



SE/CS/2024-25/47

04th November, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
Company Scrip Code – 530871
Code No: 530871

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

Ref: ISIN: INE995D01025

Sub: Submission of Due Diligence Certificate in respect to scheme of arrangement 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 of Unlisted entities involved in the scheme of arrangement.

Dear Sir / Madam,

Pursuant to the SEBI master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (“SEBI Scheme Circular”), we hereby submit the Due Diligence Certificate dated October 25, 2024, received from Vivro Financial Services Private Limited, a registered Merchant Bank, in respect to the Composite 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.

Please take the above on record.

Thanking You

Yours faithfully,

for **Chembond Chemicals Limited**

Suchita Singh

Company Secretary & Compliance Officer

Encl: As above

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 Specialties 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/IIO/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




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

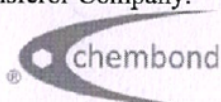
Encl.: As above



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			
<p>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, <i>inter alia</i>, provides for a) Transfer and vesting of the Demerged Undertaking (<i>as defined in the Scheme</i>) 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.</p>			
GENERAL RISK			
<p>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.</p>			
PROCEDURE			
<p>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.</p>			

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	<p>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.</p> <p>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.</p> <p>The Company holds 10,000 equity shares of face value of ₹ 5/- each representing 100.00% of the total equity share capital of CCSL.</p>

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	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 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 <p><i>Other current Directorship in Foreign companies: Chembond Water Technologies (Thailand) Co. Ltd.</i></p>
2.	Rashmi Sameer Gavli	08001649	Director	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 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
				<i>Other current Directorship in Foreign companies: NIL</i>
3.	Sameer Vinod Shah	00105721	Director	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 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 <p><i>Other current Directorship in Foreign companies: NIL</i></p>

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;

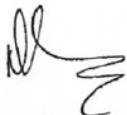
- b. It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1., Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help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

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.




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



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
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	<p>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.</p> <p>CWTL is in the business of specialty chemical and service solutions for waste water treatment.</p> <p>CWTL holds 82,78,057 equity shares representing 100.00% of the total equity share capital of CCWTL.</p>

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	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 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 <p><i>Other current Directorship in Foreign companies: Chembond Water Technologies (Thailand) Co. Ltd.</i></p>
2.	Sushil Uttamchand Lakhani	01578957	Director	<p>Sushil Uttamchand Lakhani is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and also holds the qualification of Bachelor of</p>

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				<p>Commerce from Narsee Monjee College of Commerce and Economics. He has more than 42 years of experience in International Taxation</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Chembond Water Technologies Limited 2. Delsoft Consultancy Private Limited <p><i>Other current Directorship in Foreign companies: NIL</i></p>
3.	Dilpesh Shashikant Patel	10601715	Director	<p>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</p> <p><i>Other current Directorship in Indian companies: NIL</i></p> <p><i>Other current Directorship in Foreign companies: Aarmon Consulting Limited</i></p>
4.	Vinod Janardan Deshpande	07529370	Director	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Chembond Water Technologies Limited 2. Chembond Calvatis Industrial Hygiene Systems Limited <p><i>Other current Directorship in Foreign companies:</i></p>

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	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Chembond Material Technologies Private Limited 2. Phiroze Sethna Private Limited 3. Chembond Water Technologies Limited 4. Variety Investments Private Limited <p><i>Other current Directorship in Foreign companies: NIL</i></p>

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 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 Clean Water Technologies 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.

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



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	<p>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.</p> <p>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.</p> <p>The Company holds 15,15,000 equity shares of face value of ₹10/- representing 100% of the total equity share capital of CMTPL.</p>

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	<p>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.</p> <p><i>Other current Directorship in Indian companies: NIL</i></p> <p><i>Other current Directorship in Foreign companies: NIL</i></p>
2.	Raj Kamal Gupta	00107039	Director	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Huber India Private Limited 2. Avreon Chemicals India Private Limited <p><i>Other current Directorship in Foreign companies: NIL</i></p>
3.	Jaywant Keshavrao Tawade	08231696	Director	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Chembond Biosciences Limited <p><i>Other current Directorship in Foreign companies: NIL</i></p>
4.	Subhash Pandharinath Kolhe	08237446	Director	<p>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.</p>

