



SE/CS/2023-24/52

6th January, 2024

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

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

Sub: Intimation regarding receipt of Observation letter from the National Stock Exchange of India Limited in relation to the proposed Composite Scheme of Arrangement between Chembond Chemicals Limited (“Demerged Company”/ “Transferee Company”) and Chembond Chemical Specialties Limited (“Resulting Company”) and Chembond Clean Water Technologies Limited (“Transferor Company No. 1” or “CCWTL”) and Chembond Material Technologies Private Limited (“Transferor Company No. 2” or “CMTPL”) and Phiroze Sethna Private Limited (“Transferor Company No. 3” or “PSPL”) and Gramos Chemicals (India) Private Limited (“Transferor Company no. 4” or “GCIPL”) and their respective shareholders.

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’)

Dear Sirs/Madam,

This is in continuation to our earlier intimation dated 12th December, 2023, wherein it was informed that the Board of Directors of Chembond Chemicals Limited had approved the Scheme of Arrangement between Chembond Chemicals Limited (“Demerged Company”/ “Transferee Company”) and Chembond Chemical Specialties Limited (“Resulting Company”) and Chembond Clean Water Technologies Limited (“Transferor Company No. 1” or “CCWTL”) and Chembond Material Technologies Private Limited (“Transferor Company No. 2” or “CMTPL”) and Phiroze Sethna Private Limited (“Transferor Company No. 3” or “PSPL”) and Gramos Chemicals (India) Private Limited (“Transferor Company no. 4” or “GCIPL”) and their respective shareholders (‘Scheme’), subject to receipt of applicable regulatory approvals.

The Company, thereafter, had filed the application with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) under Regulation 37 of the Listing Regulations, seeking their Observation/ No objection to the proposed Scheme.

In this regard, we would like to inform you that, NSE, vide its letter dated 5th January, 2024, has issued its Observation Letter as required under Regulation 37 of the Listing Regulations to the proposed Scheme. Copy of observation letter of NSE is attached herewith for your reference & record.

Please note that copy of this intimation is also available on the website of National Stock Exchange of India Limited (www.nseindia.com) and website of the Company viz: www.chembondindia.com.

We request you to take the above on record.

Thanking You

Yours faithfully

For **Chembond Chemicals Limited**

Suchita Singh
Company Secretary and Compliance Officer

National Stock Exchange Of India Limited

Ref: NSE/LIST/39271

January 05, 2024

The Company Secretary
Chembond Chemicals Ltd
EL-71 Mahape MIDC,
Navi Mumbai-400710.

Kind Attn.: Ms. Suchita Singh

Dear Madam,

Sub: Requirements for seeking observation for Draft Composite Scheme of Arrangement between Chembond Chemicals Limited (“Demerged Company”/ “Transferee Company”) and Chembond Chemical Specialties Limited (“Resulting Company”) and Chembond Clean Water Technologies Limited (“Transferor Company No. 1” or “CCWTL”) and Chembond Material Technologies Private Limited (“Transferor Company No. 2” or “CMTPL”) and Phiroze Sethna Private Limited (“Transferor Company No. 3” or “PSPL”) and Gramos Chemicals (India) Private Limited (“Transferor Company no. 4” or “GCIPL”) and their respective shareholders.

This is with reference to your application for Composite Scheme of Arrangement between Chembond Chemicals Limited, Chembond Chemical Specialties Limited, Chembond Clean Water Technologies Limited, Chembond Material Technologies Private Limited, Phiroze Sethna Private Limited and Gramos Chemicals (India) Private Limited and their respective shareholders.

In this regard you are requested to provide the following documents/details:

1. It has been observed that the in clause no.11.3 of the scheme it is mentioned that physical shares may be allotted to shareholders of Demerged company by the Resulting Company. Kindly clarify on same.
2. Kindly provide the audited financials (not being more than 6 months old) of all the unlisted entities involved in the scheme as mentioned in the format enclosed in Annexure B.
3. Kindly provide the rationale for not providing any consideration for effecting section II of the scheme i.e (Amalgamation of the Transferor Company no. 1 with the Resulting Company).
4. Kindly provide the brief details of the transferee/ resulting and transferor/ demerged companies as per the format enclosed at Annexure E. (Kindly provide in the format as specified in Annexure E as all the points are not covered by the Company).

