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

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

November 22, 2016

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block - G
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051

Dear Sir / Madam,

Subject: Issuance of Notices for Court Convened Meeting of Equity Shareholders and Advertisements published by the Company with respect to the same

By way of our letter dated March 29, 2016, we had informed you *inter alia* that the board of directors of Deepak Fertilisers And Petrochemicals Corporation Limited ("**Company**") had, at its meeting held on March 29, 2016 approved a Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited; SCM Fertichem Limited and Smartchem Technologies Limited and their respective Shareholders and Creditors ("**Scheme**") under Sections 391- 394 of the Companies Act, 1956 *inter-alia* subject to requisite approval of the shareholders of the Company and sanction of the concerned High Court having jurisdiction.

In furtherance of the above, we wish to inform you that pursuant to the order passed by the Hon'ble Bombay High Court on October 27, 2016, meeting of the equity shareholders of the Company is to be held on Thursday, December 15, 2016 at 12 Noon at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune – 411007.

Towards the above, following notices have been dispatched and published by the Company:

1. Individual Notice of court convened meeting of the equity shareholders of the Company to be held on December 15, 2016 pursuant to the provisions of Sections 391-394 of the Companies Act, 1956 and Explanatory Statement under Section 393 of the Companies Act 1956. The Company has completed the physical and electronic dispatch of the notice to all the registered members of the Company as on November 11, 2016.

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

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

2. Public notice in connection with the court convened meeting of equity shareholders of the Company which has been published on November 22, 2016 in the Indian Express (Pune Edition in English language) and Loksatta (Pune Edition in Marathi language);

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-Voting facility as an alternate mode of voting, for its Equity Shareholders, to enable them to cast their votes electronically. The remote e-Voting period begins at 9.00 am on Monday, December 12, 2016 and ends at 5:00 pm on Wednesday, December 14, 2016. During this period shareholders holding shares either in physical form or in dematerialized form, as on the cut-off date of December 8, 2016, may cast their vote electronically through remote e-Voting.

You are requested to kindly acknowledge receipt and take the same on record.

Yours sincerely

For **Deepak Fertilisers And**
Petrochemicals Corporation Limited

Mandar Velankar
Assistant Company Secretary

Encl.: a/a

DEEPAK FERTILISERS
AND PETROCHEMICALS CORPORATION LIMITED

Registered Office: Opp. Golf Course Shastri Nagar, Yerawada, Pune – 411006
Corporate Office: Sai Hira, Survey No.93, Mundhwa, Pune – 411036
CIN: L24121MH1979PLC021360
Telephone: 020-66458000 **Fax:** 020-26683723
Website: www.dfpcl.com **E-mail:** investorgrievance@dfpcl.com

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day : Thursday
Date : December 15, 2016
Time : 12:00 Noon
Venue : MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune – 411007

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO 866 OF 2016

In the matter of the Sections 391 to 394 of the Companies Act, 1956 and applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013;

And

In the matter of the Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited; SCM Fertichem Limited and Smartchem Technologies Limited and their respective shareholders and creditors.

Deepak Fertilisers And Petrochemicals)
Corporation Limited, CIN No.: L24121MH1979PLC021360)
a company incorporated under the Companies Act, 1956,)
and having its registered office at Opposite Golf Course,)
Shastri Nagar, Yerawada, Pune, Maharashtra - 411006) ..... Applicant

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

To,

The Equity Shareholders of Deepak Fertilisers And Petrochemicals Corporation Limited **("Applicant Company")**

TAKE NOTICE that by an order dated October 27, 2016, in the above mentioned Company Summons For Direction (the "Order"), the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the equity shareholders of the Applicant Company shall be convened at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune – 411007, on Thursday, December 15, 2016 at 12 noon, for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed composite Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited ("Applicant Company/Transferor Company/DFPCL"); SCM Fertichem Limited ("Transferee Company/Demerged Company/SCM Fertichem") and Smartchem Technologies Limited ("Resulting Company/Smartchem") and their respective shareholders and creditors (the "Scheme") by passing the following resolutions, with or without modifications:

***"RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and/or under the corresponding provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof for the time being in force) as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 and relevant provisions of other applicable laws, and subject to the approval of the High Court of Judicature at Bombay and such other approvals, sanctions and permissions of any Governmental Authorities as may be necessary ("Governmental Authorities"), the Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited; SCM Fertichem Limited and Smartchem Technologies Limited and their respective shareholders and creditors (the "Scheme") be and is hereby approved and agreed to, with/without any modifications and/or conditions, if any, which may be required and/or imposed and/or permitted by the High Court of Judicature at Bombay while sanctioning the Scheme, and/or by any Governmental Authorities.*

***"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited (hereinafter referred to as the "Board", which term shall be deemed to mean and include any of its committee(s) or any person(s) which the Board may nominate or constitute to exercise its powers, including the powers conferred under this resolution), be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deems necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and /or making such adjustments in the*

books of accounts as considered necessary to give effect to the above resolution, including settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, and if necessary, to waive any of those, and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/directions as may be required and/or imposed and/or permitted by the High Court of Judicature at Bombay while sanctioning the Scheme, or by any Governmental Authorities."

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the equity shareholders of the Applicant Company will be held at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune – 411007, on Thursday, December 15, 2016 at 12 noon, at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or through proxy or through authorized representative, provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company, at Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra - 411006, not later than 48 (forty eight) hours before the scheduled time of the commencement of the aforesaid meeting.

TAKE FURTHER NOTICE that each equity shareholder can opt for only one mode of voting i.e. either at the venue of the meeting of the equity shareholders of the Applicant Company or by remote e-Voting.

The Hon'ble High Court of Judicature at Bombay, vide the Order, has appointed Mr. S. C. Mehta, Chairman & Managing Director of the Applicant, failing him, Mr. N. C. Singhal, Director of the Applicant and failing him, Mr. S. R. Wadhwa, Director, of the Applicant, to be the Chairman of the said meeting or of any adjournment(s) thereof.

A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956 and Section 102 of the Companies Act, 2013, observation letter issued by BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), Fairness Opinion, Complaint's Report, Pre-Scheme and Post-Scheme Shareholding Pattern of the Applicant Company, Form of Proxy and Attendance Slip are enclosed herewith.

Sd/-
S.C. Mehta
Chairperson appointed for the Meeting

Dated this 16th Day of November, 2016
Place: Mumbai
Registered Office: Opposite Golf Course, Shastri Nagar,
Yerawada, Pune, Maharashtra – 411006
CIN: L24121MH1979PLC021360

NOTES:

1. Only a registered Equity Shareholder of the Applicant Company is entitled to attend and vote at the meeting. **A REGISTERED EQUITY SHAREHOLDER IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE APPLICANT COMPANY.** All alterations made in the Form of Proxy should be initialed. The Proxy Form must be deposited at the Registered Office/Corporate Office of the Company not less than 48 hours before the scheduled time for commencement of the Meeting.

2. As per Section 105 of the Companies Act, 2013 and rules made there under, a person can act as proxy on behalf of members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) percent of the total share capital of the company carrying voting rights. Further, a member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Shareholder.

3. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative of a Body Corporate under Section 113 of the Companies Act, 2013) at the court convened Equity Shareholders' Meeting. The Authorised Representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' Meeting provided a certified copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.

4. Members/proxies/authorized representatives attending the meeting are requested to bring a copy of the notice of the meeting, and produce it at the entrance of the meeting venue, along with duly filled signed attendance slip.

5. Registered Equity Shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID details for easy identification of their attendance at the meeting.

6. The quorum of the meeting of the Equity Shareholders of the Applicant Company shall be 30 (thirty) Equity Shareholders of the Applicant Company, present in person in terms of the order passed by the Hon'ble High Court of Judicature at Bombay on October 27, 2016.

7. Members are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.

8. The Notice is being sent to all the Members, whose names appeared in the Register of Members as on November 11, 2016. This notice of the Court Convened Meeting of the Equity Shareholders of the Applicant Company is also displayed/posted on the website of the Applicant Company, www.dfpcl.com

9. The Notice convening the aforesaid meeting will be published through advertisement in 'Indian Express' (Pune edition) in English language and translation thereof in 'Loksatta' (Pune edition) in Marathi language, having wide circulation in the district where the registered office of the Applicant Company is situated.

10. The Applicant Company has appointed Shri S V Deulkar, Partner, SVD & Associates, Company Secretaries (FCS No. 1321 and C P No.965) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

    The results declared along with the Scrutinizer's Report shall be placed on the Company's website, www.dfpcl.com and on https://evoting.karvy.com within two days of the Court Convened Meeting and shall be communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Applicant Company are listed.

11. The queries, if any, related to the Scheme should be sent to the Applicant Company in the name of Company Secretary at its Registered Office / Corporate Office in such a way that the Applicant Company will receive the same at least 7 (seven) days before the meeting.

12. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered Office/Corporate Office of the Applicant Company on all working days between 11:00 a.m. to 1:00 p.m. upto December 14, 2016.

13. Route Map of the venue of the meeting is enclosed.

VOTING THROUGH E-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company is pleased to offer remote e-Voting facility as an alternate mode of voting, for its Equity Shareholders, to enable them to cast their votes electronically. Remote e-Voting is optional. For this purpose, necessary arrangements have been made with Karvy Computershare Private Limited (Karvy) to facilitate remote e-Voting. It may be noted that the facility for voting through ballot paper or electronic voting system will also be made available at the venue of the meeting and the Equity Shareholders attending the meeting who have not cast their votes before the meeting by way of remote e-Voting shall be able and entitled to exercise their right at the meeting through ballot paper or electronic voting system. Members who have cast their votes by remote e-Voting prior to the Meeting may attend the Court Convened Meeting but shall not be entitled to cast their votes again. Members can opt for only one mode of voting, i.e. either through remote e-Voting or ballot paper or electronic voting system at Court Convened Meeting. In case members cast their votes through both the modes, voting done by remote e-Voting shall prevail and votes cast through ballot paper at Court Convened Meeting shall be treated as invalid.

The instructions for remote e-Voting are as under:

The remote e-Voting period begins at 9.00 am on Monday, December 12, 2016 and ends at 5:00 pm on Wednesday, December 14, 2016. During this period shareholders of the Applicant Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of December 8, 2016, may cast their vote electronically through remote e-Voting.

The instructions for members for remote e-voting are as under:

(i) Launch an internet browser and open https://evoting.karvy.com

(ii) Enter the login credentials (i.e. User ID and password). User ID and Password are provided at the bottom of the Attendance Slip in the following format.

User ID	Password
-	-

(iii) After entering the above details Click on 'Login'.

(iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it.

It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. After change of password, you need to login again with the new credentials.

(v) In case you are already registered with M/s. Karvy Computershare Private Limited for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot Password" option available on https://evoting.karvy.com or contact M/s. Karvy Computershare Private Limited at toll free no. 1-800-3454-001 or email id evoting@karvy.com. In case of any other queries/grievances connected with voting by electronic means, you may also contact Mr. S. V. Raju of Karvy Computershare Private Limited, at telephone no. 040-67162222

(vi) On successful login, the system will prompt you to select the E-Voting Event

(vii) Select 'EVENT' of Deepak Fertilisers And Petrochemicals Corporation Limited – CCM and click on 'Submit'

(viii) Now you are ready for e-voting as 'Ballot Form' page opens.

(ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.

(x) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(xi) Once you have confirmed your vote on the resolution, you cannot modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at deulkarcs@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Deepak Fertilisers And Petrochemicals Corporation Limited – CCM."

(xiii) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of the e-voting website of M/s. Karvy Computershare Private Limited https://evoting.karvy.com.

(xiv) The voting rights shall be as per the number of equity shares held by the Member(s) as on cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

(xv) Members who have acquired shares after the dispatch of the Notice of Court Convened Meeting and before the cut-off date may obtain the User ID and Password by sending a request at evoting@karvy.com or investorgrievance@dfpcl.com

Encl: As above

IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION COMPANY SUMMONS FOR DIRECTION NO 866 OF 2016

In the matter of the Sections 391 to 394 of the Companies Act, 1956 and applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013;

And

In the matter of the Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited; SCM Fertichem Limited and Smartchem Technologies Limited and their respective shareholders and creditors.

Deepak Fertilisers And Petrochemicals)
Corporation Limited, CIN No.: L24121MH1979PLC021360)
a company incorporated under the Companies Act, 1956,)
and having its registered office at Opposite Golf Course,)
Shastri Nagar, Yerawada, Pune, Maharashtra - 411006) ..... Applicant

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

1. Pursuant to an order dated October 27, 2016, passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove ("Order"), a meeting ("Court Convened Meeting") of the equity shareholders of Deepak Fertilisers And Petrochemicals Corporation Limited (the "Applicant Company") is being convened on Thursday, December 15, 2016, at 12 Noon, at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune – 411007, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited ("Applicant Company/Transferor Company/DFPCL"); SCM Fertichem Limited ("Transferee Company/Demerged Company/SCM Fertichem Limited") and Smartchem Technologies Limited ("Resulting Company/Smartchem") and their respective shareholders and creditors (the "Scheme") pursuant to Sections 391 to 394 of the Companies Act, 1956 ("Act"), and other relevant provisions of the Act and the Companies Act, 2013 as applicable. The Scheme provides for (1) The slump exchange of (a) the Technical Ammonium Nitrate ("TAN") undertaking of the Transferor Company together with its business and operations including its manufacturing and related facilities located at (i) Taloja and Pune, Maharashtra (ii) Jawaharlal Nehru Port, Maharashtra and (iii) Paradeep and its marketing & corporate office(s) ("TAN Undertaking"), and (b) the fertiliser undertaking of the Transferor Company together with its business and operations including its manufacturing and related facilities located at (i) Taloja and Pune, Maharashtra (ii) Jawaharlal Nehru Port, Maharashtra and (iii) Panipat, Haryana and its marketing & corporate office(s) ("Fertiliser Undertaking") (and collectively, (a) and (b) are hereinafter referred to as the "Transferred Undertakings") of the Transferor Company to Transferee Company, on a going concern basis ("Slump Exchange") with effect from January 1, 2015 ("Appointed Date"); and (2) Thereafter, the subsequent demerger of the Transferred Undertakings and vesting of the same from the Transferee Company in the Resulting Company, on a going concern basis, in accordance with Section 2(19AA) of the Income Tax Act, 1961, also with effect from the Appointed Date ("Demerger").

2. The Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on March 29, 2016 had approved the Scheme. Before the filing of the above application in the Hon'ble High Court of Judicature at Bombay, in order to better reflect the mutual understanding between the parties to the Scheme, with respect to (1) the modality of transfer of the liability pertaining to secured listed Non –Convertible Debentures ("NCDs") issued by the Applicant Company and (2) total value of shares of the Resulting Company being issued under the Scheme, the Scheme was amended. It is clarified that the amendments were only clarificatory in nature and did not alter in any way the re-organisation of the business proposed under the Scheme nor the terms and conditions of such re-organisation. A copy of the revised Scheme submitted to the Hon'ble High Court of Judicature at Bombay along with the above application is attached to this Explanatory Statement. The revised Scheme was also submitted to the BSE Ltd and the National Stock Exchange of India Limited.

3. As regards securing approval of public shareholders through Postal Ballot and e-Voting as required under paragraph I(A)(9)(c) of Annexure I of the SEBI Circular bearing number CIR/CFD/CMD/16/2015 dated November 30, 2015, the Applicant Company has furnished an undertaking certified by the auditor and duly approved by the Board of Directors stating the non-applicability of paragraph I(A)(9)(a) of the said circular to the proposed Scheme. The said undertaking is displayed on the website of the Applicant Company.

1. BACKGROUND OF THE COMPANIES

1.1. **Deepak Fertilisers And Petrochemicals Corporation Limited ("Applicant Company/Transferor Company/DFPCL")**

a. The Applicant Company is a listed public limited company limited by shares which was incorporated on May 31, 1979 under the provisions of the Act as a private limited company under the name 'Deepak Fertilisers And Petrochemicals Corporation Private Limited'. Thereafter, with effect from June 14, 1979 the Applicant Company became a public limited company and the word 'private' was deleted from its name and the name of the Applicant Company was changed to its present name i.e. 'Deepak Fertilisers And Petrochemicals Corporation Limited'. The registered office of the Applicant Company is situated at Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra – 411006. The corporate identity number of the Applicant Company is L24121MH1979PLC021360. The equity shares of the Applicant Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

b. The share capital of the Applicant as of March 29, 2016 and as on November 11, 2016 is as under:

Particulars	**Amount (₹)**
Authorized Share Capital	
12,50,00,000 Equity Shares of ₹10 each	125,00,00,000
10,00,000 Cumulative Redeemable Preference Shares of ₹100 each	10,00,00,000
Total	**135,00,00,000**
Issued, Subscribed and Fully Paid-up Share Capital	
8,82,04,943 Equity Shares of ₹10 each	88,20,49,430
Total	**88,20,49,430**

c. The Applicant Company is primarily engaged in the business of *inter alia*, manufacturing and selling of fertilisers ("Fertiliser Business"), technical ammonium nitrate ("TAN Business"), bulk chemicals, mining chemical, generation and distribution of power and value added real estate.

