Regd. Office: Sai Hira, Survey No. 93,
Mundhwa, Pune - 411 036, India.
Tel: +91 (20) 6645 8000

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

23rd July 2019

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Listing Department
National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

Dear Sir/ Madam,

Subject: **Secretarial Audit Report for the financial year ended 31st March, 2019, of Smartchem Technologies Limited a Material Unlisted Indian Subsidiary of the Company under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/ CMD1/27/ 2019 dated 8th February, 2019 , enclosed please find the Secretarial Audit Report for the financial year ended 31st March, 2019 of Smartchem Technologies Limited, a material unlisted Indian subsidiary of the Company The Secretarial Audit Report of Smartchem Technologies Limited submitted by M/s. Jog, Limaye & Associates, Practicing Company Secretaries, does not contain any qualification, reservation of adverse remarks.

You are requested to take the same on your record.

For Deepak Fertilisers
And Petrochemicals Corporation Limited

K. Subharaman
Executive Vice President (Legal) & Company Secretary

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Smartchem Technologies Limited

Sai Hira, Survey No.93, Mundhwa,

Pune-411036, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Smartchem Technologies Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:



(i) the Companies Act, 2013 (the Act) amended from time to time and the Rules, Notifications and Circulars issued. thereunder (in so far as they are made applicable) and

(ii) other Laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/industry are-

1. Petroleum Act, 1934 and Rules, 2002;
2. Foreign Trade (Development & Regulation) Act, 1992;
3. The Competition Act, 2002
4. Explosive Act, 1908;
5. The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;
6. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008;
7. Ammonium Nitrate Rules, 2012;
8. Fertiliser Control Order, 1985;
9. Petroleum and Minerals Pipelines (Acquisition of Right Users in Land) Act, 1962

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Notice is given to all Directors to schedule the Committee and Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Generally, decisions in the Committee and Board Meeting are being taken with the unanimous approval of the Members and Directors. However, the views of all the dissenting Directors, if any, on important matters have been captured and recorded in the minute book.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that

At the Annual General Meeting of the Company held on 18th September, 2018, following special business were transacted:

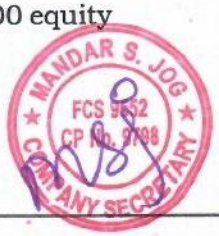
(1) The Shareholders passed Ordinary Resolution for ratification of the remuneration to be paid to the Cost Auditors of the Company.

(2) The Shareholders passed Special Resolution for Extension of second term of Shri S R Wadhwa as an Independent Director of the Company.

(3) The Shareholders passed Special Resolution for Extension of second term of Shri U P Jhaveri as an Independent Director of the Company.

(4) The Shareholders passed Special Resolution for raising of fund through issue of securities.

(5) The Shareholders passed Special Resolution for Reclassification the Company's authorised share capital from Rs. 355,000,000 divided into 17,500,000 equity shares of Rs. 10 each and 1,800,000 cumulative redeemable preference shares of Rs. 100 each to Rs. 355,000,000 equity shares divided into 35,500,000 equity



shares of Rs. 10 each. The Memorandum of Association of Company has been altered to that effect.

(6) The Shareholders passed Special Resolution for Conversion of Loan into Equity Share Capital, in case of default.

(7) The Shareholders passed Special Resolution under Section 186 of the Companies Act, 2013 for providing Guarantee and/or Securities to subsidiaries or other persons and/or making investment.

For Jog Limaye & Associates
Company Secretaries



Mandar Shrikrishna Jog
Partner
FCS No. 9552
CP No. - 9798
Date – 24th May, 2019
Place - Pune

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
Smartchem Technologies Limited
Sai Hira, Survey No.93,
Mundhwa, Pune 411036

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

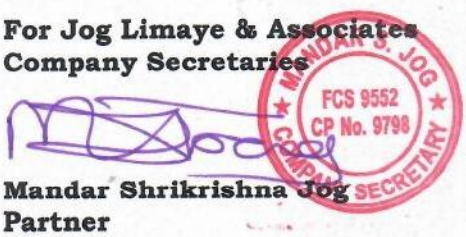
2. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Jog Limaye & Associates
Company Secretaries



Mandar Shrikrishna Jog
Partner
FCS No. 9552
CP No.- 9798
Date- 24th May, 2019
Place – Pune