5. It has been observed that in point no.3 of Annexure H, The PAN of Promoters has not been provided, further kindly provide a statement explaining the split of Assets and Liabilities of the Demerged Company, Demerged undertaking and Resulting Company pre and post effectiveness of the scheme in a tabular format mentioned as per point no.4 of the format.
6. Further, additional queries and documents are sought by SEBI. Accordingly, the Company is requested to provide the following details:

S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
1.	Apportionment of losses of the listed company among the companies involved in the scheme.			
2.	Details of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement, along with a write up on the history of the demerged undertaking/Transferor Company certified by Chartered Accountant (CA).			
3.	Any type of arrangement or agreement between the demerged company/resulting company/merged/amalgamated company/ creditors / shareholders / promoters / directors/etc., which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity.			
4.	Reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities			

S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
	premium, as a free reserve, certified by CA.			
5.	Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, certified by CA.			
6.	Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are notional and/or unrealized, certified by CA.			
7.	The built up of the accumulated losses over the years, certified by CA.			
8.	Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA.			
9.	Details of shareholding of companies involved in the scheme at each stage, in case of composite scheme.			
10.	Whether the Board of unlisted company has taken the decision regarding issuance of Bonus shares. If yes provide the details thereof. If not, provide the reasons thereof.			
11.	List of comparable companies considered for comparable companies' multiple method.			
12.	Share Capital built-up in case of scheme of arrangement involving			

S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
	unlisted entity/entities, certified by CA.			
13.	Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme.			
14.	Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years.			
15.	Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed company.			
16.	In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity.			
17.	How the scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post scheme of arrangement.			
18.	Tax/other liability/benefit arising to the entities involved in the scheme, if any.			
19.	Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA/PAT			

S. No.	Particulars	Yes/ No/ Not Applicable	Remarks	Annexure (Document Provided)
	margin considered in the valuation report.			
20.	Confirmation from valuer that the valuation done in the scheme is in accordance with applicable valuation standards.			
21.	Confirmation from Company that the scheme is in compliance with the applicable securities laws.			
22.	Confirmation that the arrangement proposed in the scheme is yet to be executed.			

7. In addition, you are requested to provide the following details:

Sr. No	Particulars	Remarks								
1.	Pictorial\diagrammatic representation containing the summary the draft scheme.	Annexure I								
2.	Background of all the entities involved in the Scheme.	Name, Address, Business, recent major developments w.r.t to corporate structure, business line etc.								
3.	Detailed Objective of the scheme	If provided, please provide document reference								
4.	Detailed Rationale of the Scheme.	If provided, please provide document reference								
5.	Existing, Proposed and Resultant structure of entities involved in the scheme	Annexure I								
6.	Existing and proposed Capital Structure (shareholding pattern) of entities involved in the scheme including value in terms of net worth,	1) Pre scheme SHP of (all the entities) in the following format: <table border="1" data-bbox="766 1837 1416 1873"> <thead> <tr> <th>Category</th> <th>No. of shares</th> <th>%</th> <th>No. of</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Category	No. of shares	%	No. of				
Category	No. of shares	%	No. of							