d. The main objects, as stated in the Memorandum of Association, are set out hereunder:

i. To carry on business of manufacturing, buying, selling, acquiring, marketing, processing, transporting, distributing, supplying, importing, exporting or otherwise dealing in all kinds of fertilisers, chemicals, heavy chemicals, acids, alkalies, agro-chemicals, guanos, manures, mixtures, phosphorous, rocks, phosphate-deposits, lime, marl, bones, minerals, coke, gypsum, bauxite, salt, sulphur and by-products and derivatives thereof.

ii. To carry on business of manufacturing, refining, blending, processing, transporting, supplying, buying, selling, distributing, importing, exporting or otherwise dealing in petroleum and such other oils, petrochemicals and such other chemicals including byproducts and derivatives thereof.

iii. To carry on business of manufacturing, buying, selling, acquiring, refining, treating, distilling, blending, purifying, pumping, storing, holding, transporting, experimenting with market, distributing, exchanging, supplying, importing, exporting, trading, disposing of, or otherwise dealing in any and all kinds of petroleum and petrochemicals, products, including by-products and derivatives thereof.

iv. To carry on business of manufacturing, buying, selling, importing, exporting and dealing in chemical compounds, chemical products, acids, alkalies, petrochemicals, chemical medicines, drugs, pharmaceuticals, antibiotics, tannin, tannin extracts, essences, solvents, plastics of all types, dyes, dyestuffs, intermediates, paints, varnishes, disinfectants, insecticides, fungicides, deodorants, bio-chemicals, and sizing, bleaching and photographical materials.

v. To carry on business of manufacturing, buying, selling, importing, exporting, distributing all organic and inorganic chemicals, synthetic chemicals derived from petroleum hydro carbons, elements, chemicals, compounds and products, byproducts, derivatives and mixtures thereof.

1.2. **SCM Fertichem Limited ("Transferee Company/Demerged Company/SCM Fertichem")**

a. The Transferee Company is an unlisted public limited company limited by shares, incorporated on October 10, 2012 under the provisions of the Act. The Transferee Company has not undergone any name changes. The Transferee Company has its registered office situated at Deepak Complex, Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra- 411006.

b. The share capital of the Transferee Company as of March 29, 2016 and as on November 11, 2016 is as under:

Particulars	**Amount (₹)**
Authorised Share Capital	
50,000 Equity Shares of ₹10 each	500,000
Total	**500,000**
Issued, Subscribed and Fully Paid-up Share Capital	
50,000 Equity Shares of ₹10 each	500,000
Total	**500,000**

The Applicant Company (along with its nominees) holds the entire equity share capital of the Transferee Company.

c. The Transferee Company has been incorporated for, *inter alia*, manufacturing and trading of fertilisers, petroleum and their by-products.The main objects, *inter alia*, along with serial numbers as stated in the Memorandum of Association of the Transferee Company, are set out as under:

i. To carry on business of manufacturing, buying, selling, acquiring, marketing, processing, transporting, distributing, supplying, importing, exporting or otherwise dealing in all kinds of fertilisers, chemicals, heavy chemicals, acids, alkalies, agro-chemicals, guanos, manures, mixtures, phosphorous, rocks, phosphate-deposits, lime, marl, bones, minerals, coke, gypsum, bauxite, salt, sulphur and by-products and derivatives thereof.

ii. To carry on business of manufacturing, refining, blending, processing, transporting, supplying, buying, selling, distributing, importing, exporting or otherwise dealing in petroleum and such other oils, petrochemicals and such other chemicals including byproducts and derivatives thereof.

iii. To carry on business of manufacturing, buying, selling, acquiring, refining, treating, distilling, blending, purifying, pumping, storing, holding, transporting, experimenting with market, distributing, exchanging, supplying, importing, exporting, trading, disposing of, or otherwise dealing in any and all kinds of petroleum and petrochemicals, products, including by-products and derivatives thereof.

iv. To carry on business of manufacturing, buying, selling, importing, exporting and dealing in chemical compounds, chemical products, acids, alkalies, petrochemicals, chemical medicines, drugs, pharmaceuticals, antibiotics, tannin, tannin extracts, essences, solvents, plastics of all types, dyes, dyestuffs, intermediates, paints, varnishes, disinfectants, insecticides, fungicides, deodorants, bio-chemicals, and sizing, bleaching and photographical materials.

v. To carry on business of manufacturing, buying, selling, importing, exporting, distributing all organic and inorganic chemicals, synthetic chemicals derived from petroleum hydro carbons, elements, chemicals, compounds and products, by products, derivatives and mixtures thereof.

1.3. **Smartchem Technologies Limited ("Resulting Company/Smartchem")**

a. The Resulting Company, is an unlisted public limited company limited by shares, incorporated on January 21, 1987 in the name 'Arlem Investment and Finance Limited' under the provisions of the Act. Subsequently, the Resulting Company changed its name from 'Arlem Investment and Finance Limited' to its present name i.e. 'Smartchem Technologies Limited' pursuant to a fresh certificate of incorporation consequent on change of name dated June 14, 2000. The Resulting Company has its registered office situated at Sai Hira, Survey No. 93, Mundhwa, Pune, Maharashtra – 411036 with effect from August 17, 2016. The change in registered office of the Resulting Company from the State of Andhra Pradesh to the State of Maharashtra was made pursuant to the 'Certificate of Registration of Regional Director order for Change of State' dated August 17, 2016. Prior to the State of Andhra Pradesh, the registered office of the Resulting Company was situated in the State of Gujarat. The change in registered office of the Resulting Company from the State to Gujarat to the State of Andhra Pradesh was made pursuant to the 'Certificate of Registration

of the Order of Court Confirming Transfer of the Registered Office from one state to another' dated June 12, 2002 based on the order passed by the Company Law Board, Mumbai dated March 26, 2002.

b. The share capital of the Resulting Company as of March 29, 2016 and as on November 11, 2016 is as under:

Particulars	Amount (₹)
Authorised Share Capital	
70,00,000 Equity Shares of ₹10 each	7,00,00,000
18,00,000 1% Cumulative Redeemable Preference Shares of ₹100 each	18,00,00,000
Total	**25,00,00,000**
Issued, Subscribed and Fully Paid-up Share Capital	
10,00,000 Equity Shares of ₹10 each	**1,00,00,000**
Total	**1,00,00,000**

c. The Applicant (along with its nominees) holds the entire equity share capital of the Resulting Company. The Resulting Company is engaged in the business of, *inter alia*, manufacturing and trading of ammonium nitrate and weak nitric acid. The Resulting Company has its manufacturing facility at Srikakulam in the State of Andhra Pradesh.

d. The main objects of the Resulting Company, in the Memorandum of Association, are *inter alia* as under:

i. To *carry on the business of manufacturing, buying, selling acquiring, marketing, processing, transporting,, distributing, supplying, importing, exporting or otherwise dealing in all kinds of organic and in-organic chemicals, heavy chemicals, petrochemicals, explosives, compounds and products of any nature or kind whatsoever including derivatives, mixtures, bye products and products thereof.*

ii. To carry the business of manufacturing, buying, selling, acquiring, marketing, processing, transporting, distributing, supplying, importing, exporting or otherwise dealing in all kinds of fertilisers, chemicals, heavy chemicals, acids, alkalies, agro chemicals, guanos, manures, mixtures, phosphorous, rocks, phosphate-deposits, lime, marl, bones, minerals, coke, gypsum, bauxite, salt, sulphur and by-products and derivatives thereof.

2. RATIONALE OF THE SCHEME

2.1. The Applicant Company has multiple large business verticals, three prominent verticals being Industrial Chemicals ("IC"), Technical Ammonium Nitrate ("TAN") and Fertilisers ("Fertiliser"). While TAN and Fertiliser business verticals have inter-linkages in the form of use of common raw materials and similarity of select manufacturing processes, the IC business is relatively independent of such process commonalities. Internationally, there are instances of TAN and Fertiliser businesses being housed together as select production capacities are interchangeable and TAN can also be potentially used as a fertiliser. The complementary seasonality of the two businesses also helps in maintaining steady level of operations.

2.2. Each of the varied businesses being carried on by the Applicant Company (either by itself or through strategic investments in subsidiaries) including TAN, Fertiliser, IC, real estate and power have potential for sustainable profitable growth and also capable of attracting a different set of investors, strategic partners and knowhow providers to scale up the size and operations. Additionally, in order to enable investors to choose the business of their liking and priority of portfolio in the event of such a possibility arising, the Transferor Company proposes to reorganize and segregate its TAN Business and Fertiliser Business into a separate company.

2.3. TAN Business and Fertilisers Business verticals have reached stability of size and presence in market and now sufficiently poised to pursue their respective growth in the realm of changing economic environment.

2.4. Each business vertical gets the requisite management focus and autonomy to pursue the possibilities of expansion and growth.

