48,288 equity shares of INR 5 each fully paid up.

2.2. DEMERGED UNDERTAKING OF CCL

'Demerged Undertaking' means of all assets, movable and immovable properties, liabilities, permits, licenses, registrations, approvals, contracts, and employees, in relation to and pertaining to CC & WT business.

'CC & WT' Business means the construction chemicals, water technologies and cleaning & hygiene businesses of manufacturing, selling, distribution and trading of chemicals, including chemicals used in construction and civil repair industry as well as in relation to chemicals, equipment and services required for water treatment.

2.3. PROPOSED NEW CO.

Proposed New Co. would be an unlisted public company to be incorporated under Companies Act, 2013 with an objective to carry on the business of manufacturing or dealing in all kinds of chemicals including speciality chemicals, intermediates, or chemical mixtures, etc. Proposed New Co. would be incorporated as a wholly owned subsidiary of CCL.

3. REGISTERED VALUER - SSPA & CO., CHARTERED ACCOUNTANTS

SSPA, is a partnership firm, located at 1st Floor, "Arjun", Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing various corporate consultancy services.

We are a firm of practising Chartered Accountants registered with The Institute of Chartered Accountants of India ('ICAI'). We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

4. SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information received from the Management and information available in the public domain:

(a) Management certified provisional statement of assets and liabilities of Demerged Undertaking of CCL as on September 30, 2023.

(b) Draft composite scheme of arrangement.

(c) Such other information and explanations as we required and which have been provided by the Management, including management representations.

5. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS, AND DISCLAIMERS

5.1. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, our report containing recommendation of fair share entitlement ratio for the Proposed Demerger is in accordance with ICAI Valuation Standards 2018 issued by The Institute of Chartered Accountants of India.

5.2. This report has been prepared for the Board of Directors of CCL solely for the purpose of recommending a fair share entitlement ratio for the Proposed Demerger.

5.3. The report assumes that the Company / Demerged Undertaking of CCL complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Company / Demerged Undertaking of CCL will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations.

5.4. The draft of the present report was circulated to the Management (excluding the recommended fair share entitlement ratio) for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.

5.5. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Company and / or its auditors / consultants, is that of the Management. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material information about the Company / Demerged Undertaking of CCL. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our conclusions.

5.6. Our work does not constitute an audit, due diligence, or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, we have evaluated the information provided to us by the Company through broad inquiry,

analysis, and review. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.

5.7. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company / Demerged Undertaking of CCL and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Company / Demerged Undertaking of CCL. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

5.8. We are independent of the Company and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.

5.9. Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation, and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Demerger.

5.10. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Company / Demerged Undertaking of CCL shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

5.11. The decision to carry out the Proposed Demerger (including consideration thereof) lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Demerger.

5.12. Our report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to National Company Law Tribunal /regulatory/statutory authority for obtaining requisite approvals. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or

otherwise made available.

5.13. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness, or completeness of the information, based on which this report is issued. We owe responsibility only to the Company that has appointed us under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions, or advice given by any other person. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the client or companies, their directors, employees, or agents.

6. RECOMMENDATION OF SHARE ENTITLEMENT RATIO

Based on discussions with the Management, the share entitlement ratio has been determined as follows:

6.1. As mentioned in Para 1.2 above, in consideration for the Proposed Demerger, Proposed New Co. would issue equity shares to the equity shareholders of CCL.

We understand that the Management have considered following parameters while arriving at the share entitlement ratio:

i. No fractional entitlements.

ii. Future equity servicing capacity of Proposed New Co.

6.2. Accordingly, the Management has recommended the following share entitlement ratio in consideration for the Proposed Demerger i.e. demerger of Demerged Undertaking of CCL into Proposed New Co.:

2 (two) equity shares of INR 5 each fully paid up of Proposed New Co. for every 1 (one) equity share of INR 5 each fully paid up held in CCL.

We believe that the aforementioned share entitlement ratio is fair considering that all the shareholders of CCL are and will, upon Proposed Demerger, be the ultimate beneficial owners of Proposed New Co. in the same ratio (inter se) as they hold shares in CCL.

6.3. As mentioned above, post the Proposed Demerger all the shareholders of CCL are and will be the ultimate beneficial owners of Proposed New Co. in the same ratio (inter se) as they hold shares in CCL. Therefore, no relative valuation of Demerged Undertaking of CCL and of Proposed New Co. is required to be undertaken for the Proposed Demerger. Accordingly, valuation approaches as indicated in the format (as attached herewith as **Annexure** I to this

report) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

7. CONCLUSION

7.1. The share entitlement ratio in consideration for the Proposed Demerger as recommended by the Management is:

2 (two) equity shares of INR 5 each fully paid up of Proposed New Co. for every 1 (one) equity share of INR 5 each fully paid up held in CCL

Based on our review, information made available to us and discussions with the Management, in our opinion, the aforementioned share entitlement ratio in consideration for the Proposed Demerger of Demerged Undertaking of CCL into Proposed New Co. is reasonable.

We believe that the aforementioned share entitlement ratio is fair considering that all the shareholders of CCL are and will, upon Proposed Demerger, be the ultimate beneficial owners of Proposed New Co. in the same ratio (inter se) as they hold shares in CCL.

Thanking you,
Yours faithfully,

For SSPA & CO.
Chartered Accountants
ICAI Firm registration number: 128851W
IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126

Sujal Shah
Partner
Registered Valuer No.: IBBI/RV/06/2018/10140
ICAI Membership No. 045816
Place: Mumbai

UDIN: 23045816BGTDYG1385
Place: Mumbai

SSPA & CO.
Chartered Accountants

Annexure I

For Demerger of 'Demerged Undertaking' of CCL into Proposed New Co. *(Refer para 6.3)*

Valuation Approach	Demerged Undertaking		Proposed New Co.	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative value per share	NA		NA	

Chembond Chemicals Limited

December 28, 2023

BSE Limited
Listing Department,
P.J. Tower, Dalal Street, Fort,
Mumbai – 400 001.

BSE Scrip Code: 530871

National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.
NSE Symbol: CHEMBOND

Dear Sir/Madam,

Subject: Declaration under Part I Para A 2(b) and 2(j) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Scheme Circular")

This is in connection with our application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR Regulations"**) for the Composite Scheme of Arrangement in the nature of demerger of "CC & WT Business" of Chembond Chemicals Limited (**"Demerged Company"** or **"Transferee Company"**) into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Company (**"Resulting Company"**) and post Demerger, Amalgamation of Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"**) with the Resulting Company (**"Amalgamation – I"**) and amalgamation of Chembond Material Technologies Private Limited (**"Transferor Company No. 2"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3"**), Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4"**) with the Transferee Company (**"Amalgamation – II"**) and their respective shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ("**Scheme**") read with applicable rules made thereunder .

As required under Part I Para A 2(b) of the aforesaid SEBI Scheme Circular, we hereby confirm that no material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with BSE Limited and National Stock Exchange of India Limited and period under consideration for valuation.

We hereby declare that none of the companies involved in the Composite Scheme of Arrangement had their debt securities listed in any of the exchanges either in India or Abroad. Therefore, the requirements under Part I Para A 2(j) of the aforesaid SEBI Scheme Circular are not applicable.

For Chembond Chemicals Limited

Suchita Singh

Suchita Singh
Company Secretary and Compliance Officer
Membership No. - A43837

Chembond Chemicals Limited Navi Mumbai

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

BATHIYA
& ASSOCIATES LLP **CHARTERED ACCOUNTANTS**

Annexure F

Independent Auditor's Certificate

To,
The Board of Directors,
Chembond Chemicals Limited
Plot No EL-71,TTC Ind. Area MIDC Electronic, Mahape,
Thane, Maharashtra, India, 400710

1. This certificate is issued in accordance with the terms of our service engagement with Chembond Chemicals Limited. We, Bathiya & Associates LLP, Chartered Accountants, the statutory auditors of Chembond Chemicals Limited ("**Demerged Company**" **or** "**Transferee Company**" or "**Company**") have been requested by the management to examine the proposed accounting treatment in respect of the Demerged Company/Transferee Company as specified in the clauses 14.1 and 35 of the Composite Scheme of Arrangement (**"Scheme"**) between the Company, Chembond Chemical Specialities Limited **("Resulting Company")**, Chembond Clean Water Technologies Limited **("Transferor Company No. 1")**, Chembond Material Technologies Private Limited **("Transferor Company No. 2")**, Phiroze Sethna Private Limited (**"Transferor Company No. 3"**), Gramos Chemicals India Private Limited (**"Transferor Company No. 4"**) and their respective shareholders under sections 230-232 read with section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder for compliance with the Companies (Indian Accounting Standards) Rules, 2015 as may be amended from time to time and other Generally Accepted Accounting Principles read with SEBI Master Circular SEBI/HO/POD-2/P/CIR/2023/93 (SEBI Master Circular). The accounting treatment as prescribed in the proposed scheme has been included in **Annexure A** which has been initialled by us for identification purpose only.

2. We have examined the proposed accounting treatment as specified in Clause 14 and clause 35 of the Scheme with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other Generally Accepted Accounting Principles in India.

Management's Responsibility

3. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved.

Auditor's Responsibility

4. Our responsibility is only to examine and report whether the Scheme complies with the applicable Indian Accounting Standards notified under the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other Generally Accepted Accounting Principles in India. Nothing contained in this Certificate, nor anything said or done in the course of, or in

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Bathiya & Associates LLP
G-2A, Dosti Pinnacle,
Next to New Passport Office,
Road No.22, Wagle Industrial Estate,
Thane (W) 400 604.
T : +91 22 4010 1995 / 2995
E : info@bathiya.com
bathiya.com

connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity as the statutory auditors of any financial statements of the Company.

5. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("**Guidance Note**") issued by the Institute of Chartered Accountants of India ("**ICAI**"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by ICAI. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

7. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid clauses of the Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and all the applicable Indian Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013.

Restriction on use

8. This Certificate is issued at the request of Chembond Chemicals Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to BSE Limited ("**BSE**"), National Stock Exchange of India Limited ("**NSE**") and further onward submission with the Securities Exchange Board of India, National Company Law Tribunal and/or any other regulatory authorities, as applicable. This Certificate should not be used for any other purpose without our prior written consent. The certificate should be read together with the **Annexure A** attached herewith.

For **Bathiya & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 101046W/W100063

Jatin A. Thakkar
Partner
Membership No.: 134767
UDIN: 23134767BGWADI6797

Place: Mumbai
Date: 12th December, 2023

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Chembond Chemicals Limited

Annexure A

Relevant extracts of accounting treatment from Composite Scheme of Arrangement between Chembond Chemicals Limited ("Demerged Company" / "Transferee Company"), Chembond Chemical Specialities Limited (Resulting Company), Chembond Clean Water Technologies Limited ("Transferor Company No. 1"), Chembond Material Technologies Private Limited (Transferor Company No. 2), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") and their respective shareholders under sections 230-232 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder ("Scheme")

With Regards to Demerger:

14.1 Treatment in the books of Demerged Company

Pursuant to Section I of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Demerged Company shall account for the demerger and vesting of the Demerged Undertaking with the Resulting Company, in its books of accounts in accordance with Indian Generally Accepted Accounting Principles in the following manner:

a. On the Scheme becoming effective, all the assets and liabilities pertaining to the Demerged Undertaking, (the difference between the assets and liabilities hereinafter referred to as the "Net Assets"), shall cease to be the assets and liabilities of the Demerged Company and be transferred to the Resulting Company at carrying value in accordance with the Scheme. The Demerged Company shall adjust the difference between the carrying value of assets and liabilities to its reserves in retained earnings.

b. The existing issued and paid-up share capital of the Resulting Company comprising of 10,000 (Ten Thousand) equity shares having face value of Rs. 5 (Rupees Five) each, held by the Demerged Company comprising 100% (One Hundred Percent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date, shall stand cancelled without any further act or deed on part of the Resulting Company. This amount will be adjusted to the retained earnings of the Demerged Company.

c. Any matter not dealt with in the Clause 14.1 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.

With regards to Amalgamation:

35. ACCOUNTING TREATMENT

35.1 As the Transferor Companies shall stand dissolved without being wound up and all the assets and liabilities as well as reserves shall be transferred to the Transferee Company, on a going concern basis, upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Companies.

35.2 On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are under common control before and after the transaction, the Transferee Company shall account for the transfer and vesting of the Undertaking as per the

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Chembond Chemicals Limited Navi Mumbai

"Pooling of Interests" method in its books of accounts in accordance with Appendix C for Business combinations of entities under common control of the Indian Accounting Standards (IND AS) 103 prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other applicable accounting standards prescribed under the Act.

35.3 The pooling of interests' method is considered to involve the following:

a. All the assets and liabilities of the Transferor Companies shall be recorded in the financial statements of the Transferee Company at their carrying amounts as appearing in the financial statements of the Transferor Companies, prior to this Section III being made effective. No adjustments will be made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonize the accounting policies.

b. The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appear in the financial statements of the Transferor Companies, prior to Section III of this Scheme being made effective, and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.

c. The difference between the i) aggregate face value of the equity shares of the Transferee Company issued and allotted by it to the members of the Transferor Companies, if any, (which is expected to be NIL in view of clause 33) and ii) the equity share capital of the Transferor Companies respectively, shall be adjusted in the capital reserve account.

d. The financial information in the financial statements of the Transferee Company in respect of prior periods should be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

e. The difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the capital reserves account of the Transferee Company.

f. To the extent that there are inter-corporate loans/trade deposits, debentures, debt securities or balances between the Transferor Companies inter se and/or the Transferor Companies and the Transferee Company, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and the records of the Transferee Company for the reduction / netting of any assets or liabilities, as the case may be. Difference, if any, arising upon such cancellation, shall be credited or debited, as the case may be, to the reserve of the Transferee Company.

g. The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian

BATHIWA & ASSOCIATES LLP Chartered Accountants MUMBAI

Chembond Chemicals Limited Navi Mumbai

accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.

h. In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies. The difference, if any, in the accounting policies between the Transferor Companies and Transferee Company, shall be ascertained and the impact of the same will be quantified and adjusted in the retained earnings or another affected component of equity of the Transferee Company, as applicable, in accordance with the requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

i. The costs relating to the Scheme will be accounted in accordance with Ind AS 103.

For Chembond Chemicals Limited

Nirmal V. Shah
VC and Managing Director
DIN: 00083853

Date: 12th December, 2023
Place: Mumbai

Chembond Chemicals Limited Navi Mumbai

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

BATHIYA
& ASSOCIATES LLP **CHARTERED ACCOUNTANTS**

Independent Auditor's Certificate

To,
The Board of Directors,
Chembond Chemical Specialties Limited
EL-37, Chembond Centre, MIDC, Mahape,
Navi Mumbai, Thane, Maharashtra, India, 400710

1. This certificate is issued in accordance with our service engagement with Chembond Chemical Specialities Limited. We, Bathiya & Associates LLP, Chartered Accountants, the statutory auditors of Chembond Chemical Specialties Limited ("**Resulting Company**" or "**Company**") have been requested by the management to examine the proposed accounting treatment in respect of the Resulting Company as specified in the clauses 14.2 and 22 of the Composite Scheme of Arrangement ("**Scheme**") between the Company, Chembond Chemicals Limited **("Demerged Company" / "Transferee Company")**, Chembond Clean Water Technologies Limited **("Transferor Company No. 1")**, Chembond Material Technologies Private Limited **("Transferor Company No. 2")**, Phiroze Sethna Private Limited **("Transferor Company No. 3")**, Gramos Chemicals India Private Limited **("Transferor Company No. 4")** and their respective shareholders under sections 230-232 read with section 66 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder for compliance with the Companies (Indian Accounting Standards) Rules, 2015 as may be amended from time to time and other Generally Accepted Accounting Principles read with SEBI Master Circular SEBI/HO/POD-2/P/CIR/2023/93 (SEBI Master Circular). The accounting treatment as prescribed in the proposed scheme has been included in **Annexure A** which has been initialled by is for identification purpose only.

2. We have examined the proposed accounting treatment as specified in Clause 14 and clause 35 of the Scheme with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other Generally Accepted Accounting Principles in India.

Management's Responsibility

3. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved.

Auditor's Responsibility

4. Our responsibility is only to examine and report whether the Scheme complies with the applicable Indian Accounting Standards notified under the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other Generally Accepted Accounting Principles in India. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity as the statutory auditors of any financial statements of the Company.

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Bathiya & Associates LLP
G-2A, Dosti Pinnacle,
Next to New Passport Office,
Road No.22, Wagle Industrial Estate,
Thane (W) 400 604.
T : +91 22 4010 1995 / 2995
E : info@bathiya.com
bathiya.com

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("**Guidance Note**") issued by the Institute of Chartered Accountants of India ("**ICAI**"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by ICAI. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

7. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid clause of the Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and all the applicable Indian Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013.

Restriction on use

8. This Certificate is issued at the request of Chembond Chemical Specialties Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to BSE Limited ("**BSE**"), National Stock Exchange of India Limited ("**NSE**") and further onward submission with the Securities Exchange Board of India, National Company Law Tribunal and/or any other regulatory authorities, as applicable. This Certificate should not be used for any other purpose without our prior written consent. The certificate should be read together with the **Annexure A** attached herewith.

For **Bathiya & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 101046W/W100063

Jatin A. Thakkar
Partner
Membership No.: 134767
UDIN: 23134767BGWADJ3068

Place: Mumbai
Date: 12th December, 2023

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Annexure A

Relevant extracts of accounting treatment from Composite Scheme of Arrangement between Chembond Chemicals Limited ("Demerged Company" / "Transferee Company"), Chembond Chemical Specialities Limited (Resulting Company), Chembond Clean Water Technologies Limited ("Transferor Company No. 1"), Chembond Material Technologies Private Limited (Transferor Company No. 2), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") and their respective shareholders under sections 230-232 and other applicable provisions of Companies Act, 2013 along with applicable rules made thereunder ("Scheme")

With Regards to Demerger

14.2 Treatment in the books of Resulting Company

a. On the Scheme becoming effective, the Resulting Company shall account for the Demerger as common control business combination in accordance with the "pooling of interest method", as per Appendix C of Ind-AS 103, "Business Combination" notified under the provisions of the Act, read with relevant rules framed thereunder and the other applicable accounting standards prescribed under the Act.

b. All assets and liabilities in relation to the Demerged Undertaking shall be recorded in its books of accounts by the Resulting Company at the values and in the same form as recorded in the books of Demerged Company subject to consistent accounting policies.

c. The reserves adjusted by the Demerged Company in relation to Net Assets of the Demerged Undertaking shall be preserved in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company.

d. The aggregate face value of the equity shares of the Resulting Company, issued to the shareholders of the Demerged Company shall stand credited to the share capital of the Resulting Company in its books of accounts.

e. The difference, if any, between the amount recorded as the share capital issued, reserves recorded as per clause 14.2.c and the assets and liabilities transferred by the Demerged Company to the Resulting Company shall be recorded as capital reserve and shall be presented separately from other capital reserve with disclosure of its nature and purpose in notes.

f. Immediately after the issuance of shares by the Resulting Company to the shareholders of the Demerged Company, the 10,000 (Ten Thousand) equity shares of the Resulting Company having face value of Rs. 5 (Rupees Five) each held by the Demerged Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date shall stand cancelled, without any further act or deed on part of the Resulting Company and the same shall be adjusted against the capital reserves account of the Resulting Company.

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Chembond Chemical Specialties Limited

Chembond Chemical Specialties Limited
EL-37 Mahape MIDC, Navi Mumbai 400710. INDIA
T: +91 22 62643000 - 03 • F: +91 22 27681294
www.chembondindia.com
CIN: U20116MH2023PLC415282

g. Any matter not dealt with in this Clause 14.2 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.

With regards to Amalgamation

22. ACCOUNTING TREATMENT

22.2 On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are under common control before and after the transaction, the Resulting Company shall account for the transfer and vesting of the Undertaking as per the "Pooling of Interests" method in its books of accounts in accordance with Appendix C for Business combinations of entities under common control of the Indian Accounting Standards (IND AS) 103 prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other applicable accounting standards prescribed under the Act.

22.3 The pooling of interests' method is considered to involve the following:

a. All the assets and liabilities of the Transferor Company No. 1 shall be recorded in the financial statements of the Resulting Company at their carrying amounts as appearing in the financial statements of the Transferor Company No. 1, prior to this Section II being made effective. No adjustments will be made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonize the accounting policies.

b. The identity of the reserves of the Transferor Company No. 1 shall be preserved and they shall appear in the financial statements of the Resulting Company in the same form and manner in which they appear in the financial statements of the Transferor Company No. 1, prior to Section II of this Scheme being made effective, and it shall be aggregated with the corresponding balance appearing in the financial statements of the Resulting Company.

c. The difference between the i) aggregate face value of the equity shares of the Resulting Company issued and allotted by it to the members of the Transferor Company No. 1, if any, (which is expected to be NIL in view of clause 20) and ii) the equity share capital of the Transferor Company No. 1, shall be adjusted in the capital reserve account.

d. The financial information in the financial statements of the Resulting Company in respect of prior periods should be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

e. The difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the capital reserves account of the Resulting Company.

f. To the extent that there are inter-corporate loans/trade deposits, debentures, debt securities or balances between the Transferor Company No. 1 inter se and/or the Transferor Company No. 1 and the Resulting Company, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and the records of the Resulting Company for the reduction / netting of any assets or liabilities, as the case may be. Difference, if any, arising upon such cancellation, shall be credited or debited, as the case may be, to the reserve of the Resulting Company.

g. The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.

h. In case of any differences in accounting policies between the Transferor Company No. 1 and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies. The difference, if any, in the accounting policies between the Transferor Company No. 1 and Resulting Company, shall be ascertained and the impact of the same will be quantified and adjusted in the retained earnings or another affected component of equity of the Resulting Company, as applicable, in accordance with the requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

i. The costs relating to the Scheme will be accounted in accordance with Ind AS 103.

For Chembond Chemical Specialties Limited

Nirmal V. Shah
Director
DIN: 00083853

Chembond Chemical Specialties Limited

BATHIYA & ASSOCIATES LLP Chartered Accountants MUMBAI

Date: 12th December, 2023
Place: Mumbai

Annexure G

Chembond Chemicals Limited

January 29, 2024

To,
BSE Limited
Listing Department,
P.J. Tower, Dalal Street, Fort,
Mumbai – 400 001.