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				<p><i>Other current Directorship in Indian companies: NIL</i></p> <p><i>Other current Directorship in Foreign companies: NIL</i></p>
5.	Nirmal Vinod Shah	00083853	Director	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. <i>Chembond Chemicals Limited</i> 2. <i>Finor Piplaj Chemicals Limited</i> 3. <i>Chembond Water Technologies Limited</i> 4. <i>Visan Holdings Private Limited</i> 5. <i>Chembond Distribution Limited</i> 6. <i>S and N Ventures Private Limited</i> 7. <i>Chembond Chemical Specialties Limited</i> 8. <i>Chembond Clean Water Technologies Limited</i> 9. <i>Chembond Calvatis Industrial Hygiene Systems Limited</i> 10. <i>Chembond Biosciences Limited</i> 11. <i>Phiroze Sethna Private Limited</i> 12. <i>Gramos Chemicals India Private Limited</i> 13. <i>Rewasoft Solutions Private Limited</i> <p><i>Other current Directorship in Foreign companies:</i> <i>Chembond Water Technologies (Thailand) Co. Ltd.</i></p>
6.	Sameer Vinod Shah	00105721	Director	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. <i>Chembond Chemicals Limited</i> 2. <i>Finor Piplaj Chemicals Limited</i> 3. <i>Chembond Water Technologies Limited</i> 4. <i>Visan Holdings Private Limited</i>

Sr. No.	Name of Directors	DIN	Designation (Independent / Whole time / Executive / Nominee)	Educational Qualification & Experience including current/past positions held in other firms
				<p>5. <i>Chembond Distribution Limited</i> 6. <i>S and N Ventures Private Limited</i> 7. <i>Chembond Chemical Specialties Limited</i> 8. <i>Chembond Calvatis Industrial Hygiene Systems Limited</i> 9. <i>Chembond Biosciences Limited</i> 10. <i>Phiroze Sethna Private Limited</i> 11. <i>Gramos Chemicals India Private Limited</i> 12. <i>CCL Optoelectronics Private Limited</i></p> <p><i>Other current Directorship in Foreign companies: NIL</i></p>
7.	Mahendra Kalyanji Ghelani	01108297	Director	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. Chembond Clean Water Technologies Limited 2. Phiroze Sethna Private Limited 3. Chembond Water Technologies Limited 4. Variety Investments Private Limited <p><i>Other current Directorship in Foreign companies: NIL</i></p>
8.	Jayesh Prabhulal Shah	00138346	Additional Director	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 1. <i>Chembond Chemicals Limited</i> 2. <i>Kiron Elektrotechnik Private Limited</i>

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 - 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 CMPTL: NIL
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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.

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



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.



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	<p>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.</p> <p>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.</p> <p>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.</p>

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	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 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 <p><i>Other current Directorship in Foreign companies:</i></p> <p><i>Chembond Water Technologies (Thailand) Co. Ltd.</i></p>
2.	Mahendra Kalyanji Ghelani	01108297	Director	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 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 <i>Other current Directorship in Foreign companies: NIL</i>
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. <i>Other current Directorship in Indian companies:</i> 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 <i>Other current Directorship in Foreign companies: NIL</i>
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. <i>Other current Directorship in Indian companies:</i> 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
				<i>Other current Directorship in Foreign companies: NIL</i>

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, 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 (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 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, Phiroze Sethna Private Limited

Gavli

**Rashmi Sameer Gavli
Director
DIN: 08001649**



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.

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



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 opinion 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			
<p>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, <i>inter alia</i>, provides for a) Transfer and vesting of the Demerged Undertaking (<i>as defined in the Scheme</i>) 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.</p>			
GENERAL RISK			
<p>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.</p>			
PROCEDURE			
<p>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.</p>			

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	<p>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.</p> <p>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.</p> <p>The company holds 48,000 equity shares of face value of ₹ 100/- each representing 100% of the total equity share capital of GCIPL.</p>

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	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 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 <p><i>Other current Directorship in Foreign companies:</i> Chembond Water Technologies (Thailand) Co. Ltd.</p>
2.	Sameer Vinod Shah	00105721	Director	<p>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.</p> <p><i>Other current Directorship in Indian companies:</i></p> <ol style="list-style-type: none"> 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 <i>Other current Directorship in Foreign companies: NIL</i>
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. <i>Other current Directorship in Indian companies:</i> <ol style="list-style-type: none"> 1. Phiroze Sethna Private Limited 2. Chembond Chemical Specialties Limited 3. Chembond Biosciences Limited <i>Other current Directorship in Foreign companies: NIL</i>

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

- 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 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, Gramos Chemicals (India) Private Limited



Rashmi Gavli
Director
DIN: 08001649



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.