2.5. Consolidation of the TAN Business in terms of the Scheme will provide synergistic integration to the Resulting Company's operations, which in turn will streamline its management, assist in achieving optimum utilization of resources and bring in better operational efficiency, which are currently posing a challenge in terms of untapped economies of scale.

2.6. The proposed arrangement would result in greater economies of scale and will provide a larger and stronger base for potential future growth.

2.7. The Applicant Company will continue to retain control of the TAN Business and Fertiliser Business by virtue of this Scheme.

2.8. The proposed arrangement is likely to assist in significantly optimising the values and synergies of the independent and combined TAN Business and Fertiliser Business for the benefit of all their respective stakeholders.

3. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are as follows:

3.1. **Key Definitions**

"Appointed Date" means January 01, 2015, or such other date as may be directed by the High Court(s) and is the date with effect from which the Scheme shall upon sanction of the same by the High Court(s), be deemed to be operative;

"Demerged Undertakings" means 'TAN Undertaking' and 'Fertiliser Undertaking' (transferred to SCM Fertichem by DFPCL upon Slump Exchange in terms of Part III of this Scheme) taken together, which shall be transferred and vested with Smartchem upon demerger by SCM Fertichem in terms of Part IV of this Scheme;

"Effective Date" means such date as DFPCL, SCM Fertichem and Smartchem mutually agree being the last of the dates on which all the conditions and matters referred to in clause 43 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'upon this Scheme becoming effective' or 'upon this Scheme coming into effect' shall mean the Effective Date;

"**Fertiliser Undertaking"** has been defined in the Scheme which is annexed hereto;

"Remaining Business of SCM Fertichem" means all the divisions, business and operations of SCM Fertichem other than the Demerged Undertakings and their respective business and operations;

"Residual Business" shall mean all businesses undertaken by DFPCL other than the Fertiliser Business and the TAN Business;

"Residual Undertaking of DFPCL" shall mean all the assets, business and operations of DFPCL other than the Transferred Undertakings;

"TAN Undertaking" has been defined in the Scheme which is annexed hereto; and

"Transferred Undertakings" shall mean 'TAN Undertaking' and 'Fertiliser Undertaking' taken together, which shall be transferred to SCM Fertichem by DFPCL upon Slump Exchange in terms of Part III of this Scheme.

Part III

3.2**. Transfer of the TAN Undertaking and Fertiliser Undertaking by way of Slump Exchange**

3.2.1. With effect from the Appointed Date the assets, properties, liabilities, contracts, employees of the Transferred Undertakings shall without any further act, instrument or deed, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act or the corresponding provisions of the Companies Act 2013, shall stand transferred to SCM Fertichem, as a going concern, by way of Slump Exchange, subject to existing charges or lispendens, if any, thereon.

3.2.2. The employees of the Transferor Company in relation to the Transferred Undertakings and who are in such employment on the Effective Date shall become employees of the Transferee Company on same terms and conditions which shall be no less favorable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of transfer and vesting of Transferred Undertakings.

3.2.3. The listed secured Non-Convertible Debentures of the value of ₹ 230.48 crores as on the Appointed Date attributable to the Transferred Undertakings shall remain in DFPCL, provided however that SCM Fertichem shall be liable to pay to DFPCL the amount payable with respect to such debentures.

3.3. **Consideration for Slump Exchange**

3.3.1. Upon the Scheme coming into effect and upon transfer and vesting of the Transferred Undertakings of the Transferor Company into the Transferee Company pursuant to the Slump Exchange, the Transferee Company shall discharge the lump sum consideration of ₹ 743,00,00,000 (Rupees seven hundred forty three crores only) payable by it to DFPCL by issue of 1,60,00,000 (One crore sixty lacs only) equity shares of ₹ 10 each (face value).

3.3.2. Part III of the Scheme also includes provisions dealing with transfer of the assets, liabilities, agreements, employees, legal proceedings and accounting treatment in the books of Transferor Company and the Transferee Company.

Part IV

3.4. **Demerger of TAN Undertaking and Fertiliser Undertaking**

With effect from the Appointed Date the assets, properties, liabilities, contracts, employees the Transferred Undertakings shall without any further act, instrument or deed, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act or the corresponding provisions of the Companies Act 2013 and soon after Part III of the Scheme coming into effect, with effect from the Appointed Date, the said Transferred Undertakings (which hereafter for the purpose of this Part is referred to as the Demerged Undertakings) shall be transferred to Smartchem, on a going concern and "as-is-where-is" basis, by way of demerger in accordance with Section 2(19AA) of the Income Tax Act without any further act, instrument or deed subject to pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance, if any, thereon.

3.5. **Consideration for Demerger**

3.5.1. Upon the Scheme coming into effect and upon transfer and vesting of the Demerged Undertakings pursuant to the Demerger, Smartchem shall, without any further application or deed, issue and allot equity shares to the shareholders of SCM Fertichem as per the Share Entitlement Ratio of 1:1 i.e. for every 1 (one) fully paid equity share of ₹10 each held by such shareholder in SCM Fertichem, the holders thereof shall receive 1 (one) fully paid up equity share of Smartchem of ₹10 each, ranking paripassu in all respects with the existing equity shares of Smartchem.

3.5.2. Accordingly, Smartchem shall issue 1,60,50,000 equity shares of fair value of ₹1,568 per share to the shareholders of SCM Fertichem as consideration for Demerger.

3.6. Part IV of the Scheme also includes provisions dealing with transfer of the assets, liabilities, employees, legal proceedings and accounting treatment in the books of Demerged Company and the Resulting Company. Further, Part IV of the Scheme also includes provisions for the conduct of the business of Demerged Company till the Scheme comes into effect from the Appointed Date and up to and including the Effective Date.

3.7. The Scheme is conditional upon and subject to:

a. The Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of DFPCL, SCM Fertichem and Smartchem as required under the Act or the Companies Act 2013, as may be directed by the Hon'ble High Court of Judicature at Bombay ;

b. Such other approvals and sanctions including sanction of any governmental authority, as may be required by law or contract in respect of the Scheme;

c. The sanction accorded to the Scheme by the Hon'ble High Court of Judicature at Bombay; and

d. Such certified/authenticated copy of the sanctioned order being filed with the concerned Registrar of Companies.

3.8. The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date. It is clarified that sequentially the Scheme shall come into effect Part-wise i.e. Part III and followed by Part IV.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

4. Corporate Approvals

a. In accordance with the provisions of SEBI circular bearing No. CIR/CFD/CMD/16/2015 dated November 30, 2015, the Audit Committee of the Applicant Company on March 29, 2016 recommended the Scheme to the Board of Directors

of the Applicant Company *inter alia*, taking into account i) certificate dated March 29 2016 issued by M/s HMA & Associates, Independent Chartered Accountants, certifying the value of assets and liabilities of TAN Undertaking and Fertiliser Undertaking as on 31st December, 2014 ("CA Certificate"), ii) the entitlement ratio report dated March 29, 2016 prepared by M/s Sharp & Tannan, independent chartered accountants ("Entitlement Ratio Report") and iii) the fairness opinion, dated March 29, 2016, provided by J. M. Financial Institutional Securities Ltd., an independent merchant banker providing the Fairness Opinion on the Share Entitlement Ratio as mentioned in the report issued by M/s Sharp & Tannan, Independent Chartered Accountants ("Fairness Opinion"). On the basis of its evaluation and independent judgment, the Audit Committee has approved and recommended the Scheme to the Board of Directors of the Applicant Company.

b. The Board of Directors of the Applicant Company, at their meeting dated March 29, 2016 took into account the CA Certificate, Entitlement Ratio Report, Fairness Opinion and the recommendation of the Audit Committee of the Applicant Company. Based on these documents and after considering the Scheme, the Board of Directors of the Applicant Company had, at its meeting held on March 29, 2016, approved the Scheme.

c. Separately, the Board of Directors of the Transferee Company and the Resulting Company has, at its meeting held on March 29, 2016, approved the Scheme.

5. Approvals

a. The Applicant Company has received observation letters regarding the Scheme from BSE Limited and from National Stock Exchange of India Limited on July 18, 2016. In terms of the observation letters BSE Limited and National Stock Exchange of India Limited conveyed their no adverse observations/no objection for filing the Scheme with the Hon'ble High Court of judicature at Bombay.

b. As required by the SEBI Circular, the Applicant Company has filed the Complaints Reports with BSE Limited and National Stock Exchange of India Limited on June 20, 2016 and with National Stock Exchange of India Limited on June 23, 2016. This report indicates that the Applicant Company received NIL complaints.