Dear Sir/Madam,

Subject: Undertaking that the proposed scheme is in compliance with the applicable laws.

Reference: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement providing for demerger of "CC & WT Business" of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Demerged Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Transferee Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ("Scheme")

With reference to the aforesaid subject and captioned reference, we hereby confirm that the Scheme is in accordance with the provisions of Section 230-232 of the Companies Act, 2013 read with applicable rules made thereunder.

Further, the terms of the Scheme are in compliance with the applicable laws and regulatory framework notified by various authorities and undertakes to observe the accounting standards as prescribed.

Hence, we declare that the Scheme is in compliance with the applicable laws and will be effective pursuant to obtaining all the necessary approval from various authorities as may be required.

We request you to take the above on records.

For Chembond Chemicals Limited

Chembond Chemicals Limited Navi Mumbai

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

Suchita Singh
Company Secretary & Compliance Officer
Membership No. – A43837

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

Annexure H

Chembond Chemicals Limited

January 29, 2024

To,
BSE Limited
Listing Department,
P.J. Tower, Dalal Street, Fort,
Mumbai – 400 001.

Dear Sir/Madam,

Subject: Undertaking that the proposed scheme is yet to be executed.

Reference: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement providing for demerger of "CC & WT Business" of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Demerged Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Transferee Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ("Scheme")

With reference to the aforesaid subject and captioned reference, we would like to inform you that the Scheme is filed with the National Stock Exchange of India Limited ("NSE"), designated Stock Exchange.

Further, pursuant to obtaining the said in-principle approval, Demerged Company shall make an application to Hon'ble NCLT for their approval and after complying with all the provisions of the Companies Act, 2013 and the terms of approval by NSE and NCLT as may be prescribed, the Demerged Company shall execute the scheme by giving effect to the terms of the de-merger.

Hence, we declare that the Scheme is yet to be executed.

We request you to take the above on records.

For Chembond Chemicals Limited

Chembond Chemicals Limited Navi Mumbai

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

Suchita Singh
Company Secretary & Compliance Officer
Membership No. – A43837

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

ANNEXURE 16

chembond

Chembond Chemicals Limited

December 29, 2023

To,
Manager - Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza'. C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Dear Sir/Madam,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement providing for demerger of "CC & WT Business" of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Demerged Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Transferee Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013 ("Scheme")

We hereby submit following additional documents as required as per Annexure M of the NSE checklist:

S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
1.	Apportionment of losses of the listed company among the companies involved in the scheme.	N.A.	The Demerged Company do not have any losses	N.A.
2.	Details of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement, along with a write up on the history of the demerged undertaking/Transferor Company certified by Chartered Accountant (**CA**).	Yes		Annexure 29A
3.	Any type of arrangement or agreement between the demerged company/resulting company/merged/ amalgamated company/ creditors / shareholders / promoters / directors/etc., which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity.	N.A.	N.A.	N.A.

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
4.	Reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve, certified by CA.	N.A.	The same is not applicable as the scheme is not for utilization of reserves.	N.A.
5.	Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, certified by CA.			
6.	Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are notional and/or unrealized, certified by CA.			
7.	The built up of the accumulated losses over the years, certified by CA.			
8.	Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA.			
9.	Details of shareholding of companies involved in the scheme at each stage, in case of composite scheme.	Yes		Kindly refer Annexure 29B
10.	Whether the Board of unlisted company has taken the decision regarding issuance of Bonus shares. If yes provide the details thereof. If not, provide the reasons thereof.	No	No such decision has been taken by the Board of the Unlisted Company	N.A.
11.	List of comparable companies considered for comparable companies' multiple method.	N.A.	Please refer the Fair Share Entitlement Ratio Report – as per which no such valuation method needs to be considered in the present Scheme.	N.A.
12.	Share Capital built-up in case of scheme of arrangement involving unlisted entity/entities, certified by CA.	Yes	Details of Share Capital built-up of all companies involved in the Scheme	Annexure 29C
13.	Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme.	No	No action has been taken by the Govt./Regulatory body/Agency against any of the	N.A.

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
			entities involved in the Scheme.	
14.	Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years.	Yes		Annexure 19B
15.	Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed company.	Yes	Please refer the Fair Share Entitlement Ratio Report – please specifically refer Para 6.3 thereof.	Covered in Annexure 2A as per Checklist
16.	In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity.	Yes	The specific assets and liabilities belonging to respective divisions / undertakings as defined under the Scheme have been allocated. Further, general / corporate level common assets if any, have been retained in the Demerged Company.	
17.	How the scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post scheme of arrangement.	Yes	The Scheme provides for demerger of CC & WT Business into wholly owned subsidiary company with existing shareholders of the listed Demerged Company becoming shareholders of the Resulting company in same proportion thereby achieving mirror shareholding pattern upon effectiveness of the Scheme. The Scheme is proposed	

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
			with intended objectives as more particularly stated in the Scheme. Hence, the Scheme is in the interest of public shareholders of the Listed entity.	
18.	Tax/other liability/benefit arising to the entities involved in the scheme, if any.	Not Applicable	No specific tax / other liability / benefit is intended to be arisen to the entities involved in the Scheme.	Not Applicable
19.	Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA/PAT margin considered in the valuation report.	Not Applicable	Please refer the Fair Share Entitlement Ratio Report – Para 6.3 thereof.	Covered in Annexure 2A as per Checklist
20.	Confirmation from valuer that the valuation done in the scheme is in accordance with applicable valuation standards.	Yes	Please refer the Fair Share Entitlement Ratio Report.	Covered in Annexure 2A as per Checklist
21.	Confirmation from Company that the scheme is in compliance with the applicable securities laws.	Yes		Annexure 29D
22.	Confirmation that the arrangement proposed in the scheme is yet to be executed.	Yes		Annexure 29E

For Chembond Chemicals Limited

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

Suchita Singh

Chembond Chemicals Limited Navi Mumbai

Suchita Singh
Company Secretary & Compliance Officer
Membership No. – A43837

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Jignesh Goradia & Associates
CHARTERED ACCOUNTANTS

Jignesh A. Goradia
B. Com., F.C.A.

To,
The Board of Directors,
Chembond Chemicals Limited
Chembond Centre, EL-71 Mahape MIDC,
Navi Mumbai - 400 710,
Maharashtra, India.

Subject: **Independent Chartered Accountant's Certificate on computation of assets, liabilities, revenue and net worth of Companies involved in the scheme (both pre and post Scheme), pursuant to the Composite Scheme of Arrangement in nature of demerger of "CC & WT Business Undertaking" of Chembond Chemicals Limited ("Company" or "Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals India Private Limited ("Transferor Company No. 4") with the Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013 ("Scheme").**

1. I, Jignesh Goradia, Proprietor of Jignesh Goradia & Associates, Chartered Accountant, have been requested by the Company to certify the computation of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post Scheme of Arrangement of the Company pursuant to the Scheme in nature of demerger of **"CC & WT Business Undertaking"** of Chembond Chemicals Limited into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals India Private Limited ("Transferor Company No. 4") with the Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013.

   This certificate is required by the Company for the submission to the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") and if required, to Securities and Exchange Board of India ("**SEBI**") and other regulatory authorities including National Company Law Tribunal (NCLT), Registrar of Companies (ROC), Regional Director (RD)and Official Liquidator (OL). The Board of Directors of the Company at its meeting held on December 12, 2023 considered and approved the Scheme, subject to receipt of requisite approvals, inter alia, in terms of sections 230 to 232 read with section 66 and other relevant provisions of the Companies Act, 2013 and as required under SEBI Regulations.

2. For the purpose of certifying the accompanying 'Statement of computation of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post Scheme of Arrangement of the Company as at September 30, 2023' (**Statement**") (enclosed herewith as **"Annexure A"**, prepared by the management of the Company, which has been stamped and initialed by us for identification purpose only), we have referred to and relied on i) limited reviewed financials of the Company for the six months period ended September 30, 2023, ii) audited financial statements for the six months period ended September 30, 2023 of all the other companies involved in the scheme including Resulting Company, Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferor Company 4, iii) audited financials statements of the Company for FY22-23 along with FY21-22 and FY20-21 iv) working of bifurcation of the balance sheet line items between **"CC & WT** Business Undertaking" and remaining business undertaking of the Demerged Company, prepared by the management of the Company, v) the accounting treatment contained in Clause 14 of the Scheme and vi) such other relevant records and documents maintained by the Company.

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

403, Doshi Mansion, M. G. Cross Road No. 3, Kandivali (West), Mumbai - 400 067.
Tel. : 022 2807 5626 Cell : 80807 57001 / 98691 23301 E-mail : jigneshgoradia_ca@yahoo.com

3. Background & History of Companies involved in the Scheme

I. Chembond Chemicals Limited ("Demerged Company" / "Transferee Company") is a Company incorporated on March 22, 1975 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Chembond Chemicals Private Limited". Subsequently its name was changed to "Chembond Chemicals Limited". The Registered Office of the Demerged Company is situated at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Demerged Company is engaged in the business of manufacturing a diverse range of specialty chemicals and products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The equity shares of the Demerged Company are listed on BSE (as defined hereinafter) and NSE (as defined hereinafter). The Corporate Identification Number of the Demerged Company is L24100MH1975PLC018235.

II. Chembond Chemical Specialties Limited ("Resulting Company") is a Company incorporated on December 12, 2023 in the State of Maharashtra under the Companies Act, 2013 in the name and style of "Chembond Chemical Specialties Limited". The Registered Office of the Resulting Company is situated at Plot No. EL-37, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Resulting Company was formed with the object to carry on the business of Specialty chemicals including but not limited to Construction chemicals and Water Treatment Chemicals. The Corporate Identification Number of the Resulting Company is U20116MH2023PLC415282.

III. "Demerged Undertaking" means the CC & WT Business of the Demerged Company as identified by the board of directors of Demerged Company and Resulting Company, to be transferred to Resulting Company on a going concern basis with effect from the Appointed Date. "CC & WT Business" means the construction chemicals, water technologies and cleaning & hygiene businesses of manufacturing, selling, distribution and trading of chemicals, including chemicals used in construction and civil repair industry as well as in relation to chemicals, equipment and services required for water treatment.

IV. Chembond Clean Water Technologies Limited ("Transferor Company No. 1") is a Company incorporated on April 17, 2010 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "H2O Innovation Private Limited". Subsequently its name was changed to "Chembond Clean Water Technologies Limited" on June 8, 2013. The Registered Office of the Transferor Company No. 1 is situated at - EL-37, MIDC, Mahape, Navi Mumbai 400 710. Transferor Company No. 1 is engaged in the business of design, manufacture, trade and marketing of whole range of water and waste water system, including but not limited to membrane technologies, providing total water management solutions, including services (detailed engineering, O&M manuals, design centre etc.) The Corporate Identification Number of the Transferor Company No. 1 is U29248MH2010PLC202124. The Transferor Company No. 1 is an indirect wholly owned subsidiary of Demerged Company.

V. Chembond Material Technologies Private Limited ("Transferor Company No. 2") is a Company incorporated on March 24, 2000 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Protochem Industries Private Limited". Subsequently its name was changed to "Chembond Material Technologies Private Limited" on July 21, 2018. The Registered Office of the Transferor Company is situated at Chembond Center, No. 1 A- A-737/5, TTC MIDC Area, Mahape Village, Thane Belapur Road, Navi Mumbai, Maharashtra, India, 400710. The Transferor Company No. 2 is engaged in the business of offering innovative & value delivering solutions to industrial customers in the areas of surface treatment, bonding & sealing. The corporate identity number ("CIN") of the Transferor Company No. 2 is U24200MH2000PTC125231. The Transferor Company No. 2 is a wholly owned subsidiary of the Transferee Company.

3. Background & History of Companies involved in the Scheme

I. Chembond Chemicals Limited ("Demerged Company" / "Transferee Company") is a Company incorporated on March 22, 1975 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Chembond Chemicals Private Limited". Subsequently its name was changed to "Chembond Chemicals Limited". The Registered Office of the Demerged Company is situated at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Demerged Company is engaged in the business of manufacturing a diverse range of specialty chemicals and products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The equity shares of the Demerged Company are listed on BSE (as defined hereinafter) and NSE (as defined hereinafter). The Corporate Identification Number of the Demerged Company is L24100MH1975PLC018235.

II. Chembond Chemical Specialties Limited ("Resulting Company") is a Company incorporated on December 12, 2023 in the State of Maharashtra under the Companies Act, 2013 in the name and style of "Chembond Chemical Specialties Limited". The Registered Office of the Resulting Company is situated at Plot No. EL-37, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Resulting Company was formed with the object to carry on the business of Specialty chemicals including but not limited to Construction chemicals and Water Treatment Chemicals. The Corporate Identification Number of the Resulting Company is U20116MH2023PLC415282.

III. "Demerged Undertaking" means the CC & WT Business of the Demerged Company as identified by the board of directors of Demerged Company and Resulting Company, to be transferred to Resulting Company on a going concern basis with effect from the Appointed Date. "CC & WT Business" means the construction chemicals, water technologies and cleaning & hygiene businesses of manufacturing, selling, distribution and trading of chemicals, including chemicals used in construction and civil repair industry as well as in relation to chemicals, equipment and services required for water treatment.

IV. Chembond Clean Water Technologies Limited ("Transferor Company No. 1") is a Company incorporated on April 17, 2010 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "H2O Innovation Private Limited". Subsequently its name was changed to "Chembond Clean Water Technologies Limited" on June 8, 2013. The Registered Office of the Transferor Company No. 1 is situated at - EL-37, MIDC, Mahape, Navi Mumbai 400 710. Transferor Company No. 1 is engaged in the business of design, manufacture, trade and marketing of whole range of water and waste water system, including but not limited to membrane technologies, providing total water management solutions, including services (detailed engineering, O&M manuals, design centre etc.) The Corporate Identification Number of the Transferor Company No. 1 is U29248MH2010PLC202124. The Transferor Company No. 1 is an indirect wholly owned subsidiary of Demerged Company.

V. Chembond Material Technologies Private Limited ("Transferor Company No. 2") is a Company incorporated on March 24, 2000 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Protochem Industries Private Limited". Subsequently its name was changed to "Chembond Material Technologies Private Limited" on July 21, 2018. The Registered Office of the Transferor Company is situated at Chembond Center, No. 1 A- A-737/5, TTC MIDC Area, Mahape Village, Thane Belapur Road, Navi Mumbai, Maharashtra, India, 400710. The Transferor Company No. 2 is engaged in the business of offering innovative & value delivering solutions to industrial customers in the areas of surface treatment, bonding & sealing. The corporate identity number ("CIN") of the Transferor Company No. 2 is U24200MH2000PTC125231. The Transferor Company No. 2 is a wholly owned subsidiary of the Transferee Company.

Restriction on use

9. This Certificate is issued at the request of the Company, solely for the purpose of onward submission by the Company to BSE, NSE, SEBI or any other regulatory authorities, as applicable. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Jignesh Goradia & Associates**
Chartered Accountants
Firm Reg No. : 114719W

JIGNESH GORADIA & ASSOCIATES * Chartered Accountants * MUMBAI M. No. 048640 FRN:114719W

Jignesh A. Goradia
Proprietor
Membership No.: 048460

UDIN : 24048640BJZXUE9207

Place: Mumbai
Date: 29.12.2023

Enclosure: As above.

29 A

chembond

Chembond Chemicals Limited

Annexure A

Statement of computation of pre and post scheme Assets, Liabilities, Revenue and Networth of Companies involved in the scheme as at September 30, 2023 (Forming part of Certificate dated **29.12.2023**)

I. **The details of Assets, Liabilities, Revenue and Networth of Companies derived from the limited review financial statements of the Company for the six months period ended September 30, 2023, effect of Scheme of demerger of "CC & WT Business Undertaking" of Chembond Chemicals Limited into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Company ("Amalgamation – II") as per accounting treatment contained in the Scheme and likely post scheme status is as follows:**

A. **Pre-Scheme details:**

(Amount in INR lakhs)

Companies	Company Type (As per Scheme)	Revenue	Assets	Liabilities	Net worth
Chembond Chemicals Limited	Demerged Company	3,303.03	25,275.47	1,044.21	24,231.26
Chembond Chemical Specialties Limited	Resulting Company	-	0.50	-	0.50
Chembond Clean Water Technologies Limited	Transferor Company No. 1	1,694.57	2,346.01	851.60	1,494.41
Chembond Material Technologies Private Limited	Transferor Company No. 2	6,897.89	7,118.54	5,085.30	2,033.24
Phiroze Sethna Private Limited	Transferor Company No. 3	761.69	1,110.98	181.88	929.09
Gramos Chemicals (India) Private Limited	Transferor Company No. 4	527.19	1,605.07	620.33	984.75
Total		13,184.37	37,456.57	7,783.32	29,673.25

Chembond Chemicals Limited Navi Mumbai

VIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Chembond Chemicals Limited

B. Post-Scheme details :

(Amount in INR lakhs)

Companies	Company Type (As per Scheme)	Revenue	Assets	Liabilities	Net worth
Chembond Chemicals Limited	Demerged Company	8,252.60	19,306.44	4,551.36	14,755.08
Chembond Chemical Specialties Limited	Resulting Company	3,890.40	10,143.42	1,396.15	8,747.26
Chembond Clean Water Technologies Limited	Transferor Company No. 1	-	-	-	-
Chembond Material Technologies Private Limited	Transferor Company No. 2	-	-	-	-
Phiroze Sethna Private Limited	Transferor Company No. 3	-	-	-	-
Gramos Chemicals (India) Private Limited	Transferor Company No. 4	-	-	-	-
Total		12,143.00	29,449.86	5,947.51	23,502.34

Working Notes :

1. The above financial information is presented for six months period ended September 30, 2023.
2. The networth is calculated and derived as the difference between the assets and liabilities of the respective divisions.

For and on behalf of the Board of Directors of
Chembond Chemicals Limited

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

Chembond Chemicals Limited Navi Mumbai

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

29 B

Chembond Chemicals Limited

December 29, 2023

To,
Manager Listing Compliance
National Stock Exchange of India Limited
Listing Department, Exchange Plaza, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051,
Maharashtra, India.

Dear Sir/Madam,

Subject: Details of shareholding of companies involved in the Scheme at each stage

Reference: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement providing for demerger of "CC & WT Business" of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Demerged Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Transferee Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013 ("Scheme")

With reference to the aforesaid subject and captioned reference, shareholding of companies involved in the Scheme at each stage is as follows:

A. Demerged Company

Particulars	Shareholding pattern							
	Pre-Scheme (as on September 30, 2023)*		After giving effect Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Promoter and Promoter Group	90,82,652	67.54%	90,82,652	67.54%	90,82,652	67.54%	90,82,652	67.54%
Public	43,65,636	32.46%	43,65,636	32.46%	43,65,636	32.46%	43,65,636	32.46%
Custodian	NA	NA	NA	NA	NA	NA	NA	NA
Total	**1,34,48,288**	**100%**	**1,34,48,288**	**100%**	**1,34,48,288**	**100%**	**1,34,48,288**	**100%**

* Post this date the Promoters holding increased by 1,152 shares resulting to 90,83,804 (67.55%).

Chembond Chemicals Limited Mumbai Navi

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

B. Resulting Company

Particulars	Shareholding pattern							
	Pre-Scheme (as on December 12, 2023)		After giving effect Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Promoters	10,000	100%	1,81,65,304	67.54%	1,81,65,304	67.54%	1,81,65,304	67.54%
Public	0	0%	87,31,272	32.46%	87,31,272	32.46%	87,31,272	32.46%
Custodian	NA	NA	NA	NA	NA	NA	NA	NA
Total	**10,000**	**100%**	**2,68,96,576**	**100%**	**2,68,96,576**	**100%**	**2,68,96,576**	**100%**

*Post September 30, 2023 the Promoters holding in the Demerged Company increased by 1,152 shares resulting to 90,83,804 (67.55%), accordingly same change to be considered in the Resulting Company.

C. Transferor Company No. 1

Particulars	Shareholding pattern							
	Pre-Scheme (as on September 30, 2023)		After giving effect Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Promoters	82,78,057	100%	82,78,057	100%	Not Applicable as the Transferor Company No. 1 gets dissolved pursuant to the Scheme			
Public	0	0	0	0				
Custodian	0	0	0	0				
Total	**82,78,057**	**100%**	**82,78,057**	**100%**				

D. Transferor Company No. 2

Particulars	Shareholding pattern							
	Pre Scheme (as on September 30, 2023)		After giving effect Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Promoters	15,15,000	100%	15,15,000	100%	15,15,000	100%	Not Applicable as the Transferor Company No. 2 gets dissolved pursuant to the Scheme	
Public	0	0	0	0	0	0		
Custodian	0	0	0	0	0	0		
Total	15,15,000	100%	15,15,000	100%	15,15,000	100%		

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

E. Transferor Company No. 3

Particulars	Shareholding pattern							
	Pre Scheme (as on September 30, 2023)		After giving effect Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Promoters	4000	100%	4000	100%	4000	100%	Not Applicable as the Transferor Company No. 3 gets dissolved pursuant to the Scheme	
Public	0	0	0	0	0	0		
Custodian	0	0	0	0	0	0		
Total	4000	100%	4000	100%	4000	100%		

F. Transferor Company No. 4

Particulars	Shareholding pattern							
	Pre Scheme (as on September 30, 2023)		After giving effect Demerger		After giving effect of Amalgamation-I		After giving effect of Amalgamation-II	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Promoters	48,000	100%	48,000	100%	48,000	100%	Not Applicable as the Transferor Company No. 4 gets dissolved pursuant to the Scheme	
Public	0	0	0	0	0	0		
Custodian	0	0	0	0	0	0		
Total	**48,000**	**100%**	**48,000**	**100%**	**48,000**	**100%**		

For Chembond Chemicals Limited

Nirmal V. Shah
VC and Managing Director
DIN: 00083853

Suchita Singh
Company Secretary and Compliance Officer
Membership no. – A43837

Chembond Chemicals Limited Navi Mumbai

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Jignesh Goradia & Associates
CHARTERED ACCOUNTANTS

Jignesh A. Goradia
B. Com., F.C.A.