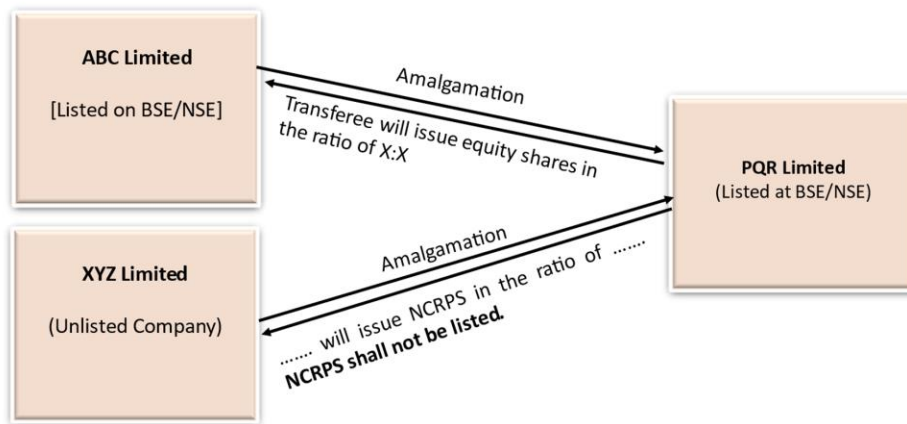
	changes in pre-post promoter/public shareholding etc.	<table border="1"> <tr> <td></td> <td></td> <td></td> <td>shareholders</td> </tr> <tr> <td>Promoter</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Public</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> </tr> </table>				shareholders	Promoter				Public				Total																			
			shareholders																															
Promoter																																		
Public																																		
Total																																		
7.	Networth	2) Post scheme SHP of (all the entities) in the following format: <table border="1"> <thead> <tr> <th>Category</th> <th>No. of shares</th> <th>%</th> <th>No. of shareholders</th> </tr> </thead> <tbody> <tr> <td>Promoter</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Public</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Category	No. of shares	%	No. of shareholders	Promoter				Public				Total				Pre and Post scheme networth of the Companies involved in the scheme in the following format: <table border="1"> <thead> <tr> <th colspan="3">Name of the Company</th> </tr> <tr> <th></th> <th>Pre-Scheme</th> <th>Post-Scheme</th> </tr> </thead> <tbody> <tr> <td>Equity</td> <td></td> <td></td> </tr> <tr> <td>Other Equity</td> <td></td> <td></td> </tr> <tr> <td>Networth</td> <td></td> <td></td> </tr> </tbody> </table>	Name of the Company				Pre-Scheme	Post-Scheme	Equity			Other Equity			Networth		
Category	No. of shares	%	No. of shareholders																															
Promoter																																		
Public																																		
Total																																		
Name of the Company																																		
	Pre-Scheme	Post-Scheme																																
Equity																																		
Other Equity																																		
Networth																																		
8.	Key points of the scheme including terms of the consideration proposed in the scheme.																																	
9.	Step wise process involved in implementation of the scheme in form of flowchart.	Annexure II																																
10.	In case unlisted company is involved in the Scheme please provide calculation that the percentage of shareholding of pre-scheme public shareholders of the listed entity and the Qualified Institutional Buyers (QIBs) of the unlisted entity, in the post scheme shareholding pattern of the “merged” company on a fully																																	

	diluted basis shall not be less than 25%.	
11.	Kindly confirm if there is any reclassification of promoter and promoter group pursuant to the Scheme and the same is in compliance with the applicable SEBI Regulations.	
12.	In case valuation is not applicable, provide detailed rationale for the share exchange ratio derived by the Company.	

Annexure I

Scheme of Arrangement – Name of Company

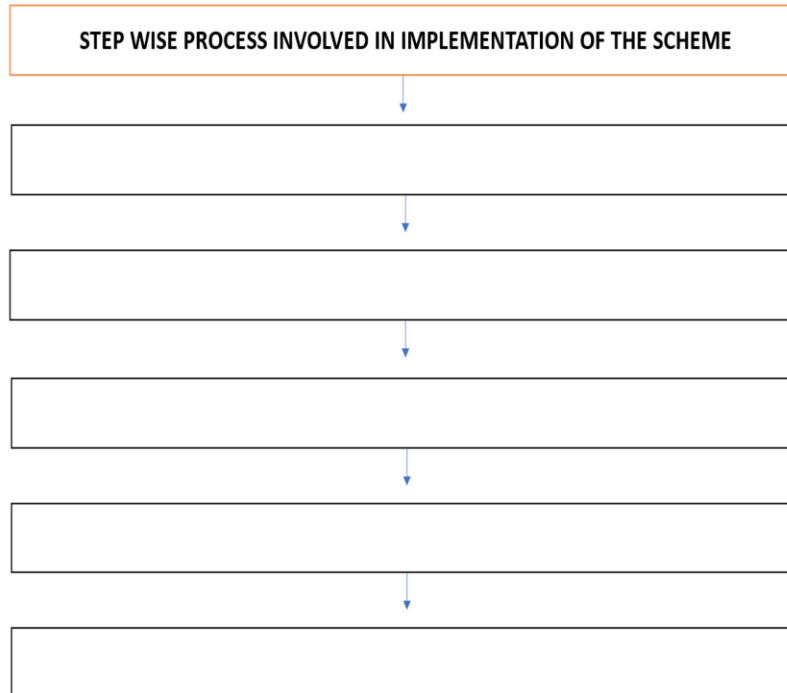
Graphical Representation



ABC and XYZ shall stand dissolved without winding up.

Note: Pictorial representation can be modified by the Companies according to their Scheme of Arrangement

Non-Confidential

Annexure II

Non-Confidential

You are requested to rectify the discrepancy/provide detail mentioned above. We would be in a position to take necessary action at our end on receipt of the above documents/details.

Satisfactory response to the queries raised by the Exchange shall be submitted on immediate basis. Exchange reserves the right to return the applications if not responded satisfactorily within considerable time.

Yours faithfully,
For National Stock Exchange of India Ltd.

Flora Matmari
Deputy Manager
Contact no.-8452916958

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

Non-Confidential