6. Other Matters

a. The financial position of the Applicant Company will not be adversely affected by the Scheme. The Applicant Company will be able to meet and pay its debts as and when they arise and become due in the ordinary course of business. The rights and interests of the members and the creditors (secured and unsecured) including the secured non-convertible debenture holders of the Applicant Company will not be prejudiced by the Scheme. No sacrifice or waiver is at all called from the creditors of the Applicant Company by the Scheme.

b. No investigation proceedings have been instituted or are pending in relation to the Applicant Company under Sections 235 to 251 of the Companies Act, 1956 and under Sections 210 to 229 of Chapter XIV of the Companies Act, 2013. No winding up petitions have been admitted or filed against the Applicant Company as far as the Applicant Company is aware.

c. The details of the present directors and the key managerial personnel of the Applicant Company are as follows:

Sl. No.	Name	Designation	Date of Appointment	Age (in years)
	Directors			
1.	Shri Sailesh Chimanlal Mehta	Chairman & Managing Director	1st August 2008	55
2.	Shri Partha Bhattacharyya	Director	31st October 2012	65
3.	Shri Rajendra Ambalal Shah	Director	11th February 2015	86
4.	Shri Dipankar Basu	Director	27th July 2000	81
5.	Shri Naresh Chand Singhal	Director	25th March 1997	80
6.	Shri Urmilkumar P. Jhaveri	Director	21st October 2004	70
7.	Shri Sewak Ram Wadhwa	Director	17th July 2006	81
8.	Dr. Rama Sankaranarayana Iyer	Director	29th July 2008	77
9.	Smt. Parul Sailesh Mehta	Director	20th October 2005	51

Sl. No.	Name	Designation	Date of Appointment	Age (in years)
10.	Shri Anil Sachdev	Director	23rd October 2008	62
11.	Shri Pranay Dhansukhlal Vakil	Director	25th May 2010	69
	KMP			
1.	Shri Vipin Agarwal	Chief Financial Officer	22nd January 2016	52
2.	Shri K. Subharaman	Company Secretary	12th August 2016	56

d. The details of the present directors and key managerial personnel of the Transferee Company are as follows:

Sl. No.	Name	Designation	Date of Appointment	Age (in years)
1.	Shri Somnath A Patil	Director	10th October 2012	60
2.	Shri Deepak A. Desai	Director	10th October 2012	63
3.	Shri Ashok P Shah	Director	10th October 2012	60

e. The details of the present directors and key managerial personnel of the Resulting Company are as follows:

Sl. No.	Name	Designation	Date of Appointment	Age (in years)
1.	Shri Sailesh Chimanlal Mehta	Director	10th February 2000	55
2.	Shri Sewak Ram Wadhwa	Director	14th July 2007	81
3.	Shri Urmilkumar P. Jhaveri	Director	10th February 2015	70
4.	Dr. Tapan Kumar Chatterjee	Director	5th June 2000	65
5.	Shri Raghuraman Sriraman	Director	3rd May 2004	63
6.	Shri Madhumilan P Shinde	Director	4th April 2013	61
	KMP			
1.	Shri Nandan Shah	Company Secretary	28th January 2014	33

f. None of the Directors, the Key Managerial Personnel (as defined under the Companies Act, 2013 and rules formed thereunder) of the Applicant Company and their respective relatives (as defined under the Companies Act, 2013 and rules formed thereunder) have any interest in the Scheme except to the extent of equity shares held by them in the Applicant Company. The effect of the Scheme on the interests of the Directors and Key Managerial Personnel and their relatives, is not different from the effect of the Scheme on other shareholders of the Applicant Company. The details of the shareholding of the Directors, Key Managerial Personnel and their relatives as on November 11, 2016 is as follows:

S. No	Name	No. of shares held in Applicant Company	No. of Shares held in Transferee Company	No. of Shares held in Resulting Company
	Deepak Fertilisers And Petrochemicals Corporation Limited			
1	Shri Sailesh Chimanlal Mehta	2,12,84,506	1*	--
2	Shri Partha Bhattacharyya	--	--	--
3	Shri Rajendra Ambalal Shah	37,800	--	--
4	Shri Dipankar Basu	--	--	--
5	Shri Naresh Chand Singhal	--	--	--
6	Shri Urmilkumar P. Jhaveri	400	--	--
7	Shri Sewak Ram Wadhwa	1,000	--	--
8	Dr. Rama Sankaranarayana Iyer	15,000	--	--
9	Smt. Parul Sailesh Mehta	40,45,226	1*	--

S. No	Name	No. of shares held in Applicant Company	No. of Shares held in Transferee Company	No. of Shares held in Resulting Company
10	Shri Anil Sachdev	--	--	--
11	Shri Pranay Dhansukhlal Vakil	4,475	--	--
	KMP of DFPCL			
12	Shri Vipin Agarwal	--	--	--
13	Shri K. Subharaman	--	--	--
	SCM Fertichem Limited			
14	Shri Somnath A Patil	--	1*	--
15	Shri Deepak A Desai	81,000	--	1#
16	Shri Ashok P Shah	--	--	1#
	Smartchem Technologies Limited			
17	Shri Sailesh Chimanlal Mehta	2,12,84,506	--	--
18	Shri Sewak Ram Wadhwa	1,000	--	--
19	Shri Urmilkumar P. Jhaveri	400	--	--
20	Dr. Tapan Kumar Chatterjee	--	--	1#
21	Shri Raghuraman Sriraman	--	1*	1#
22	Shri Madhumilan P Shinde	--	--	--
	KMP of Smartchem			
23	Shri Nandan Shah	1	--	--

* Deepak Fertilisers And Petrochemicals Corporation Limited is the Beneficial Owner.

\# Deepak Fertilisers And Petrochemicals Corporation Limited is the Beneficial Owner.

g. The pre and post Scheme shareholding pattern of the Applicant Company shall remain unchanged and is attached to this Notice. The Transferee Company and the Resulting Company shall remain wholly owned subsidiaries of the Applicant Company post Scheme. The pre Scheme shareholding pattern of the Transferee Company and the Resulting Company is disclosed in clause 1.2 and 1.3 above.

h. The post Scheme issued and paid up share capital of the Transferee Company (after considering Clause 33.3 of the Scheme) is as under:

Particulars	Amount (₹)
Issued, Subscribed and Fully Paid-up Share Capital	
50,000 Equity Shares of ₹10/- each	500,000
Total	**500,000**

i. The post Scheme issued and paid up share capital of the Resulting Company is as under:

Particulars	Amount (₹)
Issued, Subscribed and Fully Paid-up Share Capital	
1,70,50,000 Equity Shares of ₹10/- each	170,500,000
Total	**170,500,000**

j. On the Scheme being approved by the requisite majority of the shareholders, the Applicant Company shall file a petition with the Hon'ble High Court of Judicature at Bombay for sanction of the Scheme under the provisions of Section 391 to 394 and other applicable provisions of the Act.

7. Inspection Documents

a. The following documents will be open for inspection by the members of the Applicant Company at its Registered Office/Corporate Office at11.00 a.m. to 01.00 p.m. on all working days except Saturdays, Sundays and public holidays, one day prior to the date of the meeting and at the venue of the meeting on Thursday, December 15, 2016 at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune – 411007 from 11:00 AM upto the conclusion of the meeting:

(i) Copy of the order passed by the Hon'ble High Court of Judicature at Bombay in Company Summons for Direction No. 866 of 2016, dated October 27, 2016 directing the Applicant Company to convene the meeting of Equity Shareholders;

(ii) Copy of the Scheme of Arrangement;

(iii) Copy of the Company Summons for Directions No. 866 of 2016;

(iv) Memorandum of Association and Articles of Association of the Applicant Company, the Transferee Company and the Resulting Company;

(v) Annual reports of the Applicant Company, the Transferee Company and the Resulting Company for the last three financial years ended March 31, 2014, 2015 and 2016;

(vi) Register of Directors' Shareholding of the Applicant Company;

(vii) Copy of the certificate dated March 29 2016 issued by M/s HMA & Associates, Independent Chartered Accountants, certifying the value of assets and liabilities of TAN Undertaking and Fertiliser Undertaking as on 31st December, 2014;

(viii) Copy of the fairness opinion, dated March 29, 2016, issued by JM Financial Institutional Securities Limited;

(ix) Copy of the Entitlement Ratio Report dated March 29, 2016, issued by Sharp & Tannan;

(x) Copy of Valuation Report of Smartchem dated March 29, 2016 issued by Sharp & Tannan certifying per share value of Smartchem;

(xi) Copy of the complaints report, dated 20 June, 2016, submitted by the Applicant Company to BSE Limited and National Stock Exchange of India Limited;

(xii) Copy of the complaints report, dated 23 June, 2016, submitted by the Applicant Company to National Stock Exchange of India Limited;

(xiii) Copy of the Audit Committee Report dated March 29, 2016 of the Applicant Company;

(xiv) Copies of the resolutions passed by the respective Board of Directors of the Applicant Company, the Transferee Company and the Resulting Company dated March 29, 2016 approving the Scheme; and

(xv) Copy of the no adverse observations/no-objection letters issued by BSE Limited and by National Stock Exchange of India Limited dated July 18, 2016, to the Applicant Company.