To, The Board of Directors, **Chembond Chemicals Limited** Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India – 400710.	To, The Board of Directors, **Chembond Chemical Specialties Limited** Plot No. EL-37, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710
To, The Board of Directors, **Chembond Clean Water Technologies Limited** EL-37, MIDC, Mahape, Navi Mumbai 400 710	To, The Board of Directors, **Chembond Material Technologies Private Limited** Chembond Center, No. 1 A- A-737/5, TTC MIDC Area, Mahape Village, Thane Belapur Road, Navi Mumbai, Maharashtra, India, 400710
To, The Board of Directors, **Phiroze Sethna Private Limited** Chembond Centre, EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710	To, The Board of Directors, **Gramos Chemicals (India) Private Limited** Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC Electronics, Mahape, Navi Mumbai, Maharashtra, India - 400710

Dear Sir/Ma'am,

Subject: **Independent Chartered Accountant's Certificate on Share Capital built-up for the purpose of the Scheme of Arrangement in nature of demerger of 'CC & WT Business' of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Company ("Resulting Company") and amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1"), (which will become an indirectly wholly owned subsidiary company of the Resulting Company upon effectiveness of the Demerger), into and with the Resulting Company ("Amalgamation I") and amalgamation of (i) Chembond Material Technologies Private Limited("Transferor Company No. 2"), (ii) Phiroze Sethna Private Limited ("Transferor Company No. 3") and (iii) Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") ("Amalgamation II"), and their respective shareholders.**

1. I, Jignesh Goradia, Proprietor of Jignesh Goradia & Associates, Chartered Accountant, have been requested by the Demerged Company to certify the Statement containing the Share Capital built-up of the Demerged Company, the Resulting Company, Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 pursuant to the Scheme of Arrangement in nature of demerger of 'CC & WT Business' of Chembond Chemicals Limited into

403, Doshi Mansion, M. G. Cross Road No. 3, Kandivali (West), Mumbai - 400 067
Tel. : 022 2807 5626 Cell : 80807 57001 / 98691 23301 E-mail : jigneshgoradia_ca@yahoo.com

Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Company ("Resulting Company") and amalgamation of Chembond Clean Water Technologies Limited, (which will become an indirectly wholly owned subsidiary company of the Resulting Company upon effectiveness of the Demerger), into and with the Resulting Company ("Amalgamation I") and amalgamation of (i) Chembond Material Technologies Private Limited, (ii) Phiroze Sethna Private Limited and (iii) Gramos Chemicals (India) Private Limited ("Amalgamation II"), and their respective shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 read with applicable rules made thereunder ("Scheme"). This certificate is required by Demerged Company for the submission to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and if required, to Securities and Exchange Board of India ("SEBI") and other regulatory authorities. The Board of Directors of the Company at its meeting held on December 12, 2023 considered and approved the Scheme, subject to receipt of requisite approvals, inter alia, in terms of sections 230 to 232 read with section 66 and other relevant provisions of the Companies Act, 2013 and as required under SEBI Regulations.

2. For the purpose of certifying the Statement containing the Share Capital built-up, (enclosed herewith as "Annexure A", prepared by the management of the Company, which has been stamped and initialed by us for identification purpose only), we have referred to and relied on i) details of capital evolution of the companies involved in the Scheme, ii) such other relevant records and documents maintained by the Demerged Company.

Management's Responsibility

3. The management of the Demerged Company is responsible for preparation of the Statement containing the Share Capital built-up of the companies involved in the Scheme duly considering all the documents, records and information as relevant including those mentioned in paragraph 2 above. This responsibility of the management of the Demerged Company includes collecting, collating and validating data and presentation thereof in the Statement and the design, implementation and maintenance of internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The responsibility also includes maintenance of all accounting and other relevant supporting records and documents.

Independent Chartered Accountant's Responsibility

4. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Statement, duly considering all the documents, records and information as relevant, as specifically mentioned in paragraph 2 above.

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by ICAI. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Draft Scheme.

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Opinion

7. Based on the above and according to the information, explanations and representations provided to us by the Management of the Demerged Company, we hereby certify the details of Share Capital built-up of the companies involved in the Scheme, provided in accordance with paragraph 2, based on the Statement enclosed herewith as Annexure A.

Restriction on use

8. This Certificate is issued at the request of the Demerged Company, solely for the purpose of onward submission by the Demerged Company to NSE or any other regulatory authorities, as applicable. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Jignesh Goradia & Associates**
Chartered Accountants
Firm Reg. No.: 114719W

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Jignesh A. Goradia
Proprietor
Membership No.: 048460

UDIN : **24048640BJZXUF5742**

Place: Mumbai
Date: 29th December, 2023

Enclosed: Annexure A

chembond

Chembond Chemicals Limited

Details of Capital evolution of the transferee/resulting and transferor/demerged companies:

1. Transferor Company No. 1 – Chembond Clean Water Technologies Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
17/04/2010	5,00,000	10	Incorporation	5,00,000	No, as the Company is unlisted
25/06/2010	4,87,878	10	Allotment of shares	9,87,878	
31/03/2012	10,44,857	10	Issue of shares otherwise than of cash	20,32,735	
05/08/2012	10,61,216	10	Further Issue	30,93,951	
23/09/2013	15,30,613	10	Preferential Issue	46,24,564	
31/03/2014	36,53,493	10	Preferential Issue	82,78,057	

2. Transferor Company No. 2 – Chembond Material Technologies Private Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
24/03/2000	10,00,000	10	Incorporation	10,00,000	No, as the Company is unlisted
19/03/2020	5,15,000	97.10 (F.V. of Rs. 10 and Premium of Rs. 87.10)	Right Issue	15,15,000	

3. Transferor Company No. 3 – Phiroze Sethna Private Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
24/06/1975	2	100	Incorporation	2	No, as the Company is unlisted
07/07/1975	2000	100	Allotment of shares	2002	
13/01/1981	1998	100	Allotment of shares	4000	

Chembond Chemicals Limited Navi Mumbai

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited

4. Transferor Company No. 4 – Gramos Chemicals (India) Private Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
26/02/1985	2	100	Incorporation	2	No, as the Company is unlisted
26/10/1989	5998	100	Allotment of shares	6000	
28/03/2000	42000	100	Bonus	48000	

5. Demerged / Transferee Company – Chembond Chemicals Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
18/04/1975	200	100	Incorporation	200	Yes
25/07/1975	1100	100	Equity	1300	
09/10/1975	3700	100	Equity	5000	
01/04/1976	1000	100	Shares allotted for consideration other than cash (Goodwill)	6000	
04/05/1987	6000	100	Bonus	12000	
17/04/1990	12000	100	Bonus	24000	
28/03/1991	12000	100	Rights Issue	36000	
03/10/1992	54000	100	Bonus	90000	
04/01/1993	6607	100	Rights issue	96607	
17/03/1993	2393	100	Rights Issue	99000	
15/05/1993	950	100	Shares issued to Employees	99950	
01/09/1994	50	100	Further Issue	100000	
14/09/1994	1000000	10	Split of Face Value from Rs.100/- to Rs.10/-	1000000	
01/11/1994	400000	10	Bonus	1400000	
05/01/1995	850000	10	Rights	2250000	
15/05/1995	750000	10	IPO	3000000	
06/02/2009	180206	10	Shares allotted to the shareholders of erstwhile Shree Mahalasa Electronics Pvt Ltd pursuant to its amalgamation	3180206	
17/03/2010	3180206	10	Bonus	6360412	
25/03/2013	300000	10	Preferential Allotment	6660412	

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Chembond Chemicals Limited Navi Mumbai

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Chembond Chemicals Limited

09/04/2015	15950	10	ESOP	6676362	
01/02/2016	20532	10	ESOP	6696894	
08/09/2016	6696894	5	Split of Face Value from Rs.10/- to Rs.5/-	13393788	
08/12/2016	54500	5	ESOP	13448288	

6. Resulting Company – Chembond Chemical Specialties Limited

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
12/12/2023	10000	5	Incorporation	10000	No, as the Company is unlisted

For Chembond Chemicals Limited

Chembond Chemicals Limited Navi Mumbai

JIGNESH GORADIA & ASSOCIATES MUMBAI M. No. 048640 FRN:114719W Chartered Accountants

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

Annexure 19-B

Jignesh Goradia & Associates
CHARTERED ACCOUNTANTS

Jignesh A. Goradia
B. Com., F.C.A.

To,
The Board of Directors,
Chembond Chemicals Limited
Chembond Centre, EL-71 Mahape MIDC,
Navi Mumbai - 400 710,
Maharashtra, India.

Subject: **Independent Chartered Accountant's Certificate on divisional net worth, turnover and profitability of the divisions being hived off / demerged vis a vis the remaining division of Chembond Chemicals Limited ("Company" or "Demerged Company" or "Transferee Company") pursuant to the Composite Scheme of Arrangement in nature of demerger of "CC & WT Business Undertaking" of Chembond Chemicals Limited into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013 ("Scheme").**

1. I, Jignesh Goradia, Proprietor of Jignesh Goradia & Associates, Chartered Accountant, have been requested by the Company to certify the divisional net worth, turnover and profitability of the division being hived off / demerged vis-à-vis the remaining divisions of the Company, in respect of the limited reviewed financials for the six months period ended September 30, 2023 and preceding two financial years i.e FY 2022-23 and FY 2021-22, pursuant to the Scheme in nature of demerger of **"CC & WT Business Undertaking"** of Chembond Chemicals Limited into Chembond Chemical Specialties Limited, a wholly owned subsidiary of the Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013.

   This certificate is required by the Company for the submission to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and if required, to Securities and Exchange Board of India ("**SEBI**") and other regulatory authorities including National Company Law Tribunal (NCLT), Registrar of Companies (ROC), Regional Director (RD)and Official Liquidator (OL). The Board of Directors of the Company at its meeting held on December 12, 2023 considered and approved the Scheme, subject to receipt of requisite approvals, inter alia, in terms of sections 230 to 232 read with section 66 and other relevant provisions of the Companies Act, 2013 and as required under SEBI Regulations.

403, Doshi Mansion, M. G. Cross Road No. 3, Kandivali (West), Mumbai - 400 067.
Tel. : 022 2807 5626 Cell : 80807 57001 / 98691 23301 E-mail : jigneshgoradia_ca@yahoo.com

2. For the purpose of certifying the accompanying 'Statement of computation of divisional net worth, turnover and profitability of the division being hived off / demerged vis-à-vis the remaining divisions of the Company, in respect of the limited reviewed financials for the six months period ended September 30, 2023 and preceeding two financial years i.e FY 2022-23 and FY 2021-22 ("Statement") (enclosed herewith as **"Annexure A"**, prepared by the management of the Company, which has been stamped and initialed by us for identification purpose only), we have referred to and relied on i) limited reviewed financials of the Company for the six months period ended September 30, 2023, ii) audited financial statements of the Company for the year ended FY22-23 along with FY21-22 and FY20-21 , iii) the working of bifurcation of the balance sheet and profit and loss line items between **'CC & WT** Business Undertaking' and remaining business undertaking of the Demerged Company, prepared by the management of the Company, iv) the accounting treatment contained in Clause 14 of the Draft Scheme and v) such other relevant records and documents maintained by the Company.

Management's Responsibility

3. The management of the Company is responsible for preparation of the Statement computing the divisional net worth, turnover and profitability of the division being hived off / demerged vis-à-vis the remaining divisions of the Company, in respect of limited reviewed financials for the six months period ended September 30, 2023 and preceeding two financial years i.e FY 2022-23 and FY 2021-22 duly considering all the documents, records and information as relevant including those mentioned in paragraph 2 above. This responsibility of the management of the Company includes collecting, collating and validating data and presentation thereof in the Statement and the design, implementation and maintenance of internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The responsibility also includes maintenance of all accounting and other relevant supporting records and documents.

Chartered Accountant's Responsibility

4. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Statement including computation thereof, duly considering all the documents, records and information as relevant, as specifically mentioned in paragraph 2 above.

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (**"Guidance Note"**) issued by the Institute of Chartered Accountants of India (**"ICAI"**). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by ICAI. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Draft Scheme.

Conclusion

7. Based on the above and according to the information, explanations and reptesentations provided to us by the Management of the Company, we hereby confirm the details of divisional net worth, turnover and profitability of the division being hived off / demerged vis-à-vis the remaining divisions of the Company, in respect of the limited reviewed financials for the six months period ended September 30, 2023 and preceeding two financial years i.e FY 2022-23 and FY 2021-22 computed in accordance with paragraph 2, based on the Statement enclosed herewith as Annexure A.

Restriction on use

8. This Certificate is issued at the request of the Company, solely for the purpose of onward submission by the Company to BSE, NSE, SEBI or any other regulatory authorities, as applicable. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Jignesh Goradia & Associates
Chartered Accountants
Firm Reg No. : 114719W

Jignesh A. Goradia
Proprietor
Membership No.: 048460

UDIN: 24048640BJZXUB3863

Place: Mumbai
Date: 29.12.2023

Enclosure: As above.

198

Chembond Chemicals Limited

Annexure A

Statement of computation of divisional net worth, turnover and profitability of the division being hived off / demerged vis-à-vis the remaining divisions of the Company, in respect of limited reviewed financials for the six months period ended September 30, 2023 and preceeding two financial years i.e FY 2022-23 and FY 2021-22 (Forming part of Certificate dated 29.12.2023)

I. The details of bifurcation of the net worth, turnover and profit after tax between "CC & WT Business Undertaking" (Demerged Division) and remaining business undertaking of the Company.

(Rs. in lakhs)

Particulars	Financial Year	Networth	% to total	Turnover	% to total	Profit after Tax	% to total
Demerged division	2023-24	7,252.85	30%	2,201.33	67%	340.53	71%
	2022-23	6,878.33	28%	3,877.21	69%	391.42	99%
	2021-22	6,758.12	28%	3,551.00	64%	472.84	54%
Other divisions	2023-24	16,978.41	70%	1,101.66	33%	136.66	29%
	2022-23	17,302.12	72%	1,750.59	31%	4.51	1%
	2021-22	17,742.84	72%	2,023.42	36%	401.52	46%
Total	2023-24	24,231.26	100%	3,302.99	100%	477.19	100%
	2022-23	24,180.45	100%	5,627.80	100%	395.93	100%
	2021-22	24,500.96	100%	5,574.42	100%	874.36	100%

Working notes :

1. The financial information provided above for FY23-24 is for the six months period ended September 30, 2023.
2. The net worth is calculated and derived as the difference between the assets & liabilities of the divisions.
3. In calculation of the divisional profit after tax, the specific income and expenditure pertaining to the respective divisions have been considered and in respect of income and expenditure which are common / general and not specifically allocable to a particular division, the same have been allocated between the divisions based on the Turnover ratio as mentioned above.

For and on behalf of the Board of Directors of

Chembond Chemicals Limited

Suchita Singh
Company Secretary and Compliance Officer
Membership No. A43837

Chembond Chemicals Limited Navi Mumbai

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

JAGDISH GORADIA & ASSOCIATES MUMBAI M. No. 046640 FRN: 114719W Chartered Accountants

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

SSPA & CO.
Chartered Accountants
1st Floor, "Arjun", Plot No.6A,
V. P. Road, Andheri (W),
Mumbai – 400 058. INDIA.
Tel. : 91 (22) 2670 4376 / 77
91 (22) 2670 3682
Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

December 12, 2023

To,
The Board of Directors,
Chembond Chemicals Limited
EL-71, Chembond Centre,
MIDC, Mahape,
Navi Mumbai – 400710

Dear Sir(s)/ Madam(s),

Re: Fair share entitlement ratio for the proposed demerger of 'CC & WT Business' of Chembond Chemicals Limited

We refer to the engagement letter dated November 29, 2023, whereby, SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Registered Valuer' or 'We') have been appointed by the management of Chembond Chemicals Limited ('CCL' or 'the Company' or 'Demerged Company') to issue a report opining on the fair share entitlement ratio for the proposed demerger of CC & WT Business of CCL (hereinafter referred to as the 'CC & WT Business' or 'Demerged Undertaking') into a new wholly owned subsidiary of CCL to be incorporated (hereinafter referred to as 'Proposed New Co.').

CCL and Proposed New Co. are hereinafter collectively referred to as the 'Companies'.

1. SCOPE AND PURPOSE OF THIS REPORT

1.1 We have been informed by the management of CCL (hereinafter referred to as 'the Management') that they are considering a proposal for demerger of 'Demerged Undertaking' of CCL into Proposed New Co. pursuant to a composite scheme of arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as the 'Scheme'). Subject to necessary approvals, Demerged Undertaking of CCL would be demerged into

Proposed New Co. with effect from the appointed date of April 01, 2024 (hereinafter referred to as 'Appointed Date').

The proposed transaction is hereinafter referred to as the 'Proposed Demerger'.

1.2 Proposed New Co. is to be incorporated as a wholly owned subsidiary of CCL. As part of the Scheme, the equity shares of Proposed New Co. which will be held by CCL will stand cancelled on demerger coming into effect.

1.3 Pursuant to the Scheme, as a consideration for the Proposed Demerger, equity shareholders of CCL are proposed to be allotted equity shares of face value of INR 5 each fully paid up of Proposed New Co.

1.4 In this regard, we have been requested to issue a report opining on the fair share entitlement ratio as recommended by the Management for the Proposed Demerger.

2. BRIEF BACKGROUND

2.1. CHEMBOND CHEMICALS LIMITED

CCL is one of the leading manufacturer and supplier of specialty performance chemicals to a cross section of industries across India. CCL is engaged in the business of manufacturing a diverse range of specialty chemicals and products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants.

CCL has lab and R&D facilities at their head office in MIDC Mahape, Navi Mumbai. The Company's manufacturing plants are located at Tarapur, Dudhwada, Baddi, Chennai and Balasore.

The equity shares of CCL are listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

The shareholding pattern of CCL as on September 30, 2023 is as follows:

Category of shareholders	No. of shares	% of holding
Promoter and promoter group	90,82,652	67.54%
Public	43,65,636	32.46%
Total (face value of INR 5 each)	**1,34,48,288**	**100.00%**

The issued, subscribed, and fully paid-up share capital of the Demerged Company as on September 30, 2023 is INR 6.72 crores comprising of 1,34,48,288 equity shares of INR 5 each fully paid up.

2.2. **DEMERGED UNDERTAKING OF CCL**

'Demerged Undertaking' means of all assets, movable and immovable properties, liabilities, permits, licenses, registrations, approvals, contracts, and employees, in relation to and pertaining to CC & WT business.

'CC & WT' Business means the construction chemicals, water technologies and cleaning & hygiene businesses of manufacturing, selling, distribution and trading of chemicals, including chemicals used in construction and civil repair industry as well as in relation to chemicals, equipment and services required for water treatment.

2.3. **PROPOSED NEW CO.**

Proposed New Co. would be an unlisted public company to be incorporated under Companies Act, 2013 with an objective to carry on the business of manufacturing or dealing in all kinds of chemicals including speciality chemicals, intermediates, or chemical mixtures, etc. Proposed New Co. would be incorporated as a wholly owned subsidiary of CCL.

3. **REGISTERED VALUER - SSPA & CO., CHARTERED ACCOUNTANTS**

SSPA, is a partnership firm, located at 1st Floor, "Arjun", Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing various corporate consultancy services.

We are a firm of practising Chartered Accountants registered with The Institute of Chartered Accountants of India ('ICAI'). We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

4. **SOURCES OF INFORMATION**

For the purpose of this exercise, we have relied upon the following sources of information received from the Management and information available in the public domain:

(a) Management certified provisional statement of assets and liabilities of Demerged Undertaking of CCL as on September 30, 2023.

(b) Draft composite scheme of arrangement.

(c) Such other information and explanations as we required and which have been provided by the Management, including management representations.

5. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS, AND DISCLAIMERS

5.1. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, our report containing recommendation of fair share entitlement ratio for the Proposed Demerger is in accordance with ICAI Valuation Standards 2018 issued by The Institute of Chartered Accountants of India.

5.2. This report has been prepared for the Board of Directors of CCL solely for the purpose of recommending a fair share entitlement ratio for the Proposed Demerger.

5.3. The report assumes that the Company / Demerged Undertaking of CCL complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Company / Demerged Undertaking of CCL will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations.

5.4. The draft of the present report was circulated to the Management (excluding the recommended fair share entitlement ratio) for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.

5.5. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Company and / or its auditors / consultants, is that of the Management. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material information about the Company / Demerged Undertaking of CCL. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our conclusions.

5.6. Our work does not constitute an audit, due diligence, or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, we have evaluated the information provided to us by the Company through broad inquiry,

analysis, and review. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.

5.7. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company / Demerged Undertaking of CCL and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Company / Demerged Undertaking of CCL. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

5.8. We are independent of the Company and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.

5.9. Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation, and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Demerger.

5.10. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Company / Demerged Undertaking of CCL shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

5.11. The decision to carry out the Proposed Demerger (including consideration thereof) lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Demerger.

5.12. Our report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to National Company Law Tribunal /regulatory/statutory authority for obtaining requisite approvals. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or

otherwise made available.

5.13. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness, or completeness of the information, based on which this report is issued. We owe responsibility only to the Company that has appointed us under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions, or advice given by any other person. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the client or companies, their directors, employees, or agents.

6. RECOMMENDATION OF SHARE ENTITLEMENT RATIO

Based on discussions with the Management, the share entitlement ratio has been determined as follows:

6.1. As mentioned in Para 1.2 above, in consideration for the Proposed Demerger, Proposed New Co. would issue equity shares to the equity shareholders of CCL.

We understand that the Management have considered following parameters while arriving at the share entitlement ratio:

i. No fractional entitlements.

ii. Future equity servicing capacity of Proposed New Co.

6.2. Accordingly, the Management has recommended the following share entitlement ratio in consideration for the Proposed Demerger i.e. demerger of Demerged Undertaking of CCL into Proposed New Co.:

2 (two) equity shares of INR 5 each fully paid up of Proposed New Co. for every 1 (one) equity share of INR 5 each fully paid up held in CCL.

We believe that the aforementioned share entitlement ratio is fair considering that all the shareholders of CCL are and will, upon Proposed Demerger, be the ultimate beneficial owners of Proposed New Co. in the same ratio (inter se) as they hold shares in CCL.

6.3. As mentioned above, post the Proposed Demerger all the shareholders of CCL are and will be the ultimate beneficial owners of Proposed New Co. in the same ratio (inter se) as they hold shares in CCL. Therefore, no relative valuation of Demerged Undertaking of CCL and of Proposed New Co. is required to be undertaken for the Proposed Demerger. Accordingly, valuation approaches as indicated in the format (as attached herewith as **Annexure I** to this

report) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

7. CONCLUSION

7.1. The share entitlement ratio in consideration for the Proposed Demerger as recommended by the Management is:

2 (two) equity shares of INR 5 each fully paid up of Proposed New Co. for every 1 (one) equity share of INR 5 each fully paid up held in CCL

Based on our review, information made available to us and discussions with the Management, in our opinion, the aforementioned share entitlement ratio in consideration for the Proposed Demerger of Demerged Undertaking of CCL into Proposed New Co. is reasonable.

