

PRESS RELEASE

Chembond Chemicals Announces Demerger and Business Reorganization

- The Board of Directors of Chembond Chemicals Limited ('CCL') at its Board of Directors meeting today approved:
 - Demerger of the construction chemicals and water technologies businesses into Chembond Chemical Specialties Limited ('CCSL').
 - Amalgamation of Chembond Clean Water Technologies Limited into CCSL.
 - Amalgamation of Chembond Material Technologies Private Limited, Phiroze Sethna Private Limited and Gramos Chemicals (India) Private Limited into CCL.
- Subject to shareholder, creditors, and regulatory approvals, the shareholders of CCL will get 2 (two) equity shares of CCSL for every 1 (one) equity share held by them in CCL.
- On the scheme's effective date, the demerger will result in two distinct listed entities aligned along business lines. As a part of the scheme, CCL will be renamed to Chembond Material Technologies Limited and will house the metal treatment chemicals, sealants, coatings, industrial adhesives, and the biotechnology businesses. Further, CCSL will be renamed to Chembond Chemicals Limited and will house the construction chemicals, water technologies, cleaning and hygiene and distribution businesses.
- The demerger is intended to allow room for both listed entities to obtain leadership positions in their respective sectors and unlock value for CCL shareholders.

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The Board of Directors of Chembond Chemicals Limited ('CCL', NSE: Chembond, BSE: 530871), at their meeting held today, approved a composite scheme of arrangement providing for (i) the demerger of the construction chemicals and water technologies businesses into Chembond Chemical Specialties Limited ('CCSL') on a going concern basis; (ii) the amalgamation of Chembond Clean Water Technologies Limited into CCSL; and (iii) the amalgamation of Chembond Material Technologies Private Limited, Phiroze Sethna Private Limited, and Gramos Chemicals (India) Private Limited into CCL. Additionally, upon effectiveness of the composite scheme of arrangement, the corporate name of CCL shall be changed to Chembond Material Technologies Limited, and the corporate name of CCSL to Chembond Chemicals Limited. These actions once effective upon approval by shareholders, creditors, and regulators, will result in two listed entities aligned along business lines.

Mr. Sameer V. Shah, Chairman, Chembond Chemicals Limited, said, *"Chembond has grown over the years with diverse businesses, acquisitions, and subsidiaries operating under one listed company structure. The Board has today approved this demerger and restructuring, to create two independent listed verticals with an aim to empower both these entities to independently pursue their growth strategies with a sharper focus."*

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Mr. Nirmal V. Shah, Managing Director, added, *“This scheme has been approved by the Board with the intent that it will be value accretive for all our stakeholders. While allowing for business growth, we acknowledge that the nature of risk and competition involved in each of these businesses is distinct from others and that each business or entity can attract a different set of talent, investors, strategic partners, lenders, and other stakeholders.”*

About the Demerger and Business Reorganization:

Chembond Chemical Specialties Limited ('CCSL'):

The construction chemicals business will demerge from CCL and get consolidated in CCSL. Chembond Clean Water Technologies Limited will amalgamate with CCSL, and Chembond Water Technologies Limited, Chembond Calvatis Industrial Hygiene Systems Limited and Chembond Distribution Limited will operate as subsidiaries of CCSL.

CCSL will get listed and in consideration of the demerger, CCSL will issue 2 (two) fully paid-up equity shares of CCSL of Rs. 5 (five) each to the shareholders of CCL for every 1 (one) fully paid-up equity share in CCL having a face value of Rs. 5 each held by them. CCSL will be renamed to Chembond Chemicals Limited.

Chembond Material Technologies Limited ('CMTL'):

The amalgamation of Chembond Material Technologies Private Limited, Phiroze Sethna Private Limited, Gramos Chemicals (India) Private Limited into CCL will create a single entity for the metal pre-treatment, coatings, sealants, and industrial adhesives businesses. The biotechnology business will continue to operate as a subsidiary of CCL, which in turn shall be renamed to CMTL.

Through this demerger and restructuring, the shareholders of CCL will directly own shares in both the listed entities.

The composite Scheme of Arrangement is subject to the approval of the shareholders and creditors of the companies, the Securities and Exchange Board of India (SEBI), National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange Ltd (BSE) Limited, Hon'ble National Company Law Tribunal (NCLT) and other regulatory authorities, as applicable.

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