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956 and Section 102 of the Companies Act, 2013.

A copy of the Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge during business hours i.e. 10.00 a.m. to 5.00 p.m. from the registered office / corporate office of the Applicant Company on all days (except Saturdays, Sundays and public holidays) and the same can also be downloaded from the website of the Company i.e.www.dfpcl.com

Sd/-
S.C. Mehta
Chairperson appointed for the Meeting

Dated this 16th Day of November, 2016
Place: Mumbai
Registered Office: Opposite Golf Course, Shastri Nagar,
Yerawada, Pune, Maharashtra – 411006
CIN: L24121MH1979PLC021360

SCHEME OF ARRANGEMENT

(UNDER SECTIONS 391 TO 394 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013)

AMONGST

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

AND

SCM FERTICHEM LIMITED

AND

SMARTCHEM TECHNOLOGIES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

DESCRIPTION OF COMPANIES

A. Deepak Fertilisers And Petrochemicals Corporation Limited (CIN:L24121MH1979PLC021360) is a listed public company limited by shares, incorporated on 31st May, 1979 under the provisions of the Companies Act, 1956 and is having its registered office at Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra - 411006 (**"DFPCL"** or **"Transferor Company"**). 50.99% shares of DFPCL are held by its promoter and promoter group and rest 49.01% shares are held by public. Equity shares of DFPCL are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). DFPCL is engaged in the business of, inter alia, manufacturing & selling of fertilisers (**"Fertiliser Business"**), technical ammonium nitrate (**"TAN Business"**), bulk chemicals, mining chemical, generation and distribution of power and value added real estate.

B. SCM Fertichem Limited (CIN: U24211PN2012PLC145023) is an unlisted public company limited by shares, incorporated on 10th October, 2012 under the provisions of the Companies Act, 1956 and is having its registered office at Deepak Complex, Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra- 411006 (**"SCM Fertichem"** or **"Transferee Company"** or **"Demerged Company"**). SCM Fertichem has been incorporated for, inter alia, manufacturing & trading of fertilisers, petroleum & their by-products. DFPCL (along with its nominees) holds the entire equity share capital of SCM Fertichem.

C. Smartchem Technologies Limited (CIN: U67120PN1987PLC166034) is an unlisted public company limited by shares, incorporated on 21st January, 1987 under the provisions of the Companies Act, 1956 and is having its registered office at Sai Hira, Survey No. 93, Mundhwa, Pune, Maharashtra – 411036 (**"Smartchem"** or **"Resulting Company"**). Smartchem is engaged in the business of, inter alia, manufacturing and trading of ammonium nitrate and weak nitric acid. Smartchem has its manufacturing facility at Srikakulam in the State of Andhra Pradesh. DFPCL (along with its nominees) holds the entire equity share capital of Smartchem.

RATIONALE

A. This Scheme of Arrangement is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the companies, their respective shareholders, lenders and employees. The rationale for the Scheme is set out below:

(i) DFPCL has multiple large business verticals, three prominent verticals being Industrial Chemicals (**"IC"**), Technical

Ammonium Nitrate ("TAN") and Fertilisers ("Fertiliser"). While TAN and Fertiliser business verticals have inter-linkages in the form of use of common raw materials and similarity of select manufacturing processes, the IC business is relatively independent of such process commanalities. Internationally, there are instances of TAN and Fertiliser businesses being housed together as select production capacities are interchangeable and TAN can also be potentially used as a fertiliser. The complementary seasonality of the two businesses also helps in maintaining steady level of operations.

(ii) Each of the varied businesses being carried on by DFPCL (either by itself or through strategic investments in subsidiaries) including TAN, Fertiliser, IC, Real Estate and Power have potential for sustainable profitable growth and also capable of attracting a different set of investors, strategic partners and knowhow providers to scale up the size and operations. Additionally, in order to enable investors to choose the business of their liking and priority of portfolio in the event of such a possibility arising, DFPCL proposes to reorganize and segregate its TAN Business and Fertiliser Business into a separate company.

(iii) TAN and Fertilisers business verticals have reached stability of size and presence in market and now sufficiently poised to pursue their respective growth in the realm of changing economic environment.

(iv) Each business vertical gets the requisite management focus and autonomy to pursue the possibilities of expansion and growth.

(v) Consolidation of the TAN Business in terms of the Scheme will provide synergistic integration to Smartchem's operations, which in turn will streamline its management, assist in achieving optimum utilization of resources and bring in better operational efficiency, which are currently posing a challenge in terms of untapped economies of scale.

(vi) The proposed arrangement would result in greater economies of scale and will provide a larger and stronger base for potential future growth.

(vii) DFPCL will continue to retain control of the TAN Business and Fertiliser Business by virtue of this Scheme.

(viii) The proposed arrangement is likely to assist in significantly optimising the values and synergies of the independent and combined TAN & Fertiliser businesses for the benefit of all their respective stakeholders.

B. Consequently, the respective Board of Directors (defined below) of DFPCL, SCM Fertichem and Smartchem after a detailed consideration, have propounded this Scheme and have accordingly proposed the Slump Exchange (defined below) and consequent Demerger (defined below) of the TAN Business and the Fertiliser Business as an integral and indivisible part of the Scheme.

GENERAL

This Scheme is divided into the following parts:

(i) **Part I,** provides for the definitions and interpretations;

(ii) **Part II,** provides for the capital structure of DFPCL, SCM Fertichem and Smartchem;

(iii) **Part III,** provides for the transfer and vesting of Transferred Undertakings (defined below) of DFPCL to SCM Fertichem by way of Slump Exchange, discharge of consideration, accounting treatment, increase in authorised share capital and matters incidental thereto;

(iv) **Part IV,** provides for the transfer and vesting of Demerged Undertakings (defined below) of SCM Fertichem to Smartchem by way of Demerger, discharge of consideration, accounting treatment, increase in authorised share capital and matters incidental thereto;

(v) **Part V,** deals with the general terms and conditions applicable to this Scheme.

PART I- DEFINITIONS AND INTERPRETATION

1. **DEFINITIONS AND INTERPRETATION**

1.1 In the Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings given against them:

"1956 Act" means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any

alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"2013 Act" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"Applicable Law" shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;

"Appointed Date", means January 01, 2015, or such other date as may be directed by the High Court(s) and is the date with effect from which the Scheme shall upon sanction of the same by the High Court(s), be deemed to be operative;

"Appropriate Authority" means any Governmental, statutory, departmental or public body or authority, including National Company Law Tribunal, the jurisdictional High Court(s), as may be relevant in the context;

"Board of Directors" or **"Board"** in relation to DFPCL, SCM Fertichem and Smartchem, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the arrangement, Scheme and/or any other matter relating thereto;

"Demerged Undertakings" means 'TAN Undertaking' and 'Fertiliser Undertaking' (transferred to SCM Fertichem by DFPCL upon Slump Exchange in terms of Part III of this Scheme) taken together, which shall be transferred and vested with Smartchem upon demerger by SCM Fertichem in terms of Part IV of this Scheme;

"Demerger" means transfer and vesting of Demerged Undertakings from SCM Fertichem to Smartchem in terms of Section 2(19AA) of the Income Tax Act, 1961, as provided in Part IV of the Scheme;

"DFPCL" or **"Transferor Company"** means Deepak Fertilisers And Petrochemicals Corporation Limited, a public company limited by shares, incorporated on 31st May, 1979 under the provisions of the Companies Act, 1956 and having its registered office at Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra- 411006;

"Effective Date" means such date as DFPCL, SCM Fertichem and Smartchem mutually agree being the last of the dates on which all the conditions and matters referred to in clause 43 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'upon this Scheme becoming effective' or 'upon this Scheme coming into effect' shall mean the Effective Date;

"Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "Encumbered" shall be construed accordingly;

"Fertiliser Undertaking" shall mean the entire Fertiliser Business of DFPCL including business and operations pertaining to fertiliser manufacturing and related facilities located at (i) Taloja and Pune, Maharashtra (ii) Jawaharlal Nehru Port, Maharashtra and (iii) Panipat, Haryana and its marketing & corporate office(s), on a going concern basis, and comprising of, inter alia, all the assets and liabilities which relate to the Fertiliser Business, including (without limitation) the following:

(a) all assets and properties wherever located, whether real, tangible or intangible (whether or not recorded in books), present or future, actual or contingent, exclusively used or held, by DFPCL pertaining to Fertiliser Business, including but not limited to all immovable properties of DFPCL used for the Fertilizer Business, structures and buildings constructed thereon, any tenancies in relation to land and buildings, assets and liabilities set out in Schedule 1, parking rights, title, rights, interests, benefits, and documents of title, rights or interest and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such land and all other rights including rights arising under contracts in connection with such immovable properties, equipments, fixed assets, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, advances and deposits with any Governmental Authority or others, loans, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, all types of stocks including work-in-process, cash, balances with banks, cheques, bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, investments and other funds along with accrued interest thereon and benefits attached thereto, pertaining to Fertiliser Business;

(b) all debts, liabilities, loans, guarantees, forward contract liability, assurances, commitments, duties and obligations

of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to Fertiliser Business;

(c) all contracts including material contracts/agreements, agreements, licenses, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature to which DFPCL is a party, exclusively relating to Fertiliser Business or otherwise identified to be for the benefit of the same;

(d) all intellectual property rights including registered intellectual property rights, registered trademarks (as mentioned in Schedule 2), trade names, copyrights, patents, designs, all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names and applications relating thereto, goodwill, technical knowhow and trade secrets exclusively used by or held for use by DFPCL pertaining to Fertiliser Business, whether or not registered, owned or licensed, including any form of intellectual property which is in progress;

(e) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, claims, registrations, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, including tenancy rights in relation to offices and residential properties, permissions, if any, privileges and similar rights, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any Governmental or semi-Governmental Authority or any department, commission, board, agency, bureau, official or other statutory, regulatory, local, administrative or judicial authority including but not limited to the relevant licenses, electricity, water supply and environment related approvals and connections, telephone, broadband, wireless and other communication systems and equipments related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, permits, consents, no-objections and approvals, pending applications for consents, renewals or extension exclusively relates to or used or held for use by DFPCL pertaining to Fertiliser Business;

(f) all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax, goods and service tax, as applicable and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, all other direct tax benefit/ exemptions/ deductions, sales tax deferrals, to the extent statutorily available to DFPCL pertaining to Fertiliser Business, along with associated obligations;

(g) all employees of DFPCL, whether permanent or temporary, including employees/personnel engaged on contract basis and contract labourers, apprentices, interns/ trainees, both on-shore and offshore, as are primarily engaged in or in relation to Fertiliser Business, at its respective offices, branches etc., and any other employees/personnel and contract labourers, apprentices, interns/trainees hired by DFPCL after the date hereof who are primarily engaged in or in relation to Fertiliser Business and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes, funds or benefits existing for the benefit of such employees of DFPCL, together with such of the investments made by these funds, which are referable to such employees of DFPCL pertaining to Fertiliser Business;

(h) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against DFPCL or proceedings or investigations to which DFPCL is party to, that pertain to Fertiliser Business, whether pending/ongoing as on the Appointed Date or which may be instituted any time in the future;

(i) all taxes, duties, cess, levies etc., that are allocable, referable or related to Fertiliser Business, including all or any refunds, interest due thereon, credits and claims relating thereto, including service tax, input credits, CENVAT credits, value added tax, sales tax, goods and service tax, as applicable, entry tax credits or set-offs and any other tax benefits, exemptions and refunds and other benefits, payment deferrals, subsidies, concessions, grants; and

(j) all books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former credit, whether in physical or electronic form, pertaining to Fertiliser Business.

"Governmental Authority" means any applicable central, state or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, statutory body or stock exchange, including but not limited to the Reserve Bank of India ("RBI") or any other org anization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;

"High Court(s)" means the concerned High Court(s) having jurisdiction over the Transferor Company, the Transferee Company and the Resulting Company and shall include the National Company Law Tribunal, if and as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the 1956 Act or the 2013 Act, as applicable;

"Income Tax Act" means the Income Tax Act, 1961, including any amendments made therein or statutory modifications or re-enactments thereof for the time being in force;

"Registrar of Companies" means the Registrar of Companies, at Pune and/or at Hyderabad, as relevant in the context;

"Remaining Business of SCM Fertichem" means all the divisions, business and operations of SCM Fertichem other than the Demerged Undertakings and their respective business and operations;

"Residual Business" shall mean all businesses undertaken by DFPCL other than the Fertiliser Business and the TAN Business;

"Residual Undertaking of DFPCL" shall mean all the assets, business and operations of DFPCL other than the Transferred Undertakings;

"Scheme", "the Scheme", "this Scheme" means this Scheme of Arrangement in its present form submitted to the High Court(s) or any other Appropriate Authority in the relevant jurisdictions with any modification(s) thereto as the High Court(s) or any other Appropriate Authority may require, direct or approve;

"SCM Fertichem" or "Transferee Company" or "Demerged Company" means SCM Fertichem Limited, an unlisted public company limited by shares, incorporated on 10th October, 2012 under the provisions of the Companies Act, 1956 and having its registered office at Deepak Complex, Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra- 411006;

"SEBI Circular" means the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India and all applicable circulars and regulations issued by SEBI in this respect;

"Slump Exchange" means the transfer and vesting of the Transferred Undertakings of DFPCL into SCM Fertichem on a going concern and "as-is-where-is" basis for a lump sum consideration, without values being assigned to the individual assets and liabilities, in terms of Part III of the Scheme;

"Smartchem" or "Resulting Company" means Smartchem Technologies Limited, an unlisted public company limited by shares, incorporated on 21st January, 1987 under the provisions of the Companies Act, 1956 and having its registered office at Sai Hira, Survey No. 93, Mundhwa, Pune, Maharashtra – 411036. Pursuant to the issue of the certificate of registration of regional director order for change of state by the Registrar of Companies, Pune, dated August 17, 2016, the registered office of Smartchem has changed from the State of Andhra Pradesh to the State of Maharashtra;

"TAN Undertaking" shall mean the entire TAN Business of DFPCL including business and operations pertaining to TAN manufacturing and related facilities located at (i) Taloja and Pune, Maharashtra, (ii) Jawaharlal Nehru Port, Maharashtra and (iii) Paradeep and its marketing & corporate office(s), on a going concern basis, and comprising of, inter alia, all the assets and liabilities which relate thereto, or are necessary therefore ("TAN Business") which includes (without limitation) the following:

(a) all assets and properties wherever located, whether real, tangible or intangible (whether or not recorded in books), present or future, actual or contingent, exclusively used or held, by DFPCL pertaining to TAN Business, including but not limited to all immovable properties of DFPCL used for the TAN Business, structures and buildings constructed thereon, any tenancies in relation to land and buildings, assets and liabilities set out in Schedule 3 parking rights, title, rights, interests, benefits and documents of title, rights or interest and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such land and all other rights including rights arising under contracts in connection with such immovable properties, equipments, fixed assets, capital

work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, advances and deposits with any Governmental Authority or others, loans, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, all types of stocks including work-in-process, cash, balances with banks, cheques, bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, investments and other funds along with accrued interest thereon and benefits attached thereto, pertaining to TAN Business;

(b) all debts, liabilities, loans, guarantees, forward contract liability, assurances, commitments, duties and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to TAN Business;

(c) all contracts including material contracts/agreements, agreements, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature to which DFPCL is a party, exclusively relating to TAN Business or otherwise identified to be for the benefit of the same;

(d) all intellectual property rights including registered intellectual property rights, registered trademarks (as mentioned in Schedule 4), trade names, copyrights, patents, designs, all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names and applications relating thereto, goodwill, technical knowhow and trade secrets exclusively used by or held for use by DFPCL pertaining to TAN Business, whether or not registered, owned or licensed, including any form of intellectual property which is in progress;

(e) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, claims, registrations, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies including tenancy rights in relation to offices and residential properties, permissions, if any, privileges and similar rights, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any Governmental or semi-Governmental Authority or any department, commission, board, agency, bureau, official or other statutory, regulatory, local, administrative or judicial authority including but not limited to the relevant licenses, electricity, water supply and environment related approvals and connections, telephone, broadband, wireless and other communication systems and equipment related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, permits, consents, no-objections and approvals, pending applications for consents, renewals or extension exclusively relates to or used or held for use by DFPCL pertaining to TAN Business.;

(f) all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, VAT, sales tax, goods and service tax, as applicable and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, all other direct tax benefit/ exemptions/ deductions, sales tax deferrals, to the extent statutorily available to DFPCL pertaining to TAN Business, along with associated obligations;

(g) all employees of DFPCL, whether permanent or temporary, including employees/personnel engaged on contract basis and contract labourers, apprentices, interns/ trainees, both on-shore and offshore, as are primarily engaged in or in relation to TAN Business, at its respective offices, branches etc., and any other employees/personnel and contract labourers, apprentices, interns/trainees hired by DFPCL after the date hereof who are primarily engaged in or in relation to TAN Business and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes, funds or benefits existing for the benefit of such employees of DFPCL, together with such of the investments made by these funds, which are referable to such employees of DFPCL;

(h) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against DFPCL or proceedings or investigations to which DFPCL is party to, that pertain to TAN Business, whether pending/ongoing as on the Appointed Date or which may be instituted any time in the future;

(i) all taxes, duties, cess, levies etc., that are allocable, referable or related to TAN Business, including all or any refunds,

interest due thereon, credits and claims relating thereto, including service tax, input credits, CENVAT credits, value added tax, sales tax, goods and service tax, as applicable, entry tax credits or set-offs and any other tax benefits, exemptions and refunds, payment deferrals, subsidies, concessions, grants; and

(j) all books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, pertaining to TAN Business.