We believe that the aforementioned share entitlement ratio is fair considering that all the shareholders of CCL are and will, upon Proposed Demerger, be the ultimate beneficial owners of Proposed New Co. in the same ratio (inter se) as they hold shares in CCL.

Thanking you,
Yours faithfully,

For SSPA & CO.
Chartered Accountants
ICAI Firm registration number: 128851W
IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126

Sujal Shah
Partner
Registered Valuer No.: IBBI/RV/06/2018/10140
ICAI Membership No. 045816
Place: Mumbai

UDIN: 23045816BGTDYG1385
Place: Mumbai

SSPA & CO.
Chartered Accountants

Annexure I

For Demerger of 'Demerged Undertaking' of CCL into Proposed New Co. *(Refer para 6.3)*

Valuation Approach	Demerged Undertaking		Proposed New Co.	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative value per share	**NA**		**NA**	

29 D

Chembond Chemicals Limited

December 29, 2023

To,
Manager Listing Compliance
National Stock Exchange of India Limited
Listing Department, Exchange Plaza, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051, Maharashtra, India.

Dear Sir/Madam,

Subject: Undertaking that the proposed scheme is in compliance with the applicable laws.

Reference: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement providing for demerger of "CC & WT Business" of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Demerged Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Transferee Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013 ("Scheme")

With reference to the aforesaid subject and captioned reference, we hereby confirm that the Scheme is in accordance with the provisions of Section 230-232 of the Companies Act, 2013 read with applicable rules made thereunder.

Further, the terms of the Scheme are in compliance with the applicable laws and regulatory framework notified by various authorities and undertakes to observe the accounting standards as prescribed.

Hence, we declare that the Scheme is in compliance with the applicable laws and will be effective pursuant to obtaining all the necessary approval from various authorities as may be required.

We request you to take the above on records.

For Chembond Chemicals Limited

Nirmal V. Shah
VC and Managing Director
DIN: 00083853

Suchita Singh

Chembond Chemicals Limited Navi Mumbai

Suchita Singh
Company Secretary & Compliance Officer
Membership No. – A43837

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

29 E

Chembond Chemicals Limited

December 29, 2023

To,
National Stock Exchange of India Limited,
Listing Department, Exchange Plaza,
Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai – 400051, Maharashtra, India.

Dear Sir/Madam,

Subject: Undertaking that the proposed scheme is yet to be executed.

Reference: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement providing for demerger of "CC & WT Business" of Chembond Chemicals Limited ("Demerged Company" or "Transferee Company") into Chembond Chemical Specialties Limited, a wholly owned subsidiary company of the Demerged Company ("Resulting Company") and post demerger, amalgamation of Chembond Clean Water Technologies Limited ("Transferor Company No. 1") with the Resulting Company ("Amalgamation – I") and amalgamation of Chembond Material Technologies Private Limited ("Transferor Company No. 2"), Phiroze Sethna Private Limited ("Transferor Company No. 3"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") with the Transferee Company ("Amalgamation – II") and their respective shareholders under Sections 230 to 232 read with section of 66 of the Companies Act, 2013 ("Scheme")

With reference to the aforesaid subject and captioned reference, we would like to inform you that the Scheme is being filed with the National Stock Exchange of India Limited ("NSE"), designated Stock Exchange.

Further, pursuant to obtaining the said in-principle approval, Demerged Company shall make an application to Hon'ble NCLT for their approval and after complying with all the provisions of the Companies Act, 2013 and the terms of approval by NSE and NCLT as may be prescribed, the Demerged Company shall execute the scheme by giving effect to the terms of the de-merger.

Hence, we declare that the Scheme is yet to be executed.

We request you to take the above on records.

For Chembond Chemicals Limited

Suchita Singh

Chembond Chemicals Limited Navi Mumbai

Sameer V. Shah
Chairman and Managing Director
DIN: 00105721

Suchita Singh
Company Secretary & Compliance Officer
Membership No. – A43837

Chembond Centre,
EL-71, Mahape MIDC,
Navi Mumbai 400710. India
CIN: L24100MH1975PLC018235

Tel. + 91 22 6264 3000
Fax: + 91 22 2768 1294
info@chembondindia.com
www.chembondindia.com

VIVRO

Vivro Financial Services Private Limited
Regd. Office :
Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat, India - 380 007
Tel. : + 91 (79) 4040 4242
www.vivro.net

October 25, 2024

To,
The Board of Directors and Shareholders,
Chembond Chemical Specialties Limited
EL-37, Chembond Centre, MIDC, Mahape,
Navi Mumbai, Thane, Maharashtra, India, 400710.

Dear Sir/Madam,

Sub: Due Diligence Certificate ("Certificate") on the adequacy and accuracy of disclosure of information about Chembond Chemical Specialities Limited in the format of abridged prospectus in relation to the scheme of arrangement amongst Chembond Chemicals Limited ("Company" or "Demerged Company" or "Transferee Company") and Chembond Chemicals Specialties Limited ("Resulting Company" or "CCSL"), Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL"), Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL"), Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4" or "GCIPL") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 along with applicable rules made thereunder ("Scheme" or "Composite Scheme of Arrangement").

This is regarding our engagement letter dated December 04, 2023, entered with the Company for certifying the adequacy and accuracy of disclosure of information about CCSL prepared by Company and to be sent to the shareholders of Company at the time of seeking their approval for the Scheme.

The Composite Scheme of Arrangement, *inter alia*, provides for a) Transfer and vesting of the Demerged Undertaking *(as defined in the Scheme)* of the Demerged Company to the Resulting Company; b) Amalgamation of the Transferor Company No. 1 with the Resulting Company; and c) Amalgamation of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with the Transferee Company and various other matters consequential or otherwise integrally connected therewith.

SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, (**"SEBI Master Circular"**) prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The said SEBI Master Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of Arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information about the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**"SEBI ICDR Regulations"**).

Further, the adequacy and accuracy of such disclosure of information pertaining to an unlisted entity is required to be certified by a SEBI-registered Merchant Banker.

Accordingly, we have been provided with the abridged prospectus of CCSL (**'Abridged Prospectus'**) as prepared by Company and enclosed herewith. The Abridged Prospectus will be circulated to the

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

shareholders of Company at the time of seeking their approval of the Scheme as a part of the explanatory statement to the notice.

Based on the information, documents, confirmations, representations, undertakings and certificates provided to us by CCSL and Company as well as discussions with their management, directors and officers, we confirm that the information contained in the Abridged Prospectus of CCSL is adequate and accurate in terms of the SEBI Master Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.

The above confirmation is based on the information and documents provided by CCSL and Company, explanations provided by the management of CCSL and Company and information available in the public domain. Wherever required, appropriate representations from CCSL and Company have also been obtained. This certificate is based on such information and explanations as are received or provided till the date of this Certificate. We have relied on the financials, information and representations provided to us on an as-is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly, we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectus and have assumed that the same is complete and accurate in all material aspects on an as-is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opining or certifying the compliance of the proposed Composite Scheme of Arrangement with the provisions of any law including companies, taxation and capital market-related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to affect the Scheme or how the holders of equity shares should vote at their meeting held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of CCSL will trade following the Scheme or as to the financial performance of CCSL following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in CCSL or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
SVP – Capital Markets

Place: Ahmedabad

Encl.: As above

This is an abridged prospectus containing information pertaining to unlisted entities involved in the proposed Composite Scheme of Arrangement amongst Chembond Chemicals Limited, Chembond Chemical Specialties Limited, Chembond Clean Water Technologies Limited, Chembond Material Technologies Private Limited, Phiroze Sethna Private Limited and Gramos Chemicals (India) Private Limited and their respective shareholders in terms of requirement specified in SEBI Master Circular - SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Circular**"). This abridged prospectus should be read with the Composite Scheme of Arrangement.

THIS DOCUMENT CONTAINS 8 (EIGHT) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Nothing in this abridged prospectus constitutes an offer or an invitation by or on behalf of either the Transferor Company or the Transferee Company to subscribe for or purchase any of the securities of the Transferor Company or the Transferee Company. This abridged prospectus should be read together with the Scheme and the notice sent to the shareholders of the Transferor Company.

CHEMBOND CHEMICAL SPECIALTIES LIMITED

CIN: U20116MH2023PLC415282; **Date of Incorporation:** December 12, 2023

Registered & Corporate Office	Contact Person	Email and Telephone	Website
EL-37, Chembond Centre, MIDC, Mahape, Navi Mumbai, Thane, Maharashtra, India, 400710.	Suchita Singh	**Email:** ccsl@chembondindia.com **Tel.:** +91 22 6264 3000-03	N.A.

PROMOTER
Chembond Chemicals Limited
DETAILS OF THE SCHEME
The Composite Scheme of Arrangement is proposed amongst Chembond Chemicals Limited (**"Company"** or **"Demerged Company"** or **"Transferee Company"**) and Chembond Chemical Specialties Limited (**"Resulting Company"** or **"CCSL"**), Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"** or **"CCWTL"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2"** or **"CMTPL"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3" or "PSPL"**), Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4" or "GCIPL"**) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 along with applicable rules made thereunder (**"Scheme"** or **"Composite Scheme of Arrangement"**). The Composite Scheme of Arrangement, *inter alia,* provides for a) Transfer and vesting of the Demerged Undertaking *(as defined in the Scheme)* of the Demerged Company to the Resulting Company; b) Amalgamation of the Transferor Company No. 1 with the Resulting Company; and c) Amalgamation of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with the Transferee Company and various other matters consequential or otherwise integrally connected therewith.
GENERAL RISK
Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision. For making an investment decision, investors must rely on their own examination of the Company and the Scheme, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"). Specified attention of the investors is invited to the section titled "Internal Risk Factors" on page 5 of this Abridged Prospectus.
PROCEDURE
The procedure with respect to public issue/ offer would not be applicable to this Scheme. Hence, the procedure with respect to a General Information Document is not applicable.

MERCHANT BANKER
Not Applicable
STATUTORY AUDITOR
Bathiya & Associates LLP G - 2A, Dosti Pinnacle, Next to New Passport Office, Road No. 22, Wagle Industrial Estate, Thane (W) – 400 604, Maharashtra. **Tel.:** +91 22 4010 1995 / 2995 | **Email:** info@bathiya.com | **Website:** www.bathiya.com

PROMOTERS			
S. No.	**Name**	**Individual/ Corporate**	**Experience & educational qualification of individual promoter / details of corporate promoter**
1.	Chembond Chemicals Limited	Corporate	The Company was originally incorporated as "Chembond Chemicals Private Limited" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated March 22, 1975, issued by the Registrar of Companies, Maharashtra. Subsequently, the Company was converted into a Public Limited Company and the name of the Company was changed to "Chembond Chemicals Limited" pursuant to a fresh certificate of incorporation consequent upon conversion from Private Limited Company to Public Limited Company dated May 4, 1993, issued by the Registrar of Companies, Maharashtra, Bombay. The Corporate Identification Number **("CIN")** of the Company is L24100MH1975PLC018235. The registered office of the Company is situated at Plot No EL-71, TTC IND Area MIDC Electronic, Mahape, Thane, Maharashtra, India, 400710. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company is engaged in the business of manufacturing a diverse range of specialty chemicals with expertise in water technologies, material technologies, animal health and nutrition, construction chemicals and industrial hygiene. The Company holds 10,000 equity shares of face value of ₹ 5/- each representing 100.00% of the total equity share capital of CCSL.

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Chembond Chemical Specialties Limited was incorporated under the provisions of the Companies Act, 2013 pursuant to a certificate of incorporation dated December 12, 2023, issued by the Registrar of Companies, Central Registration Centre. The Corporate Identification Number of the company is U20116MH2023PLC415282. The registered office of the company is situated at EL-37, Chembond Centre, MIDC, Mahape, Navi Mumbai, Thane, Maharashtra, India, 400710.

Chembond Chemical Specialties Limited is in the business of production of specialty chemicals, including construction and water treatment chemicals. With experienced promoters, the company focuses on developing new products, expand its geographical markets and create strong relationship with customers.

BOARD OF DIRECTORS OF CCSL

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
1.	Nirmal Vinod Shah	00083853	Director	Nirmal Vinod Shah holds a degree of Bachelor of Economics from Mumbai University and a Small and Medium Enterprises Programme alumnus of IIM Ahmedabad and has more than 24 years of experience in water treatment chemicals division. *Other current Directorship in Indian companies:* 1. Chembond Chemicals Limited 2. Finor Piplaj Chemicals Limited 3. Chembond Water Technologies Limited 4. Visan Holdings Private Limited 5. Chembond Distribution Limited 6. S and N Ventures Private Limited 7. Chembond Material Technologies Private Limited 8. Chembond Clean Water Technologies Limited 9. Chembond Calvatis Industrial Hygiene Systems Limited 10. Chembond Biosciences Limited 11. Phiroze Sethna Private Limited 12. Gramos Chemicals India Private Limited 13. Rewasoft Solutions Private Limited *Other current Directorship in Foreign companies: Chembond Water Technologies (Thailand) Co. Ltd.*
2.	Rashmi Sameer Gavli	08001649	Director	Rashmi Sameer Gavli is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. She has Degree of Bachelor of Commerce from University of Mumbai and has more than 10 years expertise in finance and accounts. *Other current Directorship in Indian companies:* 1. Phiroze Sethna Private Limited 2. Gramos Chemicals India Private Limited 3. Chembond Biosciences Limited

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				*Other current Directorship in Foreign companies: **NIL***
3.	Sameer Vinod Shah	00105721	Director	Sameer Vinod Shah holds a degree in Chemical Engineering from University of Texas, Austin and Business Management from Texas State University and has over 24 years of experience in managing diverse businesses. *Other current Directorship in Indian companies:* 1. Chembond Chemicals Limited 2. Finor Piplaj Chemicals Limited 3. Chembond Water Technologies Limited 4. Visan Holdings Private Limited 5. Chembond Distribution Limited 6. S and N Ventures Private Limited 7. Chembond Material Technologies Private Limited 8. Chembond Calvatis Industrial Hygiene Systems Limited 9. Chembond Biosciences Limited 10. Phiroze Sethna Private Limited 11. Gramos Chemicals India Private Limited 12. CCL Optoelectronics Private Limited *Other current Directorship in Foreign companies: **NIL***

SHAREHOLDING PATTERN AS ON SEPTEMBER 30, 2024

Particulars	Number of Equity Shares	% of total share capital
Promoter and Promoter Group	10,000	100.00
Public	Nil	Nil
Total	**10,000**	**100.00**

9,994 (99.94%) equity shares are being held by Chembond Chemicals Limited and 1 equity share each are being held as a nominee shareholder of Chembond Chemicals Limited by Visan Holdings Private Limited, S and N Ventures Private Limited, Sameer Vinod Shah, Nirmal Vinod Shah, Rashmi Sameer Gavli and Suchita Hemant Singh.

AUDITED/ UNAUDITED FINANCIALS

Standalone Financials

(in ₹ lakh, except as stated otherwise)

Particulars	For six-month period ended September 30, 2024	For the Financial year 2023-24^
Total income from operations (net)	Nil	Nil
Other income	Nil	Nil
Net Profit / (Loss) before tax and extraordinary items	(1.42)	(0.92)
Net Profit / (Loss) after tax and extraordinary items	(1.42)	(0.92)
Equity Share Capital	0.50	0.50
Reserves and Surplus / Other Equity	(2.34)	(0.92)
Net Worth	(1.84)	(0.42)
Basic Earnings per share (₹)	(14.19)	(9.23)
Diluted Earnings per share (₹)	(14.19)	(9.23)
Return on Net Worth (%)	N.A.	N.A.
Net Asset value per share (₹)	(18.40)	(4.20)

^The Financial information is for the period commencing from December 12, 2023, to March 31, 2024.
Summary for the financial information for the six-month period ended on September 30, 2024, has been extracted from limited review report dated October 19, 2024, and the financial information for financial year 2023-24 have been extracted from Audited Financial Statements dated May 10, 2024, prepared based on Indian Accounting Standards (IndAS).

Note:

(1) *Net worth is computed by adding the Equity Share Capital and the Reserves and Surplus/Other Equity as disclosed in the above table.*

(2) *Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.*

(3) *Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by the total number of outstanding Equity Shares as at the end of the respective period.*

Consolidated Financials – Not applicable

INTERNAL RISK FACTORS

1. Implementation of the Composite Scheme of Arrangement is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the respective companies may adversely impact the proposals in the Scheme.

2. CCSL is an unlisted company, and its equity shares are not listed on any stock exchange and hence not available for trading.

3. We may face significant competition other speciality chemical companies. Such competition may affect our business operations and cash flow.

4. Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations.

5. None of our manufacturing processes are patented and our intellectual property may not be adequately protected, which may have a material adverse impact on our business and results of operations.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against CCSL and the amount involved -

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Civil Litigations	Aggregate amount involved (₹ in lacs)
CCSL						
By CCSL	Nil	Nil	Nil	Nil	Nil	Nil
Against CCSL	Nil	Nil	Nil	Nil	Nil	Nil
Directors of CCSL						
By Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against Directors	2*	Nil	Nil	Nil	Nil	N. A.*
Promoters of CCSL						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	1*	2	Nil	Nil	Nil	274.03*
Subsidiaries of CCSL	No Subsidiaries					

**Davendra Feeds India Private Limited has lodged F.I.R no.231/2022 dated 24th June 2022 with police station Safidon District Jind Haryana against Chembond Chemicals Limited, Mr. Sameer Shah (Chairman & Managing Director) and 3 other current & ex-employees, with respect to damage caused by inferior quality of Products supplied in the year 2018-19. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.*

**Rajkumar Mor of Mor Hatcheries has lodged. F.I.R. no.004/2023 dated 4th January 2023 with police station Pillukhera District Jind Haryana against one of our Distributors in Haryana and Mr. Sameer Shah (Managing Director in Chembond Biosciences Limited), regarding alleged defective supply of vitamin premix. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is currently being considered by the Competent Authorities and Courts.*

**Since both the matters are interlinked, they have been clubbed together and the litigations are going on at the High Court of Judicature at Punjab and Haryana.*

B. Brief details of top 5 material outstanding litigations against CCSL and the amount involved – Except as mentioned above in Point A there are no litigations pending against the CCSL.

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters of the CCSL in last 5 financial years including outstanding action, if any: Nil

D. Brief details of outstanding criminal proceedings against the Promoters of the CCSL: Except as mentioned above in Point A there are no litigations pending against the promoters of the CCSL.

RATIONALE OF COMPOSITE SCHEME OF ARRANGEMENT

1. The Chembond group, represented by the Demerged Company, viz. Chembond Chemicals Limited and its subsidiaries, step-down subsidiaries and step-down associates, is a well-known name in India and engaged in manufacturing a diverse range of specialty chemicals and all products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The Demerged Company has excellent infrastructure facilities like a well-equipped R & D laboratory, multiple regional offices, and production plants, well-trained personnel and references across several business segments from the best-known companies in the field. The Demerged Company has come a long way and evolved from being a fledging start-up to India's leading specialty chemicals manufacturer. Based on the aforesaid, the Demerged Company's several businesses carried on by itself and through its subsidiary and step-down subsidiary companies and associate companies can broadly be segregated into the following areas: (i) Water Technologies; (ii) Material Technologies; (iii) Construction Chemicals; (iv) Biotechnology; (v) Distribution; (vi)Tolling (vii) Adhesives; and (viii) Industrial Sealants.

2. Each of the several businesses carried on by the Demerged Company by itself and through its subsidiaries, step-down subsidiaries and step-down associate, including CC & WT Business (as defined hereinafter) has significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking can attract a different set of investors, strategic partners, lenders, and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, Demerged Company proposes to re-organize and segregate, by way of a demerger of its Demerged Undertaking and vesting of the same in the Resulting Company and subsequently, amalgamation of the Transferor Companies with the Transferee Company.

3. The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits:

   a. segregation and unbundling of the CC & WT Business of the Demerged Company into the Resulting Company, which will enable enhanced focus on Retained Business (as defined hereinafter) the Demerged Company and Resulting Company for exploiting opportunities of each of their businesses;

   b. unlocking of value for the shareholders of the Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialization for sustained growth;

   c. logistics alignment leading to economies of scale for the Resulting Company and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and

   d. enhancing competitive strength, achieving cost optimization, ensuring benefits through focused management of the Financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Company and the Demerged Company, thereby significantly contributing to future growth and maximizing shareholders' value.

4. Upon completion of proposed demerger, Transferor Company No. 1 will become a stepdown subsidiary of the Resulting Company. The proposed Amalgamation - I and Amalgamation - II of the subsidiary companies (direct and indirect) into their respective holding company pursuant to this Scheme is expected, inter alia, to result in the following benefits:

   a. It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the

combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;

b. It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1., Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition;

c. It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholders value;

d. It will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and

e. In summary, the proposed restructuring focuses on optimizing the operational structure to enable better focus, specialization, and efficiency across different business segments, ultimately leading to increased shareholder value and sustained growth for the entities involved.

5. The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the companies.

ANY OTHER INFORMATION AS PER CCSL: NIL

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may he have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For, Chembond Chemical Specialties Limited

Nirmal Vinod Shah
Director
DIN: 00083853

Place: Mumbai
Date: October 19, 2024

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Composite Scheme of Arrangement.

VIVRO

Vivro Financial Services Private Limited
Regd. Office :
Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat, India - 380 007
Tel. : + 91 (79) 4040 4242
www.vivro.net

October 25, 2024

To,
The Board of Directors and Shareholders,
Chembond Clean Water Technologies Limited
EL-37, Chembond Centre, MIDC, Mahape,
Navi Mumbai, Thane, Maharashtra, India, 400710.

Dear Sir/Madam,

Sub: Due Diligence Certificate ("Certificate") on the adequacy and accuracy of disclosure of information about Chembond Clean Water Technologies Limited in the format of abridged prospectus in relation to the scheme of arrangement amongst Chembond Chemicals Limited ("Company" or "Demerged Company" or "Transferee Company") and Chembond Chemicals Specialties Limited ("Resulting Company" or "CCSL"), Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL"), Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL"), Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4" or "GCIPL") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 along with applicable rules made thereunder ("Scheme" or "Composite Scheme of Arrangement").

This is regarding our engagement letter dated December 04, 2023, entered with the Company for certifying the adequacy and accuracy of disclosure of information about CCWTL prepared by Company and to be sent to the shareholders of Company at the time of seeking their approval for the Scheme.

The Composite Scheme of Arrangement, *inter alia*, provides for a) Transfer and vesting of the Demerged Undertaking *(as defined in the Scheme)* of the Demerged Company to the Resulting Company; b) Amalgamation of the Transferor Company No. 1 with the Resulting Company; and c) Amalgamation of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with the Transferee Company and various other matters consequential or otherwise integrally connected therewith.

SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, (**"SEBI Master Circular"**) prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The said SEBI Master Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of Arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information about the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**"SEBI ICDR Regulations"**).

Further, the adequacy and accuracy of such disclosure of information pertaining to an unlisted entity is required to be certified by a SEBI-registered Merchant Banker.

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

Accordingly, we have been provided with the abridged prospectus of CCWTL ('**Abridged Prospectus**') as prepared by the Company and enclosed herewith. The Abridged Prospectus will be circulated to the shareholders of Company at the time of seeking their approval of the Scheme as a part of the explanatory statement to the notice.

Based on the information, documents, confirmations, representations, undertakings and certificates provided to us by CCWTL and Company as well as discussions with their management, directors and officers, we confirm that the information contained in the Abridged Prospectus of CCWTL is adequate and accurate in terms of the SEBI Master Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.

The above confirmation is based on the information and documents provided by CCWTL and Company, explanations provided by the management of CCWTL and Company and information available in the public domain. Wherever required, appropriate representations from CCWTL and Company have also been obtained. This certificate is based on such information and explanations as are received or provided till the date of this Certificate. We have relied on the financials, information and representations provided to us on an as-is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly, we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectus and have assumed that the same is complete and accurate in all material aspects on an as-is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opining or certifying the compliance of the proposed Composite Scheme of Arrangement with the provisions of any law including companies, taxation and capital market-related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to affect the Scheme or how the holders of equity shares should vote at their meeting held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of CCWTL will trade following the Scheme or as to the financial performance of CCWTL following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in CCWTL or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
SVP – Capital Markets
Place: Ahmedabad

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

Encl.: As above

This is an abridged prospectus containing information pertaining to unlisted entities involved in the proposed Composite Scheme of Arrangement amongst Chembond Chemicals Limited, Chembond Chemical Specialties Limited, Chembond Clean Water Technologies Limited, Chembond Material Technologies Private Limited, Phiroze Sethna Private Limited and Gramos Chemicals (India) Private Limited and their respective shareholders in terms of requirement specified in SEBI Master Circular - SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Circular**"). This abridged prospectus should be read with the Composite Scheme of Arrangement.

THIS DOCUMENT CONTAINS 9 (NINE) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Nothing in this abridged prospectus constitutes an offer or an invitation by or on behalf of either the Transferor Company or the Transferee Company to subscribe for or purchase any of the securities of the Transferor Company or the Transferee Company. This abridged prospectus should be read together with the Scheme and the notice sent to the shareholders of the Transferor Company.

Chembond Clean Water Technologies Limited

CHEMBOND CLEAN WATER TECHNOLOGIES LIMITED

CIN: U29248MH2010PLC202124; **Date of Incorporation:** April 17, 2010

Registered & Corporate Office	Contact Person	Email and Telephone	Website
EL-37, Chembond Centre, Mahape, MIDC, Navi Mumbai, Maharashtra, India, 400710.	Pallavi Jamidar *(Company Secretary & Compliance Officer)*	**Email:** info@chembondwater.com **Tel.:** +91 22 6264 3000-03	www.chembondwater.com

PROMOTER
Chembond Water Technologies Limited
DETAILS OF THE SCHEME
The Composite Scheme of Arrangement is proposed amongst Chembond Chemicals Limited (**"Company"** or **"Demerged Company"** or **"Transferee Company"**) and Chembond Chemical Specialties Limited (**"Resulting Company"**), Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"** or **"CCWTL"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2"** or **"CMTPL"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3" or "PSPL"**), Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4" or "GCIPL"**) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 along with applicable rules made thereunder (**"Scheme"** or **"Composite Scheme of Arrangement"**). The Composite Scheme of Arrangement, *inter alia,* provides for a) Transfer and vesting of the Demerged Undertaking *(as defined in the Scheme)* of the Demerged Company to the Resulting Company; b) Amalgamation of the Transferor Company No. 1 with the Resulting Company; and c) Amalgamation of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with the Transferee Company and various other matters consequential or otherwise integrally connected therewith.
GENERAL RISK
Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision. For making an investment decision, investors must rely on their own examination of the Company and Scheme, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"). Specified attention of the investors is invited to the section titled "Internal Risk Factors" on page 6 of this Abridged Prospectus.

PROCEDURE
The procedure with respect to public issue/ offer would not be applicable to this Scheme. Hence, the procedure with respect to a General Information Document is not applicable.
MERCHANT BANKER
Not Applicable
STATUTORY AUDITOR
Bathiya & Associates LLP G - 2A, Dosti Pinnacle, Next to New Passport Office, Road No. 22, Wagle Industrial Estate, Thane (W), 400 604, Maharashtra. **Tel.:** +91-22-4010 1995 / 2995 | **Email:** info@bathiya.com | **Website:** www.bathiya.com

PROMOTERS OF CCWTL			
S. No.	**Name**	**Individual/ Corporate**	**Experience & educational qualification of individual promoter / details of corporate promoter**
1.	Chembond Water Technologies Limited ("CWTL")	Corporate	CWTL was incorporated as "Drewtreat Chemicals Private Limited" under the provisions of the Companies Act, 1956 pursuant to the certificate of incorporation dated December 12, 1984, issued by the Registrar of Companies, Tamil Nadu. Subsequently, CWTL was converted into a Public Limited Company and the name of the company was changed to "Drewtreat Chemicals Limited" and a fresh certificate of incorporation dated December 11, 1992, consequent upon name change was issued by the Registrar of Companies, Tamil Nadu. Subsequently, the name was further changed to "Chembond Drewtreat Limited" and a fresh certificate of incorporation dated September 7, 2001, consequent to change of name was issued by Registrar of Companies, Tamil Nadu. Subsequently, the name was further changed to "Chembond Ashland Water Technologies Limited" and a fresh certificate of incorporation dated March 26, 2008, consequent to change of name was issued by Registrar of Companies, Maharashtra. Subsequently, the name was further changed to "Chembond Solenis Water Technologies Limited" and a fresh certificate of incorporation dated August 21, 2014, consequent to change of name was issued by Registrar of Companies, Maharashtra. Subsequently, the name was further changed to "Chembond Water Technologies Limited" and a fresh certificate of incorporation dated July 4, 2017, consequent to change of name was issued by Registrar of Companies, Maharashtra. The Corporate Identification Number **("CIN")** of CWTL is U24110MH1984PLC143564. The registered office of CWTL is situated at Plot No EL-71 TTC/MIDC Industrial Area Electronic Zone, Thane Belapur Road, Thane, Maharashtra, India, 400703. CWTL is in the business of specialty chemical and service solutions for waste water treatment. CWTL holds 82,78,057 equity shares representing 100.00% of the total equity share capital of CCWTL.

BUSINESS OVERVIEW AND STRATEGY

CCWTL was originally incorporated as "H2O Innovation India Limited" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated April 17, 2010, issued by the Registrar of Companies, Maharashtra, Mumbai. Subsequently, the name of the company was changed to "Chembond Clean Water Technologies Limited" and a fresh certificate of incorporation dated June 18, 2013, consequent to change of name was issued by Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of the company is U29248MH2010PLC202124. The registered office of the company is situated at EL-37, Chembond Centre, Mahape, MIDC, Navi Mumbai, Maharashtra, India, 400710.

CCWTL offers range of services including O & M Plans and supply of spares and consumables for existing water treatment equipments.

BOARD OF DIRECTORS OF CCWTL

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
1.	Nirmal Vinod Shah	00083853	Director	Nirmal Vinod Shah holds a degree of Economics from Mumbai University and Small and Medium Enterprises Programme alumnus of IIM Ahmedabad and has more than 24 years of experience in water treatment chemicals division. *Other current Directorship in Indian companies:* 1. Chembond Chemicals Limited 2. Finor Piplaj Chemicals Limited 3. Chembond Water Technologies Limited 4. Visan Holdings Private Limited 5. Chembond Distribution Limited 6. S and N Ventures Private Limited 7. Chembond Material Technologies Private Limited 8. Chembond Chemical Specialties Limited 9. Chembond Calvatis Industrial Hygiene Systems Limited 10. Chembond Biosciences Limited 11. Phiroze Sethna Private Limited 12. Gramos Chemicals India Private Limited 13. Rewasoft Solutions Private Limited *Other current Directorship in Foreign companies: Chembond Water Technologies (Thailand) Co. Ltd.*
2.	Sushil Uttamchand Lakhani	01578957	Director	Sushil Uttamchand Lakhani is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and also holds the qualification of Bachelor of

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				Commerce from Narsee Monjee College of Commerce and Economics. He has more than 42 years of experience in International Taxation *Other current Directorship in Indian companies:* 1. Chembond Water Technologies Limited 2. Delsoft Consultancy Private Limited *Other current Directorship in Foreign companies: **NIL***
3.	Dilpesh Shashikant Patel	10601715	Director	Dilpesh Shashikant Patel holds a qualification of Fellow Chartered Management Accountant (FCMA) from Chartered Institute of Management Accountants and B.Sc. (Hons), Accounting & Management Information Systems from University of Hertfordshire and has an experience of 25 years in the field of business transformation, strategy and program management *Other current Directorship in Indian companies: **NIL*** *Other current Directorship in Foreign companies: Aarmon Consulting Limited*
4.	Vinod Janardan Deshpande	07529370	Director	Vinod Janardan Deshpande holds the qualification of B.Sc. (Tech) in Pharma & Fine Chemicals from UDCT, Matunga University, Senior Management Program in Business Management, Indian Institute of Management, Calcutta and has over 30 years of experience in the field of manufacturing fine chemicals and bulk drugs and treatment specialty chemicals, and membrane technologies. *Other current Directorship in Indian companies:* 1. Chembond Water Technologies Limited 2. Chembond Calvatis Industrial Hygiene Systems Limited *Other current Directorship in Foreign companies:*

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				Chembond Water Technologies (Malaysia) Sdn. Bhd.
5.	Mahendra Kalyanji Ghelani	01108297	Director	Mahendra Kalyanji Ghelani holds the qualification of Master of Arts, Bachelor of Laws (LLB) and also Solicitor Degree and has more than 55 years of experience in real estate, civil litigation, strategy planning, negotiation, pleadings, documentation, arbitration, corporate governance, alternate dispute resolution, international arbitration and mediation. *Other current Directorship in Indian companies:* 1. Chembond Material Technologies Private Limited 2. Phiroze Sethna Private Limited 3. Chembond Water Technologies Limited 4. Variety Investments Private Limited *Other current Directorship in Foreign companies: **NIL***

SHAREHOLDING PATTERN AS ON SEPTEMBER 30, 2024

Particulars	Number of Equity Shares	% of total share capital
Promoter and Promoter Group	82,78,057	100.00
Public	Nil	Nil
Total	**82,78,057***	**100.00***

82,78,051 (100%) equity shares are being held by Chembond Water Technologies Limited and 1 equity share each is being held as a nominee shareholder of Chembond Water Technologies Limited by Visan Holdings Private Limited, Finor Piplaj Chemicals Limited, S and N Ventures Private Limited, Mamta N. Shah (Jointly with Nirmal V. Shah), Sameer V. Shah (Jointly with Shilpa S. Shah) and Nirmal V. Shah (Jointly with Mamta N. Shah).

AUDITED/ UNAUDITED FINANCIALS

Standalone Financials

(in ₹ lakh, except as stated otherwise)

Particulars	For six-month period ended on September 30, 2024	For the Financial year		
		2023-24	2022-23	2021-22
Total income from operations (net)	1,277.85	3,113.60	3,199.94	1,723.77
Other income	83.47	79.83	38.30	18.65
Net Profit / (Loss) before tax and extraordinary items	126.58	510.03	574.10	169.68
Net Profit / (Loss) after tax and extraordinary items	115.88	399.91	369.94	111.20
Equity Share Capital	827.81	827.81	827.81	827.81
Reserves and Surplus / Other Equity	804.31	837.80	585.68	230.22
Net Worth	1632.12	1,665.61	1,413.48	1,058.02
Basic Earnings per share (₹)	1.40	4.83	4.47	1.34
Diluted Earnings per share (₹)	1.40	4.83	4.47	1.34
Return on Net Worth (%)	7.10	24.00	26.17	10.51
Net Asset value per share (₹)	19.72	20.12	17.08	12.78

Summary for the financial information for the six month period ended on September 30, 2024, has been extracted from limited review report dated October 19, 2024 and the financial information for financial year 2023-24, 2022-23 and 2021-22 have been extracted from Audited Financial Statements prepared based on Indian Accounting Standards (IndAS).

Note:

(1) *Net worth is computed by adding the Equity Share Capital and the Reserves and Surplus/Other Equity as disclosed in the above table.*

(2) *Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.*

(3) *Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by the total number of outstanding Equity Shares as at the end of the respective period.*

Consolidated Financials – Not applicable

INTERNAL RISK FACTORS

1. Implementation of the Composite Scheme of Arrangement is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the respective companies may adversely impact the proposals in the Scheme.

2. CCWTL is an unlisted company, and its equity or preference shares are not listed on any stock exchange and hence not available for trading.

3. CCWTL has incurred negative cash flows from operating activities in the past.

4. Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations.

5. None of our manufacturing processes are patented and our intellectual property may not be adequately protected, which may have a material adverse impact on our business and results of operations.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against CCWTL and the amount involved -

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Civil Litigations	Aggregate amount involved (Amount in ₹)
CCWTL						
By CCWTL	Nil	Nil	Nil	Nil	Nil	Nil
Against CCWTL	Nil	1^	Nil	Nil	Nil	0.01
Directors of CCWTL						
By Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters of CCWTL						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries of CCWTL	No Subsidiaries					

^ *Contingent liability of Rs.1,058/- relating to Income Tax - TDS default (interest & short deduction of TDS) as on 31-03-2024.*

B. Brief details of top 5 material outstanding litigations against CCWTL and the amount involved: Except as disclosed above in Point A there are no material outstanding litigations pending against CCWTL.

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters of CCWTL in last 5 financial years including outstanding action, if any: Nil

D. Brief details of outstanding criminal proceedings against the Promoters of the CCWTL: Nil

RATIONALE OF COMPOSITE SCHEME OF ARRANGEMENT

1. The Chembond group, represented by the Demerged Company, viz. Chembond Chemicals Limited and its subsidiaries, step-down subsidiaries and step-down associates, is a well-known name in India and engaged in manufacturing a diverse range of specialty chemicals and all products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The Demerged Company has excellent infrastructure facilities like a well-equipped R & D laboratory, multiple regional offices, and production plants, well-trained personnel and references across several business segments from the best-known companies in the field. The Demerged Company has come a long way and evolved from being a fledging start-up to India's leading specialty chemicals manufacturer. Based on the aforesaid, the Demerged Company's several businesses carried on by itself and through its subsidiary and step-down subsidiary companies and associate companies can broadly be segregated into the following areas: (i) Water Technologies; (ii) Material Technologies; (iii) Construction Chemicals; (iv) Biotechnology; (v) Distribution; (vi)Tolling (vii) Adhesives; and (viii) Industrial Sealants.

2. Each of the several businesses carried on by the Demerged Company by itself and through its subsidiaries, step-down subsidiaries and step-down associate, including CC & WT Business (as defined hereinafter) has significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking can attract a different set of investors, strategic partners, lenders, and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, Demerged Company proposes to re-organize and segregate, by way of a demerger of its Demerged Undertaking and vesting of the same in the Resulting Company and subsequently, amalgamation of the Transferor Companies with the Transferee Company.

3. The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits:

   a. segregation and unbundling of the CC & WT Business of the Demerged Company into the Resulting Company, which will enable enhanced focus on Retained Business (as defined hereinafter) the Demerged Company and Resulting Company for exploiting opportunities of each of their businesses;

   b. unlocking of value for the shareholders of the Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialization for sustained growth;

   c. logistics alignment leading to economies of scale for the Resulting Company and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and

   d. enhancing competitive strength, achieving cost optimization, ensuring benefits through focused management of the Financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Company and the Demerged Company, thereby significantly contributing to future growth and maximizing shareholders' value.

4. Upon completion of proposed demerger, Transferor Company No. 1 will become a stepdown subsidiary of the Resulting Company. The proposed Amalgamation - I and Amalgamation - II of the subsidiary companies (direct and indirect) into their respective holding company pursuant to this Scheme is expected, inter alia, to result in the following benefits:

   a. It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;

   b. It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1., Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition;

   c. It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholders value;

   d. It will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and

e. In summary, the proposed restructuring focuses on optimizing the operational structure to enable better focus, specialization, and efficiency across different business segments, ultimately leading to increased shareholder value and sustained growth for the entities involved.

5. The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the companies.

ANY OTHER INFORMATION AS PER CCWTL: NIL

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may he have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For, Chembond Clean Water Technologies Limited

CHEMBOND CLEAN WATER TECHNOLOGIES LTD.

Nirmal Vinod Shah
Director
DIN: 00083853

Place: Mumbai
Date: October 19, 2024

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Composite Scheme of Arrangement.

VIVRO

Vivro Financial Services Private Limited
Regd. Office :
Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat, India - 380 007
Tel. : + 91 (79) 4040 4242
www.vivro.net

October 25, 2024

To,
The Board of Directors and Shareholders,
Chembond Material Technologies Private Limited
A-737/5, TTC MIDC Area, Mahape Village, Thane Belapur Road,
Vashi, Thane, Navi Mumbai, Maharashtra, India, 400710.

Dear Sir/Madam,

Sub: Due Diligence Certificate ("Certificate") on the adequacy and accuracy of disclosure of information about Chembond Material Technologies Private Limited in the format of abridged prospectus in relation to the scheme of arrangement amongst Chembond Chemicals Limited ("Company" or "Demerged Company" or "Transferee Company") and Chembond Chemicals Specialties Limited ("Resulting Company" or "CCSL"), Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL"), Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL"), Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4" or "GCIPL") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 along with applicable rules made thereunder ("Scheme" or "Composite Scheme of Arrangement").

This is regarding our engagement letter dated December 04, 2023, entered with the Company for certifying the adequacy and accuracy of disclosure of information about CMTPL prepared by Company and to be sent to the shareholders of Company at the time of seeking their approval for the Scheme.

The Composite Scheme of Arrangement, *inter alia*, provides for a) Transfer and vesting of the Demerged Undertaking *(as defined in the Scheme)* of the Demerged Company to the Resulting Company; b) Amalgamation of the Transferor Company No. 1 with the Resulting Company; and c) Amalgamation of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with the Transferee Company and various other matters consequential or otherwise integrally connected therewith.

SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, (**"SEBI Master Circular"**) prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The said SEBI Master Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of Arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information about the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**").

Further, the adequacy and accuracy of such disclosure of information pertaining to an unlisted entity is required to be certified by a SEBI-registered Merchant Banker.

Accordingly, we have been provided with the abridged prospectus of CMTPL ('**Abridged Prospectus**') as prepared by Company and enclosed herewith. The Abridged Prospectus will be circulated to the

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

shareholders of Company at the time of seeking their approval of the Scheme as a part of the explanatory statement to the notice.

Based on the information, documents, confirmations, representations, undertakings and certificates provided to us by CMTPL and Company as well as discussions with their management, directors and officers, we confirm that the information contained in the Abridged Prospectus of CMTPL is adequate and accurate in terms of the SEBI Master Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.

The above confirmation is based on the information and documents provided by CMTPL and Company, explanations provided by the management of CMTPL and Company and information available in the public domain. Wherever required, appropriate representations from CMTPL and Company have also been obtained. This certificate is based on such information and explanations as are received or provided till the date of this Certificate. We have relied on the financials, information and representations provided to us on an as-is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly, we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectus and have assumed that the same is complete and accurate in all material aspects on an as-is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opining or certifying the compliance of the proposed Composite Scheme of Arrangement with the provisions of any law including companies, taxation and capital market-related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to affect the Scheme or how the holders of equity shares should vote at their meeting held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of CMTPL will trade following the Scheme or as to the financial performance of CMTPL following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in CMTPL or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
SVP – Capital Markets

Place: Ahmedabad

Encl.: As above

This is an abridged prospectus containing information pertaining to unlisted entities involved in the proposed Composite Scheme of Arrangement amongst Chembond Chemicals Limited, Chembond Chemical Specialties Limited, Chembond Clean Water Technologies Limited, Chembond Material Technologies Private Limited, Phiroze Sethna Private Limited and Gramos Chemicals (India) Private Limited and their respective shareholders in terms of requirement specified in SEBI Master Circular - SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Circular**"). This abridged prospectus should be read with the Composite Scheme of Arrangement.

THIS DOCUMENT CONTAINS 10 (TEN) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Nothing in this abridged prospectus constitutes an offer or an invitation by or on behalf of either the Transferor Company or the Transferee Company to subscribe for or purchase any of the securities of the Transferor Company or the Transferee Company. This abridged prospectus should be read together with the Scheme and the notice sent to the shareholders of the Transferor Company.

Material Technologies

CHEMBOND MATERIAL TECHNOLOGIES PRIVATE LIMITED

CIN: U24200MH2000PTC125231 **Date of Incorporation:** March 24, 2000

Registered & Corporate Office	Contact Person	Email and Telephone	Website
A-737/5, TTC MIDC Area, Mahape Village, Thane Belapur Road, Vashi, Thane, Navi Mumbai, Maharashtra, India, 400710	Suchita Singh	**Email:** info@chembondmaterialtechnologies.com **Telephone:** +91 22 6264 3000-03 / +91 22 2768 1294	www.chembondmatech.com

PROMOTER

Chembond Chemicals Limited

DETAILS OF THE SCHEME

The Composite Scheme of Arrangement is proposed amongst Chembond Chemicals Limited (**"Company"** or **"Demerged Company"** or **"Transferee Company"**) and Chembond Chemical Specialties Limited (**"Resulting Company"** or **"CCSL"**), Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"** or **"CCWTL"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2"** or **"CMTPL"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3" or "PSPL"**), Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4" or "GCIPL"**) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 along with applicable rules made thereunder (**"Scheme"** or **"Composite Scheme of Arrangement"**). The Composite Scheme of Arrangement, *inter alia,* provides for a) Transfer and vesting of the Demerged Undertaking *(as defined in the Scheme)* of the Demerged Company to the Resulting Company; b) Amalgamation of the Transferor Company No. 1 with the Resulting Company; and c) Amalgamation of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with the Transferee Company and various other matters consequential or otherwise integrally connected therewith.

GENERAL RISK

Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision. For making an investment decision, investors must rely on their own examination of the Company and Scheme, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"). Specified attention of the investors is invited to the section titled "Internal Risk Factors" on page 7 of this Abridged Prospectus.

PROCEDURE
The procedure with respect to public issue/ offer would not be applicable to this Scheme. Hence, the procedure with respect to a General Information Document is not applicable.
MERCHANT BANKER
Not Applicable
STATUTORY AUDITOR
M/s. Kastury & Talati 41, Mistry Building, 635, J.S.S. Road, Above Punjab & Sind Bank, Near Metro Cinema, Mumbai – 400 002. **Tel.:** +91 22 2206 1958 / 2206 1017; **Email:** admin@kasturytalati.com

PROMOTERS OF CMTPL			
Sr No.	**Name**	**Individual/ Corporate**	**Experience & educational qualification of individual promoter / details of corporate promoter**
1.	Chembond Chemicals Limited	Corporate	The Company was originally incorporated as "Chembond Chemicals Private Limited" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated March 22, 1975, issued by the Registrar of Companies, Maharashtra. Subsequently, the Company was converted into a Public Limited Company and the name of the Company was changed to "Chembond Chemicals Limited" pursuant to a fresh certificate of incorporation consequent upon conversion from Private Limited Company to Public Limited Company dated May 4, 1993, issued by the Registrar of Companies, Maharashtra, Bombay. The corporate identification number **("CIN")** of the Company is L24100MH1975PLC018235. The registered office of the Company is situated at Plot No EL-71, TTC IND Area MIDC Electronic, Mahape, Thane, Maharashtra, India, 400710. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company is engaged in the business of manufacturing a diverse range of specialty chemicals with expertise in water technologies, material technologies, animal health and nutrition, construction chemicals and industrial hygiene. The Company holds 15,15,000 equity shares of face value of ₹10/- representing 100% of the total equity share capital of CMTPL.

BUSINESS OVERVIEW AND STRATEGY

Company Overview:

CMTPL was originally incorporated as "Protochem Industries Private Limited", under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated March 24, 2000, issued by the Registrar of Companies, Maharashtra, Mumbai. Subsequently, the name of the company was changed to Chembond Material Technologies Private Limited and a fresh certificate of incorporation dated July 21, 2018, consequent upon name change was issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of the company is U24200MH2000PTC125231. The registered office of the company is situated at A-737/5, TTC MIDC Area, Mahape Village, Thane Belapur Road, Vashi, Thane, Navi Mumbai, Maharashtra, India, 400710.

CMTPL is in the business of producing metal treatment chemicals, automotive sealants, engineering adhesives, industrial & high-performance coatings, paint booth solutions, and maintenance repair overhaul (MRO) products.

BOARD OF DIRECTORS OF CMTPL

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
1.	Harish Laxmichand Maheshwari	02411811	Director	Harish Laxmichand Maheshwari holds the qualification of Bachelor of Commerce from Mumbai University and has an experience of 30 years in manufacturing of surface treatment chemicals. *Other current Directorship in Indian companies:* ***NIL*** *Other current Directorship in Foreign companies:* ***NIL***
2.	Raj Kamal Gupta	00107039	Director	Raj Kamal Gupta holds the qualification of Mechanical Engineering from YMCA Institute of Engineering and has an experience of more than 40 years in the field of Industrial Chemicals and allied products. *Other current Directorship in Indian companies:* 1. Huber India Private Limited 2. Avreon Chemicals India Private Limited *Other current Directorship in Foreign companies:* ***NIL***
3.	Jaywant Keshavrao Tawade	08231696	Director	Jaywant Keshavrao Tawade holds the qualification of Bachelor of Engineering (Mechanical) and, Post Graduate Diploma in Business Management from Pune University and has an experience of 43 years in the field of automotive. *Other current Directorship in Indian companies:* 1. Chembond Biosciences Limited *Other current Directorship in Foreign companies:* ***NIL***
4.	Subhash Pandharinath Kolhe	08237446	Director	Subhash Pandharinath Kolhe holds the qualification of Bachelor of Science in Chemistry from Mumbai University, Diploma in Paint and Surface treatment from UDCT Matunga, and has an experience of 48 years in the field of Metal Treatment chemicals.

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				Other current Directorship in Indian companies: ***NIL*** *Other current Directorship in Foreign companies:* ***NIL***
5.	Nirmal Vinod Shah	00083853	Director	Nirmal Vinod Shah holds a degree of Economics from Mumbai University and a Small and Medium Enterprises Programme alumnus of IIM Ahmedabad and has more than 24 years of experience in water treatment chemicals division. *Other current Directorship in Indian companies:* 1. *Chembond Chemicals Limited* 2. *Finor Piplaj Chemicals Limited* 3. *Chembond Water Technologies Limited* 4. *Visan Holdings Private Limited* 5. *Chembond Distribution Limited* 6. *S and N Ventures Private Limited* 7. *Chembond Chemical Specialties Limited* 8. *Chembond Clean Water Technologies Limited* 9. *Chembond Calvatis Industrial Hygiene Systems Limited* 10. *Chembond Biosciences Limited* 11. *Phiroze Sethna Private Limited* 12. *Gramos Chemicals India Private Limited* 13. *Rewasoft Solutions Private Limited* *Other current Directorship in Foreign companies:* *Chembond Water Technologies (Thailand) Co. Ltd.*
6.	Sameer Vinod Shah	00105721	Director	Sameer Vinod Shah holds a degree in Chemical Engineering from University of Texas, Austin and Business Management from Texas State University and has over 30 years of experience in managing diverse businesses. *Other current Directorship in Indian companies:* 1. *Chembond Chemicals Limited* 2. *Finor Piplaj Chemicals Limited* 3. *Chembond Water Technologies Limited* 4. *Visan Holdings Private Limited*

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				5. *Chembond Distribution Limited* 6. *S and N Ventures Private Limited* 7. *Chembond Chemical Specialties Limited* 8. *Chembond Calvatis Industrial Hygiene Systems Limited* 9. *Chembond Biosciences Limited* 10. *Phiroze Sethna Private Limited* 11. *Gramos Chemicals India Private Limited* 12. *CCL Optoelectronics Private Limited* *Other current Directorship in Foreign companies:* ***NIL***
7.	Mahendra Kalyanji Ghelani	01108297	Director	Mahendra Kalyanji Ghelani holds the qualification of Master of Arts, Bachelor of Laws (LLB) and also Solicitor Degree and has more than 55 years of experience in real estate, civil litigation, strategy planning, negotiation, pleadings, documentation, arbitration, corporate governance, alternate dispute resolution, international arbitration and mediation. *Other current Directorship in Indian companies:* 1. Chembond Clean Water Technologies Limited 2. Phiroze Sethna Private Limited 3. Chembond Water Technologies Limited 4. Variety Investments Private Limited *Other current Directorship in Foreign companies:* ***NIL***
8.	Jayesh Prabhulal Shah	00138346	Additional Director	Jayesh Prabhulal Shah hold the qualification of Chartered Accountant from the Institute of Chartered Accountants of India, Master of Business Administration (MBA) from Babson college, USA and Bachelor of Commerce from Mumbai University. He has professional experience of more than 40 years. *Other current Directorship in Indian companies:* *1. Chembond Chemicals Limited* *2. Kiron Elektrotecnik Private Limited*

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				3. Shree Auburn Enterprises Private Limited *Other current Directorship in Foreign companies:* ***NIL***

SHAREHOLDING PATTERN AS ON SEPTEMBER 30, 2024

Particulars	Number of Equity Shares	% of total share capital
Promoter and Promoter Group	15,15,000	100%
Public	Nil	Nil
Total	**15,15,000***	**100%***

**15,15,000 (100%) equity shares are being held by Chembond Chemicals Limited and 1 equity share each is being held as a nominee shareholder of Chembond Chemicals Limited by Mamta Nirmal Shah (Jointly with Nirmal Vinod Shah), Sameer Vinod Shah (Jointly with Shilpa Sameer Shah), Nirmal Vinod Shah (Jointly with Mamta Nirmal Shah), Padma Vinod Shah, Shilpa Sameer Shah (Jointly with Sameer Vinod Shah) and Rashmi S. Gavli.*

AUDITED/ UNAUDITED FINANCIALS

Standalone Financials

(in ₹ lakh, except as stated otherwise)

Particulars	For the period ended September 30, 2024	For the Financial year		
		2023-24	2022-23	2021-22
Total income from operations (net)	7,779.19	14,854.58	13,605.40	9,838.81
Other income	19.62	46.20	33.45	8.82
Net Profit / (Loss) before tax and extraordinary items	480.21	1,124.41	823.57	112.10
Net Profit / (Loss) after tax and extraordinary items	396.74	812.90	834.22	114.40
Equity Share Capital	151.50	151.50	151.50	151.50
Reserves and Surplus / Other Equity	2,589.21	2,194.72	1,386.34	38.46
Net Worth	2,740.71	2,346.22	1,537.84	189.96
Basic Earnings per share (₹)	26.19	53.66	55.06	7.55
Diluted Earnings per share (₹)	26.19	53.66	55.06	7.55
Return on Net Worth (%)	14.48	34.65	54.25	60.22
Net Asset value per share (₹)	180.90	154.87	101.51	12.54

Summary for the financial information for the six month period ended on September 30, 2024, has been extracted from unaudited limited review report dated October 19, 2024 and the financial information for financial year 2023-24, 2022-23 and 2021-22 have been extracted from Audited Financial Statements.

Note:

(1) *Net worth is computed by adding the Equity Share Capital and the Reserves and Surplus/Other Equity as disclosed in the above table.*

(2) *Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.*

(3) *Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by the total number of outstanding Equity Shares as at the end of the respective period.*

Consolidated Financials – Not applicable

INTERNAL RISK FACTORS

1. Implementation of the Composite Scheme of Arrangement is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the respective companies may adversely impact the proposals in the Scheme.

2. CMTPL is an unlisted company, and its equity or preference shares are not listed on any stock exchange and hence not available for trading.

3. We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances.

4. None of our manufacturing processes are patented and our intellectual property may not be adequately protected, which may have a material adverse impact on our business and results of operations.

5. Any shutdown or slowdown of operations at any of our facilities or underutilization of our facilities may have material adverse effect on our business and results of operations.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against CMTPL and the amount involved -

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Civil Litigations	Aggregate amount involved (₹ in lacs)
CMTPL						
By CMTPL	3	Nil	Nil	Nil	4	37.59
Against CMTPL	Nil	Nil	Nil	Nil	Nil	Nil
Directors of CMTPL						
By Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against Directors	2*	Nil	Nil	Nil	Nil	N. A.*
Promoters of CMTPL						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	1*	2	Nil	Nil	Nil	274.03*
Subsidiaries of CMTPL	No Subsidiaries					

**Davendra Feeds India Private Limited has lodged F.I.R no.231/2022 dated 24th June, 2022 with police station Safidon District Jind Haryana against Chembond Chemicals Limited, Mr. Sameer Shah (Chairman & Managing Director) and 3 other current & ex-employees, with respect to damage caused by inferior quality of Products supplied in the year 2018-19. The Company has disclaimed liability and is defending*

the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.

**Rajkumar Mor of Mor Hatcheries has lodged. F.I.R. no.004/2023 dated 4th January, 2023 with police station Pillukhera District Jind Haryana against one of our Distributors in Haryana and Mr. Sameer Shah (Managing Director in Chembond Biosciences Limited), regarding alleged defective supply of vitamin premix. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is currently being considered by the Competent Authorities and Courts.*

**Since both the matters are interlinked, they have been clubbed together and the litigations are going on at the High Court of Judicature at Punjab and Haryana.*

B. Brief details of top 5 material outstanding litigations against CMTPL and the amount involved - Nil

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters of the CMTPL in last 5 financial years including outstanding action, if any - Nil

D. Brief details of outstanding criminal proceedings against the Promoters of the CMTPL - Except as mentioned above in Point A there are no litigations pending against the promoters of the CMTPL.

RATIONALE OF COMPOSITE SCHEME OF ARRANGEMENT

The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits::

1. The Chembond group, represented by the Demerged Company, viz. Chembond Chemicals Limited and its subsidiaries, step-down subsidiaries and step-down associates, is a well-known name in India and engaged in manufacturing a diverse range of specialty chemicals and all products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The Demerged Company has excellent infrastructure facilities like a well-equipped R & D laboratory, multiple regional offices, and production plants, well-trained personnel and references across several business segments from the best-known companies in the field.

2. Each of the several businesses carried on by the Demerged Company by itself and through its subsidiaries, step-down subsidiaries and step-down associate, including CC & WT Business (as defined hereinafter) has significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking can attract a different set of investors, strategic partners, lenders, and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, Demerged Company proposes to re-organize and segregate, by way of a demerger of its Demerged Undertaking and vesting of the same in the Resulting Company and subsequently, amalgamation of the Transferor Companies with the Transferee Company.

3. The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits:

   a. segregation and unbundling of the CC & WT Business of the Demerged Company into the Resulting Company, which will enable enhanced focus on Retained Business (as defined hereinafter) the Demerged Company and Resulting Company for exploiting opportunities of each of their businesses;

   b. unlocking of value for the shareholders of the Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialization for sustained growth;

   c. logistics alignment leading to economies of scale for the Resulting Company and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and

d. enhancing competitive strength, achieving cost optimization, ensuring benefits through focused management of the Financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Company and the Demerged Company, thereby significantly contributing to future growth and maximizing shareholders' value.

4. Upon completion of proposed demerger, Transferor Company No. 1 will become a stepdown subsidiary of the Resulting Company. The proposed Amalgamation - 1 and Amalgamation - II of the subsidiary companies (direct and indirect) into their respective holding company pursuant to this Scheme is expected, inter alia, to result in the following benefits:

   a. It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;

   b. It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1., Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition;

   c. It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholders value;

   d. It will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and

   e. In summary, the proposed restructuring focuses on optimizing the operational structure to enable better focus, specialization, and efficiency across different business segments, ultimately leading to increased shareholder value and sustained growth for the entities involved.

5. The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the companies.

ANY OTHER INFORMATION AS PER CMPTL: NIL

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For, Chembond Material Technologies Private Limited

Sameer Vinod Shah
Director
DIN: 00105721

Place: Mumbai
Date: October 19, 2024

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Composite Scheme of Arrangement.

VIVRO

Vivro Financial Services Private Limited
Regd. Office :
Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat, India - 380 007
Tel. : + 91 (79) 4040 4242
www.vivro.net

October 25, 2024

To,
The Board of Directors and Shareholders,
Phiroze Sethna Private Limited
Chembond Centre, EL-37, Chembond Centre, MIDC,
Mahape, Thane, Navi Mumbai, Maharashtra, India, 400710.

Dear Sir/Madam,

Sub: Due Diligence Certificate ("Certificate") on the adequacy and accuracy of disclosure of information about Phiroze Sethna Private Limited in the format of abridged prospectus in relation to the scheme of arrangement amongst Chembond Chemicals Limited ("Company" or "Demerged Company" or "Transferee Company") and Chembond Chemicals Specialties Limited ("Resulting Company" or "CCSL"), Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL"), Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL"), Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4" or "GCIPL") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 along with applicable rules made thereunder ("Scheme" or "Composite Scheme of Arrangement").

This is regarding our engagement letter dated December 04, 2023, entered with the Company for certifying the adequacy and accuracy of disclosure of information about PSPL prepared by Company and to be sent to the shareholders of Company at the time of seeking their approval for the Scheme.

The Composite Scheme of Arrangement, *inter alia*, provides for a) Transfer and vesting of the Demerged Undertaking *(as defined in the Scheme)* of the Demerged Company to the Resulting Company; b) Amalgamation of the Transferor Company No. 1 with the Resulting Company; and c) Amalgamation of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with the Transferee Company and various other matters consequential or otherwise integrally connected therewith.

SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, (**"SEBI Master Circular"**) prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The said SEBI Master Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of Arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information about the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**").

Further, the adequacy and accuracy of such disclosure of information pertaining to an unlisted entity is required to be certified by a SEBI-registered Merchant Banker.

Accordingly, we have been provided with the abridged prospectus of PSPL ('**Abridged Prospectus**') as prepared by Company and enclosed herewith. The Abridged Prospectus will be circulated to the

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

shareholders of Company at the time of seeking their approval of the Scheme as a part of the explanatory statement to the notice.

Based on the information, documents, confirmations, representations, undertakings and certificates provided to us by PSPL and Company as well as discussions with their management, directors and officers, we confirm that the information contained in the Abridged Prospectus of PSPL is adequate and accurate in terms of the SEBI Master Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.

The above confirmation is based on the information and documents provided by PSPL and Company, explanations provided by the management of PSPL and Company and information available in the public domain. Wherever required, appropriate representations from PSPL and Company have also been obtained. This certificate is based on such information and explanations as are received or provided till the date of this Certificate. We have relied on the financials, information and representations provided to us on an as-is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly, we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectus and have assumed that the same is complete and accurate in all material aspects on an as-is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opining or certifying the compliance of the proposed Composite Scheme of Arrangement with the provisions of any law including companies, taxation and capital market-related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to affect the Scheme or how the holders of equity shares should vote at their meeting held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of PSPL will trade following the Scheme or as to the financial performance of PSPL following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in PSPL or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
SVP – Capital Markets

Place: Ahmedabad

Encl.: As above

This is an abridged prospectus containing information pertaining to unlisted entities involved in the proposed Composite Scheme of Arrangement amongst Chembond Chemicals Limited, Chembond Chemical Specialties Limited, Chembond Clean Water Technologies Limited, Chembond Material Technologies Private Limited, Phiroze Sethna Private Limited and Gramos Chemicals (India) Private Limited and their respective shareholders in terms of requirement specified in SEBI Master Circular - SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Circular**"). This abridged prospectus should be read with the Composite Scheme of Arrangement.

THIS DOCUMENT CONTAINS 9 (NINE) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Nothing in this abridged prospectus constitutes an offer or an invitation by or on behalf of either the Transferor Company or the Transferee Company to subscribe for or purchase any of the securities of the Transferor Company or the Transferee Company. This abridged prospectus should be read together with the Scheme and the notice sent to the shareholders of the Transferor Company.

Material Technologies

PHIROZE SETHNA PRIVATE LIMITED

CIN: U25209MH1975PTC018396; **Date of Incorporation:** June 24, 1975

Registered & Corporate Office	Contact Person	Email and Telephone	Website
Chembond Centre, EL-37, Chembond Centre, MIDC, Mahape, Thane, Navi Mumbai, Maharashtra, India, 400710.	Suchita Singh	**Email:** info@phirol.com **Tel.:** +91 22 62643000 – 03 / +91 22 27681294	www.phirol.com

PROMOTER

Chembond Chemicals Limited

DETAILS OF THE SCHEME

The Composite Scheme of Arrangement is proposed amongst Chembond Chemicals Limited (**"Company"** or **"Demerged Company"** or **"CCL"**) and Chembond Chemical Specialties Limited (**"Resulting Company"** or **"CCSL"**), Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"** or **"CCWTL"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2"** or **"CMTPL"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3" or "PSPL"**), Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4" or "GCIPL"**) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 along with applicable rules made thereunder (**"Scheme"** or **"Composite Scheme of Arrangement"**). The Composite Scheme of Arrangement, *inter alia,* provides for a) The Demerged Undertaking (as defined in the Scheme) of the Demerged Company shall be transferred to and vested in the Resulting Company (as defined in the Scheme); b) Transferor Company No. 1 (as defined the Scheme) shall be amalgamated with the Resulting Company; and c) Transferor Company No. 2 (as defined hereinafter), Transferor Company No. 3 (as defined in the Scheme), and Transferor Company No. 4 shall be amalgamated with the Transferee Company (as defined the Scheme) and various other matters consequential or otherwise integrally connected therewith.

GENERAL RISK

Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision. For making an investment decision, investors must rely on their own examination of the Company and Scheme, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"). Specified attention of the investors is invited to the section titled "Internal Risk Factors" on page 6 of this Abridged Prospectus.

PROCEDURE
The procedure with respect to public issue/ offer would not be applicable to this Scheme. Hence, the procedure with respect to a General Information Document is not applicable.
MERCHANT BANKER
Not Applicable
STATUTORY AUDITOR
M/s. Kastury & Talati 41, Mistry Building, 635, J.S.S. Road, Above Punjab & Sind Bank, Near Metro Cinema, Mumbai – 400 002. **Telephone:** +91 2206 1958 / 2206 1017; **Email:** admin@kasturytalati.com

PROMOTERS OF PSPL			
Sr No.	**Name**	**Individual/ Corporate**	**Experience & Educational Qualification**
1.	Chembond Chemicals Limited	Corporate	The Company was originally incorporated as "Chembond Chemicals Private Limited" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated March 22, 1975, issued by the Registrar of Companies, Maharashtra. Subsequently, the Company was converted into a Public Limited Company and the name of the Company was changed to "Chembond Chemicals Limited" pursuant to a fresh certificate of incorporation consequent upon conversion from Private Limited Company to Public Limited Company dated May 4, 1993, issued by the Registrar of Companies, Maharashtra, Bombay. The corporate identification number **("CIN")** of the Company is L24100MH1975PLC018235. The registered office of the Company is situated at Plot No EL-71, TTC IND Area MIDC Electronic, Mahape, Thane, Maharashtra, India, 400710. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company is engaged in the business of manufacturing a diverse range of specialty chemicals with expertise in water technologies, material technologies, animal health and nutrition, construction chemicals and industrial hygiene. The Company holds 4,000 equity shares equity shares of face value of ₹100/-, each representing 100% of the total equity share capital of PSPL.

BUSINESS OVERVIEW AND STRATEGY

PSPL was incorporated under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated June 24, 1975, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of the company is U25209MH1975PTC018396. The registered office of the company is situated at Chembond Centre, EL-71, MIDC Mahape, Thane, Navi Mumbai, Maharashtra, India, 400710.

The company is engaged in the business of manufacturing and marketing of wide range of automotive products such as sealants and underbody coatings, PVC dip coating, Non-drying sealants, strippable coatings, spray and cavity waxes, air drying underbody coatings etc.

BOARD OF DIRECTORS OF PSPL

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
1.	Nirmal Vinod Shah	00083853	Director	Nirmal Vinod Shah holds a degree of Economics from Mumbai University and a Small and Medium Enterprises Programme alumnus of IIM Ahmedabad and has more than 24 years of experience in water treatment chemicals division. *Other current Directorship in Indian companies:* 1. Chembond Chemicals Limited 2. Finor Piplaj Chemicals Limited 3. Chembond Water Technologies Limited 4. Visan Holdings Private Limited 5. Chembond Distribution Limited 6. S and N Ventures Private Limited 7. Chembond Material Technologies Private Limited 8. Chembond Clean Water Technologies Limited 9. Chembond Calvatis Industrial Hygiene Systems Limited 10. Chembond Biosciences Limited 11. Chembond Chemical Specialties Limited 12. Gramos Chemicals India Private Limited 13. Rewasoft Solutions Private Limited *Other current Directorship in Foreign companies:* *Chembond Water Technologies (Thailand) Co. Ltd.*
2.	Mahendra Kalyanji Ghelani	01108297	Director	Mahendra Kalyanji Ghelani holds the qualification of Master of Arts, Bachelor of Laws (LLB) and also Solicitor Degree and has more than 55 years of experience in real estate, civil litigation, strategy planning, negotiation, pleadings, documentation, arbitration, corporate governance, alternate dispute resolution, international arbitration and mediation. *Other current Directorship in Indian companies:* 1. Chembond Material Technologies Private Limited

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				2. Chembond Clean Water Technologies Limited 3. Chembond Water Technologies Limited 4. Variety Investments Private Limited *Other current Directorship in Foreign companies: **NIL***
3.	Sameer Vinod Shah	00105721	Director	Sameer Vinod Shah holds a degree in Chemical Engineering from University of Texas, Austin and Business Management from Texas State University and has over 24 years of experience in managing diverse businesses. *Other current Directorship in Indian companies:* *1. Chembond Chemicals Limited* *2. Finor Piplaj Chemicals Limited* *3. Chembond Water Technologies Limited* *4. Visan Holdings Private Limited* *5. Chembond Distribution Limited* *6. S and N Ventures Private Limited* *7. Chembond Chemical Specialties Limited* *8. Chembond Calvatis Industrial Hygiene Systems Limited* *9. Chembond Biosciences Limited* *10. Chembond Material Technologies Private Limited* *11. Gramos Chemicals India Private Limited* *12. CCL Optoelectronics Private Limited* *Other current Directorship in Foreign companies: **NIL***
4.	Rashmi Sameer Gavli	08001649	Director	Rashmi Sameer Gavli is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. She has Degree of Bachelor of Commerce from University of Mumbai and has more than 10 years expertise in finance and accounts. *Other current Directorship in Indian companies:* 1. Chembond Chemical Specialties Limited 2. Gramos Chemicals India Private Limited 3. Chembond Biosciences Limited

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				*Other current Directorship in Foreign companies: **NIL***

SHAREHOLDING PATTERN AS ON SEPTEMBER 30, 2024

Particulars	Number of Equity Shares	% of total share capital
Promoter and Promoter Group	4,000	100.00
Public	Nil	Nil
Total	**4,000***	**100.00***

3,994 (99.94%) equity shares are being held by Chembond Chemicals Limited and 1 equity share each are being held as a nominee shareholder of Chembond Chemicals Limited by Sameer Vinod Shah (Jointly with Shilpa Sameer Shah), Nirmal Vinod Shah (Jointly with Mamta Nirmal Shah), Mamta Nirmal Shah (Jointly with Nirmal Vinod Shah), Shilpa Sameer Shah (Jointly with Sameer Vinod Shah), Finor Piplaj Chemicals Limited and Padma Vinod Shah.

AUDITED/ UNAUDITED FINANCIALS

Chembond Chemicals Limited is promoter and holding company of PSPL. As the consolidated financial statements are prepared by CCL PSPL has availed the exemption available under the Companies Act, 2013 and applicable accounting standards and has opted to present standalone financial statements.

Standalone Financials

(in ₹ lakh, except as stated otherwise)

Particulars	For the period ended September 30, 2024	For the Financial year		
		2023-24	2022-23	2021-22
Total income from operations (net)	62.59	88.87	441.64	2,280.60
Other income	95.04	631.91	67.37	99.83
Net Profit / (Loss) before tax and extraordinary items	90.15	562.56	(315.71)	(311.19)
Net Profit / (Loss) after tax and extraordinary items	80.22	481.31	(334.48)	(318.29)
Equity Share Capital	4.00	4.00	4.00	4.00
Reserves and Surplus / Other Equity	1,028.68	948.58	467.50	795.14
Net Worth	1,032.68	952.58	471.50	799.14
Basic Earnings per share (₹)	2,005.53	12,032.77	(8362.01)	(7957.21)
Diluted Earnings per share (₹)	2,005.53	12,032.77	(8362.01)	(7957.21)
Return on Net Worth (%)	7.77	50.53	Nil	Nil
Net Asset value per share (₹)	25,817.00	23,814.50	11,787.50	19,978.50

Summary for the financial information for the six month period ended on September 30, 2024, has been extracted from limited review report dated October 19, 2024 and the financial information for financial year 2023-24, 2022-23 and 2022-21 have been extracted from Audited Financial Statements prepared based on Indian Accounting Standards (IndAS).

Note:

(1) *Net worth is computed by adding the Equity Share Capital and the Reserves and Surplus/Other Equity as disclosed in the above table.*

(2) *Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.*

(3) *Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by the total number of outstanding Equity Shares as at the end of the respective period.*

Consolidated Financials: Not Applicable

INTERNAL RISK FACTORS

1. Implementation of the Composite Scheme of Arrangement is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the respective companies may adversely impact the proposals in the Scheme.

2. PSPL is an unlisted company, and its equity or preference shares are not listed on any stock exchange and hence not available for trading.

3. PSPL has incurred loss during the previous financial years.

4. Any shutdown or slowdown of operations at any of our facilities or underutilization of our facilities may have material adverse effect on our business and results of operations.

5. We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against PSPL and the amount involved -

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Civil Litigations	Aggregate amount involved (₹ in lacs)
PSPL						
By PSPL	Nil	Nil	Nil	Nil	Nil	Nil
Against PSPL	Nil	Nil	Nil	Nil	Nil	Nil
Directors of PSPL						
By Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against Directors	2*	Nil	Nil	Nil	Nil	N. A.*
Promoters of PSPL						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	1*	2	Nil	Nil	Nil	274.03*
Subsidiaries of PSPL	Nil	Nil	Nil	Nil	Nil	Nil

**Davendra Feeds India Private Limited has lodged F.I.R no.231/2022 dated 24th June, 2022 with police station Safidon District Jind Haryana against Chembond Chemicals Limited, Mr. Sameer Shah (Chairman & Managing Director) and 3 other current & ex-employees, with respect to damage caused by inferior quality of Products supplied in the year 2018-19. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.*

**Rajkumar Mor of Mor Hatcheries has lodged. F.I.R. no.004/2023 dated 4th January, 2023 with police station Pillukhera District Jind Haryana against one of our Distributors in Haryana and Mr. Sameer Shah (Managing Director in Chembond Biosciences Limited), regarding alleged defective supply of vitamin premix. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is currently being considered by the Competent Authorities and Courts.*

**Since both the matters are interlinked, they have been clubbed together and the litigations are going on at the High Court of Judicature at Punjab and Haryana.*

B. Brief details of top 5 material outstanding litigations against PSPL and the amount involved: Nil

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters of the PSPL in last 5 financial years including outstanding action, if any: Nil

D. Brief details of outstanding criminal proceedings against the Promoters of the PSPL: Except as mentioned above in Point A there are no litigations pending against the promoters of the PSPL.

RATIONALE OF COMPOSITE SCHEME OF ARRANGEMENT

1. The Chembond group, represeuted by the Demerged Company, viz. Chembond Chemicals Limited and its subsidiaries, step-down subsidiaries and step-down associates, is a well-known name in India and engaged in manufacturing a diverse range of specialty chemicals and all products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The Demerged Company has excellent infrastructure facilities like a well-equipped R & D laboratory, multiple regional offices, and production plants, well-trained personnel and references across several business segments from the best-known companies in the field. The Demerged Company has come a long way and evolved from being a fledging start-up to India's leading specialty chemicals manufacturer. Based on the aforesaid, the Demerged Company's several businesses carried on by itself and through its subsidiary and step-down subsidiary companies and associate companies can broadly be segregated into the following areas: (i) Water Technologies; (ii) Material Technologies; (iii) Construction Chemicals; (iv) Biotechnology; (v) Distribution; (vi)Tolling (vii) Adhesives; and (viii) Industrial Sealants.

2. Each of the several businesses carried on by the Demerged Company by itself and through its subsidiaries, step-down subsidiaries and step-down associate, including CC & WT Business (as defined hereinafter) has significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking can attract a different set of investors, strategic partners, lenders, and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, Demerged Company proposes to re-organize and segregate, by way of a demerger of its Demerged Undertaking and vesting of the same in the Resulting Company and subsequently, amalgamation of the Transferor Companies with the Transferee Company.

3. The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits:

   a. segregation and unbundling of the CC & WT Business of the Demerged Company into the Resulting Company, which will enable enhanced focus on Retained Business (as defined hereinafter) the Demerged Company and Resulting Company for exploiting opportunities of each of their businesses;

   b. unlocking of value for the shareholders of the Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialization for sustained growth;

   c. logistics alignment leading to economies of scale for the Resulting Company and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and

d. enhancing competitive strength, achieving cost optimization, ensuring benefits through focused management of the Financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Company and the Demerged Company, thereby significantly contributing to future growth and maximizing shareholders' value.

4. Upon completion of proposed demerger, Transferor Company No. 1 will become a stepdown subsidiary of the Resulting Company. The proposed Amalgamation - I and Amalgamation - II of the subsidiary companies (direct and indirect) into their respective holding company pursuant to this Scheme is expected, inter alia, to result in the following benefits:

a. It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;

b. It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1., Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition;

c. It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholders value;

d. It will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and

e. In summary, the proposed restructuring focuses on optimizing the operational structure to enable better focus, specialization, and efficiency across different business segments, ultimately leading to increased shareholder value and sustained growth for the entities involved.

5. The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the Companies (as defined hereinafter).

ANY OTHER INFORMATION AS PER PSPL: NIL

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may he have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For, Phiroze Sethna Private Limited

Rashmi Sameer Gavli
Director
DIN: 08001649

Phiroze Sethna Private Limited

Place: Mumbai
Date: October 19, 2024

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Composite Scheme of Arrangement.

VIVRO

Vivro Financial Services Private Limited
Regd. Office :
Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat, India - 380 007
Tel. : + 91 (79) 4040 4242
www.vivro.net

October 25, 2024

To,
The Board of Directors and Shareholders,
Gramos Chemicals India Private Limited
Chembond Centre, EL-71, MIDC, Mahape, Thane,
Navi Mumbai, Thane, Maharashtra, India, 400710.

Dear Sir/Madam,

Sub: Due Diligence Certificate ("Certificate") on the adequacy and accuracy of disclosure of information about Gramos Chemicals India Private Limited in the format of abridged prospectus in relation to the scheme of arrangement amongst Chembond Chemicals Limited ("Company" or "Demerged Company" or "Transferee Company") and Chembond Chemicals Specialties Limited ("Resulting Company" or "CCSL"), Chembond Clean Water Technologies Limited ("Transferor Company No. 1" or "CCWTL"), Chembond Material Technologies Private Limited ("Transferor Company No. 2" or "CMTPL"), Phiroze Sethna Private Limited ("Transferor Company No. 3" or "PSPL"), Gramos Chemicals (India) Private Limited ("Transferor Company No. 4" or "GCIPL") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 along with applicable rules made thereunder ("Scheme" or "Composite Scheme of Arrangement").

This is regarding our engagement letter dated December 04, 2023, entered with the Company for certifying the adequacy and accuracy of disclosure of information about GCIPL prepared by Company and to be sent to the shareholders of Company at the time of seeking their approval for the Scheme.

The Composite Scheme of Arrangement, *inter alia*, provides for a) Transfer and vesting of the Demerged Undertaking *(as defined in the Scheme)* of the Demerged Company to the Resulting Company; b) Amalgamation of the Transferor Company No. 1 with the Resulting Company; and c) Amalgamation of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with the Transferee Company and various other matters consequential or otherwise integrally connected therewith.

SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, (**"SEBI Master Circular"**) prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The said SEBI Master Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of Arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information about the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**").

Further, the adequacy and accuracy of such disclosure of information pertaining to an unlisted entity is required to be certified by a SEBI-registered Merchant Banker.

Accordingly, we have been provided with the abridged prospectus of GCIPL ('**Abridged Prospectus**') as prepared by Company and enclosed herewith. The Abridged Prospectus will be circulated to the

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

shareholders of Company at the time of seeking their approval of the Scheme as a part of the explanatory statement to the notice.

Based on the information, documents, confirmations, representations, undertakings and certificates provided to us by GCIPL and Company as well as discussions with their management, directors and officers, we confirm that the information contained in the Abridged Prospectus of GCIPL is adequate and accurate in terms of the SEBI Master Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.

The above confirmation is based on the information and documents provided by GCIPL and Company, explanations provided by the management of GCIPL and Company and information available in the public domain. Wherever required, appropriate representations from GCIPL and Company have also been obtained. This certificate is based on such information and explanations as are received or provided till the date of this Certificate. We have relied on the financials, information and representations provided to us on an as-is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly, we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectus and have assumed that the same is complete and accurate in all material aspects on an as-is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opining or certifying the compliance of the proposed Composite Scheme of Arrangement with the provisions of any law including companies, taxation and capital market-related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to affect the Scheme or how the holders of equity shares should vote at their meeting held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of GCIPL will trade following the Scheme or as to the financial performance of GCIPL following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in GCIPL or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
SVP – Capital Markets

Place: Ahmedabad

Encl.: As above

This is an abridged prospectus containing information pertaining to unlisted entities involved in the proposed Composite Scheme of Arrangement amongst Chembond Chemicals Limited, Chembond Chemical Specialties Limited, Chembond Clean Water Technologies Limited, Chembond Material Technologies Private Limited, Phiroze Sethna Private Limited and Gramos Chemicals (India) Private Limited and their respective shareholders in terms of requirement specified in SEBI Master Circular - SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Circular**"). This abridged prospectus should be read with the Composite Scheme of Arrangement.

THIS DOCUMENT CONTAINS 8 (EIGHT) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Nothing in this abridged prospectus constitutes an offer or an invitation by or on behalf of either the Transferor Company or the Transferee Company to subscribe for or purchase any of the securities of the Transferor Company or the Transferee Company. This abridged prospectus should be read together with the Scheme and the notice sent to the shareholders of the Transferor Company.

Material Technologies

GRAMOS CHEMICALS (INDIA) PRIVATE LIMITED

CIN: U99999MH1985PTC035486; **Date of Incorporation:** February 26, 1985

Registered & Corporate Office	Contact Person	Email and Telephone	Website
Chembond Centre, EL-71, MIDC, Mahape, Thane, Navi Mumbai, Thane, Maharashtra, India, 400710.	Suchit Singh	**Email:** info@gramosindia.com **Tel.:** +91 22 2763 2084	www.gramosindia.com

PROMOTER

Phiroze Sethna Private Limited

DETAILS OF THE SCHEME

The Composite Scheme of Arrangement is proposed amongst Chembond Chemicals Limited (**"Company"** or **"Demerged Company"** or **"Transferee Company"**) and Chembond Chemical Specialties Limited (**"Resulting Company"** or **"CCSL"**), Chembond Clean Water Technologies Limited (**"Transferor Company No. 1"** or **"CCWTL"**), Chembond Material Technologies Private Limited (**"Transferor Company No. 2"** or **"CMTPL"**), Phiroze Sethna Private Limited (**"Transferor Company No. 3" or "PSPL"**), Gramos Chemicals (India) Private Limited (**"Transferor Company No. 4" or "GCIPL"**) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 along with applicable rules made thereunder (**"Scheme"** or **"Composite Scheme of Arrangement"**). The Composite Scheme of Arrangement, *inter alia,* provides for a) Transfer and vesting of the Demerged Undertaking *(as defined in the Scheme)* of the Demerged Company to the Resulting Company; b) Amalgamation of the Transferor Company No. 1 with the Resulting Company; and c) Amalgamation of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 with the Transferee Company and various other matters consequential or otherwise integrally connected therewith.

GENERAL RISK

Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision. For making an investment decision, investors must rely on their own examination of the Company and Scheme, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"). Specified attention of the investors is invited to the section titled "Internal Risk Factors" on page 5 of this Abridged Prospectus.

PROCEDURE

The procedure with respect to public issue/ offer would not be applicable to this Scheme. Hence, the procedure with respect to a General Information Document is not applicable.

MERCHANT BANKER
Not Applicable
STATUTORY AUDITOR
M/s. Kastury & Talati 41, Mistry Building, 635, J.S.S. Road, Above Punjab & Sind Bank, Near Metro Cinema, Mumbai – 400 002. **Tel.:** +91 22 2206 1958 / 2206 1017; **Email:** admin@kasturytalati.com

PROMOTERS OF GCIPL			
Sr No.	**Name**	**Individual/ Corporate**	**Experience & educational qualification of individual promoter / details of corporate promoter**
1.	Phiroze Sethna Private Limited	Corporate	PSPL was incorporated under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated June 24, 1975 issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number **("CIN")** of the company is U25209MH1975PTC018396. The registered office of the company is situated at Chembond Centre, EL-71, MIDC Mahape, Thane, Navi Mumbai, Maharashtra, India, 400710. The company is engaged in the business of manufacturing and marketing of wide range of automotive products such as sealants and underbody coatings, PVC dip coating, Non-drying sealants, strippable coatings, spray and cavity waxes, air drying underbody coatings etc. The company holds 48,000 equity shares of face value of ₹ 100/- each representing 100% of the total equity share capital of GCIPL.

BUSINESS OVERVIEW AND STRATEGY

Company Overview:

GCIPL was incorporated as "Sunbeam Solvents Private Limited", under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated February 26, 1985, issued by the Registrar of Companies, Maharashtra. Subsequently, the name of the company was changed to "Gramos Chemicals (India) Private Limited" pursuant to a certificate of incorporation consequent to change of name dated March 24, 1988, issued by Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of the company is U99999MH1985PTC035486. The registered office of the company is situated at Chembond Centre, EL-71, MIDC, Mahape, Thane, Navi Mumbai, Maharashtra, India, 400710.

The company is engaged in the business of manufacturing products for the paint shop such as paint booth chemicals, booth maintenance coatings, grate coatings, tacky oven, and wall coatings, paint removers and cleaning wipes.

BOARD OF DIRECTORS OF GCIPL

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
1.	Nirmal Vinod Shah	00083853	Director	Nirmal Vinod Shah holds a degree of Economics from Mumbai University and a Small and medium Enterprises Programme alumnus of IIM Ahmedabad and has more than 24 years of experience in water treatment chemicals division. *Other current Directorship in Indian companies:* 1. Chembond Chemicals Limited 2. Finor Piplaj Chemicals Limited 3. Chembond Water Technologies Limited 4. Visan Holdings Private Limited 5. Chembond Distribution Limited 6. S and N Ventures Private Limited 7. Chembond Material Technologies Private Limited 8. Chembond Clean Water Technologies Limited 9. Chembond Calvatis Industrial Hygiene Systems Limited 10. Chembond Biosciences Limited 11. Phiroze Sethna Private Limited 12. Rewasoft Solutions Private Limited 13. Chembond Chemical Specialties Limited *Other current Directorship in Foreign companies:* *Chembond Water Technologies (Thailand) Co. Ltd.*
2.	Sameer Vinod Shah	00105721	Director	Sameer Vinod Shah holds a degree in Chemical Engineering from University of Texas, Austin and Business Management from Texas State University and has over 24 years of experience in managing diverse businesses. *Other current Directorship in Indian companies:* 1. Chembond Chemicals Limited 2. Finor Piplaj Chemicals Limited 3. Chembond Water Technologies Limited 4. Visan Holdings Private Limited 5. Chembond Distribution Limited 6. S and N Ventures Private Limited

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				7. Chembond Material Technologies Private Limited 8. Chembond Calvatis Industrial Hygiene Systems Limited 9. Chembond Biosciences Limited 10. Phiroze Sethna Private Limited 11. Chembond Chemical Specialties Limited 12. CCL Optoelectronics Private Limited *Other current Directorship in Foreign companies: **NIL***
3.	Rashmi Sameer Gavli	08001649	Director	Rashmi Sameer Gavli is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. She has Degree of Bachelor of Commerce from University of Mumbai and has more than 10 years expertise in finance and accounts. *Other current Directorship in Indian companies:* 1. Phiroze Sethna Private Limited 2. Chembond Chemical Specialties Limited 3. Chembond Biosciences Limited *Other current Directorship in Foreign companies: **NIL***

SHAREHOLDING PATTERN AS ON SEPTEMBER 30, 2024

Particulars	Number of Equity Shares	% of total share capital
Promoter and Promoter Group	48000	100%
Public	Nil	Nil
Total	48000	100%

47,999 (99.99%) equity shares are being held by Phiroze Sethna Private Limited and 1 equity share is being held as a nominee shareholder of Phiroze Sethna Private Limited by Sameer Vinod Shah (jointly with Shilpa S. Shah).

AUDITED/ UNAUDITED FINANCIALS

Standalone Financials

(in ₹ lakh, except as stated otherwise)

Particulars	For six-month period ended on September 30, 2024	For the Financial year		
		2023-24	2022-23	2021-22
Total income from operations (net)	747.33	1,170.97	1,167.63	793.15
Other income	8.95	14.64	26.46	58.77
Net Profit / (Loss) before tax and extraordinary items	46.19	13.47	4.25	(83.62)
Net Profit / (Loss) after tax and extraordinary items	54.83	(1.27)	(6.32)	(93.25)
Equity Share Capital	48.00	48.00	48.00	48.00
Reserves and Surplus / Other Equity	971.38	916.81	918.60	924.21
Net Worth	1019.38	964.81	966.60	972.21
Basic Earnings per share (₹)	114.24	(2.65)	(13.16)	(194.28)
Diluted Earnings per share (₹)	114.24	(2.65)	(13.16)	(194.28)
Return on Net Worth (%)	5.38	Nil	Nil	Nil
Net Asset value per share (₹)	2123.71	2010.02	2013.75	2025.44

Summary for the financial information for the six-month period ended on September 30, 2024, has been extracted from limited review report dated October 19, 2024 and the financial information for financial year 2023-24, 2022-23 and 2022-21 have been extracted from Audited Financial Statements prepared based on Indian Accounting Standards (IndAS).

Note:

(1) *Net worth is computed by adding the Equity Share Capital and the Reserves and Surplus/Other Equity as disclosed in the above table.*

(2) *Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.*

(3) *Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by the total number of outstanding Equity Shares as at the end of the respective period.*

Consolidated Financials – Not applicable

INTERNAL RISK FACTORS

1. Implementation of the Composite Scheme of Arrangement is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the respective companies may adversely impact the proposals in the Scheme.

2. GCIPL has incurred loss during the previous financial years.

3. Any shutdown or slowdown of operations at any of our facilities or underutilization of our facilities may have material adverse effect on our business and results of operations.

4. GCIPL is an unlisted company, and its equity or preference shares are not listed on any stock exchange and hence not available for trading.

5. We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against GCIPL and the amount involved -

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Civil Litigations	Aggregate amount involved (₹ in lacs)
GCIPL						
By GCIPL	Nil	Nil	Nil	Nil	Nil	Nil
Against GCIPL	Nil	Nil	Nil	Nil	Nil	Nil
Directors of GCIPL						
By Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against Directors	2*	Nil	Nil	Nil	Nil	N. A.*
Promoters of GCIPL						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries of GCIPL	No Subsidiaries					

**Davendra Feeds India Private Limited has lodged F.I.R no.231/2022 dated 24th June 2022 with police station Safidon District Jind Haryana against Chembond Chemicals Limited, Mr. Sameer Shah (Chairman & Managing Director) and 3 other current & ex-employees, with respect to damage caused by inferior quality of Products supplied in the year 2018-19. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is being currently considered by the Competent Authorities and Courts.*

**Rajkumar Mor of Mor Hatcheries has lodged. F.I.R. no.004/2023 dated 4th January 2023 with police station Pillukhera District Jind Haryana against one of our Distributors in Haryana and Mr. Sameer Shah (Managing Director in Chembond Biosciences Limited), regarding alleged defective supply of vitamin premix. The Company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, as the matter is currently being considered by the Competent Authorities and Courts.*

**Since both the matters are interlinked, they have been clubbed together and the litigations are going on at the High Court of Judicature at Punjab and Haryana.*

B. Brief details of top 5 material outstanding litigations against GCIPL and the amount involved: Nil

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters of the GCIPL in last 5 financial years including outstanding action, if any: Nil

D. Brief details of outstanding criminal proceedings against the Promoters of the GCIPL: Nil

RATIONALE OF COMPOSITE SCHEME OF ARRANGEMENT

1. The Chembond group, represented by the Demerged Company, viz. Chembond Chemicals Limited and its subsidiaries, step-down subsidiaries and step-down associates, is a well-known name in India and engaged in manufacturing a diverse range of specialty chemicals and all products like water treatment, metal

treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The Demerged Company has excellent infrastructure facilities like a well-equipped R & D laboratory, multiple regional offices, and production plants, well-trained personnel and references across several business segments from the best-known companies in the field. The Demerged Company has come a long way and evolved from being a fledging start-up to India's leading specialty chemicals manufacturer. Based on the aforesaid, the Demerged Company's several businesses carried on by itself and through its subsidiary and step-down subsidiary companies and associate companies can broadly be segregated into the following areas: (i) Water Technologies; (ii) Material Technologies; (iii) Construction Chemicals; (iv) Biotechnology; (v) Distribution; (vi)Tolling (vii) Adhesives; and (viii) Industrial Sealants.

2. Each of the several businesses carried on by the Demerged Company by itself and through its subsidiaries, step-down subsidiaries and step-down associate, including CC & WT Business (as defined hereinafter) has significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking can attract a different set of investors, strategic partners, lenders, and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, Demerged Company proposes to re-organize and segregate, by way of a demerger of its Demerged Undertaking and vesting of the same in the Resulting Company and subsequently, amalgamation of the Transferor Companies with the Transferee Company.

3. The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits:

   a. segregation and unbundling of the CC & WT Business of the Demerged Company into the Resulting Company, which will enable enhanced focus on Retained Business (as defined hereinafter) the Demerged Company and Resulting Company for exploiting opportunities of each of their businesses;

   b. unlocking of value for the shareholders of the Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialization for sustained growth;

   c. logistics alignment leading to economies of scale for the Resulting Company and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and

   d. enhancing competitive strength, achieving cost optimization, ensuring benefits through focused management of the Financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Company and the Demerged Company, thereby significantly contributing to future growth and maximizing shareholders' value.

4. Upon completion of proposed demerger, Transferor Company No. 1 will become a stepdown subsidiary of the Resulting Company. The proposed Amalgamation - I and Amalgamation - II of the subsidiary companies (direct and indirect) into their respective holding company pursuant to this Scheme is expected, inter alia, to result in the following benefits:

   a. It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;

   b. It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1., Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition;

c. It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholders value;

d. It will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and

e. In summary, the proposed restructuring focuses on optimizing the operational structure to enable better focus, specialization, and efficiency across different business segments, ultimately leading to increased shareholder value and sustained growth for the entities involved.

5. The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the companies.

ANY OTHER INFORMATION AS PER GCIPL: NIL

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may he have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For, Gramos Chemicals (India) Private Limited

Gavli

Rashmi Gavli
Director
DIN: 08001649

Gramos Chemicals India Private Limited

Place: Mumbai
Date: October 19, 2024

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Composite Scheme of Arrangement.

SSPA & CO.
Chartered Accountants
1st Floor, "Arjun", Plot No.6A,
V. P. Road, Andheri (W),
Mumbai – 400 058. INDIA.
Tel. : 91 (22) 2670 4376 / 77
91 (22) 2670 3682
Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

December 12, 2023

To,
The Board of Directors,
Chembond Chemicals Limited
EL-71, Chembond Centre,
MIDC, Mahape,
Navi Mumbai – 400710

Dear Sir(s)/ Madam(s),

Re: Fair share entitlement ratio for the proposed demerger of 'CC & WT Business' of Chembond Chemicals Limited

We refer to the engagement letter dated November 29, 2023, whereby, SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Registered Valuer' or 'We') have been appointed by the management of Chembond Chemicals Limited ('CCL' or 'the Company' or 'Demerged Company') to issue a report opining on the fair share entitlement ratio for the proposed demerger of CC & WT Business of CCL (hereinafter referred to as the 'CC & WT Business' or 'Demerged Undertaking') into a new wholly owned subsidiary of CCL to be incorporated (hereinafter referred to as 'Proposed New Co.').

CCL and Proposed New Co. are hereinafter collectively referred to as the 'Companies'.

1. SCOPE AND PURPOSE OF THIS REPORT

1.1 We have been informed by the management of CCL (hereinafter referred to as 'the Management') that they are considering a proposal for demerger of 'Demerged Undertaking' of CCL into Proposed New Co. pursuant to a composite scheme of arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as the 'Scheme'). Subject to necessary approvals, Demerged Undertaking of CCL would be demerged into

Proposed New Co. with effect from the appointed date of April 01, 2024 (hereinafter referred to as 'Appointed Date').

The proposed transaction is hereinafter referred to as the 'Proposed Demerger'.

1.2 Proposed New Co. is to be incorporated as a wholly owned subsidiary of CCL. As part of the Scheme, the equity shares of Proposed New Co. which will be held by CCL will stand cancelled on demerger coming into effect.

1.3 Pursuant to the Scheme, as a consideration for the Proposed Demerger, equity shareholders of CCL are proposed to be allotted equity shares of face value of INR 5 each fully paid up of Proposed New Co.

1.4 In this regard, we have been requested to issue a report opining on the fair share entitlement ratio as recommended by the Management for the Proposed Demerger.

2. BRIEF BACKGROUND

2.1. CHEMBOND CHEMICALS LIMITED

CCL is one of the leading manufacturer and supplier of specialty performance chemicals to a cross section of industries across India. CCL is engaged in the business of manufacturing a diverse range of specialty chemicals and products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants.

CCL has lab and R&D facilities at their head office in MIDC Mahape, Navi Mumbai. The Company's manufacturing plants are located at Tarapur, Dudhwada, Baddi, Chennai and Balasore.

The equity shares of CCL are listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

The shareholding pattern of CCL as on September 30, 2023 is as follows:

Category of shareholders	No. of shares	% of holding
Promoter and promoter group	90,82,652	67.54%
Public	43,65,636	32.46%
Total (face value of INR 5 each)	**1,34,48,288**	**100.00%**

The issued, subscribed, and fully paid-up share capital of the Demerged Company as on September 30, 2023 is INR 6.72 crores comprising of 1,34,48,288 equity shares of INR 5 each fully paid up.

2.2. **DEMERGED UNDERTAKING OF CCL**

'Demerged Undertaking' means of all assets, movable and immovable properties, liabilities, permits, licenses, registrations, approvals, contracts, and employees, in relation to and pertaining to CC & WT business.

'CC & WT' Business means the construction chemicals, water technologies and cleaning & hygiene businesses of manufacturing, selling, distribution and trading of chemicals, including chemicals used in construction and civil repair industry as well as in relation to chemicals, equipment and services required for water treatment.

2.3. **PROPOSED NEW CO.**

Proposed New Co. would be an unlisted public company to be incorporated under Companies Act, 2013 with an objective to carry on the business of manufacturing or dealing in all kinds of chemicals including speciality chemicals, intermediates, or chemical mixtures, etc. Proposed New Co. would be incorporated as a wholly owned subsidiary of CCL.

3. **REGISTERED VALUER - SSPA & CO., CHARTERED ACCOUNTANTS**

SSPA, is a partnership firm, located at 1st Floor, "Arjun", Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing various corporate consultancy services.

We are a firm of practising Chartered Accountants registered with The Institute of Chartered Accountants of India ('ICAI'). We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

4. **SOURCES OF INFORMATION**

For the purpose of this exercise, we have relied upon the following sources of information received from the Management and information available in the public domain:

(a) Management certified provisional statement of assets and liabilities of Demerged Undertaking of CCL as on September 30, 2023.

(b) Draft composite scheme of arrangement.

(c) Such other information and explanations as we required and which have been provided by the Management, including management representations.

5. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS, AND DISCLAIMERS

5.1. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, our report containing recommendation of fair share entitlement ratio for the Proposed Demerger is in accordance with ICAI Valuation Standards 2018 issued by The Institute of Chartered Accountants of India.

5.2. This report has been prepared for the Board of Directors of CCL solely for the purpose of recommending a fair share entitlement ratio for the Proposed Demerger.

5.3. The report assumes that the Company / Demerged Undertaking of CCL complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Company / Demerged Undertaking of CCL will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations.

5.4. The draft of the present report was circulated to the Management (excluding the recommended fair share entitlement ratio) for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.

5.5. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Company and / or its auditors / consultants, is that of the Management. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material information about the Company / Demerged Undertaking of CCL. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our conclusions.

5.6. Our work does not constitute an audit, due diligence, or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, we have evaluated the information provided to us by the Company through broad inquiry,

analysis, and review. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.

5.7. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company / Demerged Undertaking of CCL and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Company / Demerged Undertaking of CCL. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

5.8. We are independent of the Company and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.

5.9. Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation, and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Demerger.

5.10. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Company / Demerged Undertaking of CCL shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

5.11. The decision to carry out the Proposed Demerger (including consideration thereof) lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Demerger.

5.12. Our report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to National Company Law Tribunal /regulatory/statutory authority for obtaining requisite approvals. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or

otherwise made available.

5.13. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness, or completeness of the information, based on which this report is issued. We owe responsibility only to the Company that has appointed us under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions, or advice given by any other person. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the client or companies, their directors, employees, or agents.

6. RECOMMENDATION OF SHARE ENTITLEMENT RATIO

Based on discussions with the Management, the share entitlement ratio has been determined as follows:

6.1. As mentioned in Para 1.2 above, in consideration for the Proposed Demerger, Proposed New Co. would issue equity shares to the equity shareholders of CCL.

We understand that the Management have considered following parameters while arriving at the share entitlement ratio:

i. No fractional entitlements.

ii. Future equity servicing capacity of Proposed New Co.

6.2. Accordingly, the Management has recommended the following share entitlement ratio in consideration for the Proposed Demerger i.e. demerger of Demerged Undertaking of CCL into Proposed New Co.:

2 (two) equity shares of INR 5 each fully paid up of Proposed New Co. for every 1 (one) equity share of INR 5 each fully paid up held in CCL.

We believe that the aforementioned share entitlement ratio is fair considering that all the shareholders of CCL are and will, upon Proposed Demerger, be the ultimate beneficial owners of Proposed New Co. in the same ratio (inter se) as they hold shares in CCL.

6.3. As mentioned above, post the Proposed Demerger all the shareholders of CCL are and will be the ultimate beneficial owners of Proposed New Co. in the same ratio (inter se) as they hold shares in CCL. Therefore, no relative valuation of Demerged Undertaking of CCL and of Proposed New Co. is required to be undertaken for the Proposed Demerger. Accordingly, valuation approaches as indicated in the format (as attached herewith as **Annexure** I to this

report) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

7. CONCLUSION

7.1. The share entitlement ratio in consideration for the Proposed Demerger as recommended by the Management is:

2 (two) equity shares of INR 5 each fully paid up of Proposed New Co. for every 1 (one) equity share of INR 5 each fully paid up held in CCL

Based on our review, information made available to us and discussions with the Management, in our opinion, the aforementioned share entitlement ratio in consideration for the Proposed Demerger of Demerged Undertaking of CCL into Proposed New Co. is reasonable.

We believe that the aforementioned share entitlement ratio is fair considering that all the shareholders of CCL are and will, upon Proposed Demerger, be the ultimate beneficial owners of Proposed New Co. in the same ratio (inter se) as they hold shares in CCL.

Thanking you,
Yours faithfully,

For SSPA & CO.
Chartered Accountants
ICAI Firm registration number: 128851W
IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126

Sujal Shah
Partner
Registered Valuer No.: IBBI/RV/06/2018/10140
ICAI Membership No. 045816
Place: Mumbai

UDIN: 23045816BGTDYG1385
Place: Mumbai

Annexure I

For Demerger of 'Demerged Undertaking' of CCL into Proposed New Co. *(Refer para 6.3)*

Valuation Approach	Demerged Undertaking		Proposed New Co.	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative value per share	NA		NA	

VIVRO

Vivro Financial Services Private Limited
Regd. Office :
Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat, India - 380 007
Tel. : + 91 (79) 4040 4242
www.vivro.net

December 12, 2023

Private and Confidential

To,
The Board of Directors
Chembond Chemicals Limited
Chembond Centre EL - 71,
MIDC, Mahape, Navi Mumbai,
Maharashtra, India – 400710,

Dear Sir(s) / Madam(s),

Subject: **Fairness Opinion Report on the Share Entitlement Report issued by SSPA & Co., Chartered Accountants dated December 12, 2023, for the proposed Scheme of Arrangement by Chembond Chemicals Limited**

Chembond Chemicals Limited (**'CCL'**, **'the Company'**, **'the Demerged Company'**, **'you'**, **'your'**), incorporated on March 22, 1975, is engaged in the business of manufacturing a diverse range of specialty chemicals like water treatment, polymers, construction chemicals, high performance coatings, animal health and industrial biotech products. The equity shares of CCL are listed on BSE Limited (**'BSE'**) and the National Stock Exchange of India Limited (**'NSE'**) (both are collectively referred to as **'the Stock Exchanges'**).

One of the businesses of CCL includes manufacturing chemicals used in treatment of water and chemicals used in construction and civil repairs industry (**'the Demerged Undertakings'**). We understand that the Board of Directors of CCL are proposing a scheme of arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (**'the Scheme'**), which inter alia, provides for the transfer and vesting of the Demerged Undertakings as a going concern to a Wholly Owned Subsidiary of CCL, which is in the process of incorporation (**'the Resulting Company'**), with effect from the Appointed Date i.e. April 1, 2024. (**'the Proposed Demerger'**). The Demerged Company and the Resulting Company are together known as **'the Companies'**. As part of the Scheme, the equity shares of Resulting Company held by CCL will stand cancelled on the Effective date of the Scheme. Pursuant to the Scheme, as a consideration for the Proposed Demerger, the equity shareholders of CCL would be allotted the equity shares of the Resulting Company.

CCL has appointed Vivro Financial Services Private Limited, a Merchant Banker registered with SEBI having the Registration Number INM000010122 (**'Vivro'**, **'VFSPL'**, **'Merchant Banker'**, **'we'**, **'us'**, **'our'**), through an Engagement Letter dated December 04, 2023 to issue a Fairness Opinion Report under the extant SEBI Master Circular, title SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, (**'the SEBI Circular'**), on the Share Entitlement Report dated December 12, 2023 (**'the Share Entitlement Report'**) issued by SSPA & Co. Chartered Accountants, ICAI Firm registration number: 128851W, registered with the Insolvency and

Bankruptcy Board of India ('**IBBI**') having the Registration Number IBBI/RV-E/06/2020/126. ('**the Registered Valuer**').

The attached Fairness Opinion Report ('**the Fairness Opinion Report**') has been issued for complying with the extant provisions of the regulations as mentioned above and shall not be valid for any other purpose.

Our Fairness Opinion Report is to be read in conjunction with the scope and purpose, the sources of information and the assumptions, exclusions, limitations, and the disclaimers, as have been detailed hereinafter. This letter should be read in conjunction with the Fairness Opinion Report.

Should you require any further information or explanations, please contact the undersigned.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
Sr. Vice President

VIVRO FINANCIAL SERVICES PVT. LTD. * AHMEDABAD

1. SCOPE, PURPOSE AND USAGE OF THIS FAIRNESS OPINION REPORT

1.1 The Board of Directors of the Companies are planning to enter into a scheme of arrangement in accordance with Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended, rules framed thereunder as well as other applicable laws, regulations and applicable circulars. The Scheme, inter alia, provides for provides for transfer and vesting of the Demerged Undertakings from the Demerged Company to the Resulting Company, as a going concern.

1.2 For the aforesaid purpose, CCL has appointed SSPA & Co., Chartered Accountants, (ICAI Firm: 128851W) registered with IBBI/RV-E/06/2020/126, to submit a Share Entitlement Report recommending the Share Entitlement Ratio for the Proposed Demerger for the consideration by the Board of Directors of the Companies.

1.3 The scope of our services is to issue a Fairness Opinion Report on the Share Entitlement Report of the Registered Valuer for the proposed Scheme as required and applicable under the SEBI Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and other applicable provisions of law, as amended from time to time. The scope of our services does not involve opining on the fairness or economic rationale of the Scheme per se.

1.4 This Fairness Opinion Report is our deliverable on this engagement. The Fairness Opinion Report has been issued to facilitate CCL in complying with the extant provisions of the regulations, as mentioned above, and shall not be valid for any other purpose.

1.5 The distribution of this Fairness Opinion Report shall be restricted to the Companies, Shareholders, SEBI, Stock Exchanges and such other regulatory bodies required to give effect to the Scheme, including but not limited to the Registrar of Companies and the National Company Law Tribunal.

1.6 This Fairness Opinion Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

2. SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of CCL for the purpose of this Fairness Opinion Report:

2.1 Draft Scheme of Arrangement by CCL;

2.2 Last updated shareholding pattern of CCL;

2.3 Share Entitlement Report of SSPA & Co., Chartered Accountants, (ICAI Firm: 128851W) registered with the IBBI having the Registration Number IBBI/RV-E/06/2020/126, dated December 12, 2023;

2.4 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of this Fairness Opinion Report.

The Companies have been provided with the opportunity to review the draft Fairness Opinion Report (excluding our opinion on recommendation of the Share Entitlement Report) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided.

3. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS & DISCLAIMERS

3.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Companies to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.

3.2 In the course of the Fairness Opinion Report, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement.

3.3 This Fairness Opinion Report, its contents, and the results herein (i) are specific to the purpose agreed as per the terms of our engagement; (ii) are specific to the date of this Fairness Opinion Report and other conditions in general and the written and oral information made available to us by the management of CCL as on date of this Fairness Opinion Report. The events occurring after

VIRAG FINANCIAL SERVICES PVT. LTD. AHMEDABAD

this date may affect this Fairness Opinion Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion Report.

3.4 We have not provided any accounting, tax, or legal advice to the Companies neither are we required to in terms of the Engagement Letter.

3.5 We have not examined the tax implication of the present transaction neither are we required to in terms of the Engagement Letter.

3.6 We have not revalued any asset, nor physically verified any assets of the Companies neither are we required to in terms of the Engagement Letter.

3.7 This Fairness Opinion Report assumes that the Companies are fully compliant with relevant laws and regulations applicable in their area of operations. Further, this Fairness Opinion Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded / reflected in the financials provided to us and not relevant or applicable to the subject matter of our analysis.

3.8 We are independent of the Companies and hold no specific interest in the Companies or its assets, nor do we have any conflict of interest with the Companies.

3.9 The fee for this engagement is not contingent upon the results reported and the conclusion arrived at by us.

3.10 This Fairness Opinion Report is furnished on a strictly confidential basis. Neither this Fairness Opinion Report nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above.

4. VALUER'S RECOMMENDATION

4.1 The Share Entitlement Ratio in consideration for the Proposed Demerger as recommended by the Management is:

"2 (Two) equity shares of INR 5 each fully paid up of the Resulting Company for every 1 (One) equity share of INR 5 each fully paid up held in Chembond Chemicals Limited".

VIVRO FINANCIAL SERVICES PVT. LTD. AHMEDABAD

5. CONCLUSION

We have perused the Share Entitlement Ratio Report for the Scheme of Arrangement by Chembond Chemicals Limited and have considered the justification as mentioned therein in arriving at the Share Entitlement Ratio. Pursuant to and subject to the foregoing, we are of the opinion that the Share Entitlement Ratio, as recommended by SSPA & Co., Chartered Accountants, (ICAI Firm: 128851W) registered with IBBI/RV-E/06/2020/126, in their Share Entitlement Report dated December 12, 2023 for the proposed Scheme, is fair.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
Sr. Vice President
Date: December 12, 2023
Place: Ahmedabad