"Transferred Undertakings" shall mean 'TAN Undertaking' and 'Fertiliser Undertaking' taken together, which shall be transferred to SCM Fertichem by DFPCL upon Slump Exchange in terms of Part III of this Scheme.

1.2 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Act or the 2013 Act, as applicable, the Income Tax Act, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

1.3 In this Scheme, unless the context otherwise requires:

(a) words denoting singular shall include plural and vice versa;

(b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

(c) references to the word "include" or "including" shall be construed without limitation;

(d) a reference to an article, clause, section or paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme;

(e) unless otherwise defined, the reference to the word "days" shall mean calendar days;

(f) references to dates and times shall be construed to be references to Indian dates and times;

(g) reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and

(h) references to a person include any individual, firm, body corporate (whether incorporated or not), Government, state or agency of a state or any joint venture, association, partnership, works councillor employee representatives body (whether or not having separate legal personality).

(i) references to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.

(j) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

(k) any reference to any statute or statutory provision shall include:

(i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

(ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

PART II – SHARE CAPITAL

2. **SHARE CAPITAL**

2.1. *DFPCL*

The share capital of DFPCL as on 15th March, 2016 is as under:

Authorised Share Capital	**Amount (₹)**
12,50,00,000 Equity Shares of ₹10 each	125,00,00,000
10,00,000 Cumulative Redeemable Preference Shares of ₹100 each	10,00,00,000
Total	**135,00,00,000**

Issued, Subscribed and Fully Paid Up Share Capital	**Amount (₹)**
8,82,04,943 Equity Shares of ₹10 each	88,20,49,430
Total	**88,20,49,430**

Thereafter, there has been no change in authorised, issued, subscribed and paid up share capital of DFPCL.

2.2. *SCM Fertichem*

The share capital of SCM Fertichem as on 15th March 2016 is as under:

Authorised Share Capital	**Amount (₹)**
50,000 Equity Shares of ₹10 each	500,000
Total	**500,000**

Issued, Subscribed and Fully Paid Up Share Capital	**Amount (₹)**
50,000 Equity Shares of ₹10 each	500,000
Total	**500,000**

Thereafter, there has been no change in authorised, issued, subscribed and paid up share capital of SCM Fertichem. SCM Fertichem is a wholly owned subsidiary of DFPCL

2.3. *Smartchem*

The share capital of Smartchem as on 15th March, 2016 is as under:

Authorised Share Capital	**Amount (₹)**
70,00,000 Equity Shares of ₹10 each	7,00,00,000
18,00,000 1% Cumulative Redeemable Preference Shares of ₹100 each	18,00,00,000
Total	**25,00,00,000**

Issued, Subscribed and Fully Paid Up Share Capital	**Amount (₹)**
10,00,000 Equity Shares of ₹10 each	1,00,00,000
Total	**1,00,00,000**

Thereafter, there has been no change in authorised, issued, subscribed and paid up share capital of Smartchem. Smartchem is a wholly owned subsidiary of DFPCL.

PART III – TRANSFER OF TAN UNDERTAKING AND FERTILISER UNDERTAKING OF DFPCL TO SCM FERTICHEM BY WAY OF SLUMP EXCHANGE

Transfer and vesting of Transferred Undertakings, i.e., TAN Undertaking and Fertiliser Undertaking of DFPCL to SCM Fertichem by way of Slump Exchange

3. Upon this Scheme becoming effective, pursuant to the orders of the High Court(s) sanctioning the Scheme and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the 1956 Act or the corresponding provisions of the 2013 Act, as applicable, with effect from the Appointed Date the Transferred Undertakings of DFPCL, shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in SCM Fertichem, as a going concern, by way of Slump Exchange, so as to become, as from the Appointed Date, the undertaking of SCM Fertichem, without any further act, instrument or deed, as per the provisions and in the manner provided herein, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to existing charges or lispendens, if any, thereon, in the manner as provided hereinafter in this Part III of the Scheme.

4. Without prejudice to the generality of the foregoing in clause 3 above and to the extent applicable, unless otherwise stated herein, upon the Scheme becoming effective, with effect from the Appointed Date, the entire Transferred Undertakings together with all its business and operations including all its assets and liabilities, shall be transferred by DFPCL to SCM Fertichem on a going concern and "as-is-where-is" basis, for a lump sum consideration as mentioned in clause 13 herein below, without assigning value to individual assets and liabilities, and in the following manner:

   4.1. all assets (whether or not recorded in the books of accounts) pertaining to the Transferred Undertakings that are movable in nature or are incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law or pursuant to the vesting orders of the High Court(s) sanctioning the Scheme and on the Scheme becoming effective, shall stand vested in SCM Fertichem and shall be deemed to have become and be the property and an integral part of SCM Fertichem by operation of law. Such vesting pursuant to this clause shall be deemed to have occurred by manual/constructive delivery and/or by endorsement and delivery, as appropriate in relation to the property being vested and title to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.

   4.2. all assets pertaining to the Transferred Undertakings that are movable in nature, other than those in sub-clause 4.1 above, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting orders and by operation of law become the property of SCM Fertichem, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of SCM Fertichem. Any document of title pertaining to the assets of the Transferred Undertakings shall also be deemed to have been mutated and recorded as titles of SCM Fertichem to the same extent and manner as originally held by DFPCL to the end and intent that all the ownership, right, title and interest so vesting in SCM Fertichem therein will be such as if SCM Fertichem was originally DFPCL. SCM Fertichem shall, subsequent to the vesting orders, be entitled to the delivery and possession of all documents of title including all related documents of such movable property in this regard.

   4.3. all immovable properties pertaining to the Transferred Undertakings including any tenancies in relation to warehouses, office space, guest houses and residential premises including those provided to/occupied by the employees of Transferred Undertakings of DFPCL, all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and be vested in and be deemed to have been transferred to and vested in SCM Fertichem, without any further act or deed done/executed or being required to be done/executed by DFPCL or SCM Fertichem or both. SCM Fertichem shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all rights in relation to or as applicable to such immovable properties.

   4.4. all contracts including contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements for the purpose of carrying on the Transferred Undertakings, and in relation thereto,

and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferred Undertakings, or to the benefit of which, Transferred Undertakings may be eligible and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or record or by operation of law pursuant to the vesting orders of the High Court(s) sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements of SCM Fertichem. Such properties and rights described hereinabove shall stand transferred to and vested in SCM Fertichem and shall be deemed to have become the property of SCM Fertichem as its integral part by operation of law. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto for in favor of or against SCM Fertichem and shall be the legal and enforceable rights and interests of SCM Fertichem, which can be enforced and acted upon as fully and effectually as if, it were DFPCL, as SCM Fertichem is its affiliate and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts and properties, shall be deemed to have been entered in and novated to SCM Fertichem by operation of law and SCM Fertichem shall be deemed to be DFPCL's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by DFPCL (and not by any of its successors), shall be fulfilled by SCM Fertichem as if it were the duly constituted attorney of DFPCL. Upon the Scheme becoming effective, with effect from the Appointed Date, any contract of DFPCL relating to or benefiting at present DFPCL and the Transferred Undertakings, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting DFPCL and SCM Fertichem, respectively.

Any inter-se contracts in relation to the Transferred Undertakings between DFPCL and SCM Fertichem shall stand cancelled and cease to operate and be of no effect upon this Scheme becoming effective.

All guarantees provided by any bank in relation to the Transferred Undertakings in favour of DFPCL outstanding as on the Effective Date, shall stand substituted in favour of and vest in SCM Fertichem and shall enure to the benefit of SCM Fertichem and, all guarantees issued by the bankers of DFPCL in relation to the Transferred Undertakings at the request of DFPCL favouring any third party shall be deemed to have been issued at the request of SCM Fertichem and continue to remain in full force in favour of such third party till its maturity or earlier termination.

4.5. all intellectual property including registrations, licenses, trademarks, logos, service marks, copyrights, domain names, trade names, goodwill, know-how, trade secrets and trademarks, pertaining to the Transferred Undertakings, if any, shall stand vested in SCM Fertichem without any further act, instrument or deed, upon the Scheme becoming effective. The other intellectual property rights presently held by DFPCL, that relate to or benefit at present DFPCL and the Transferred Undertakings, shall be deemed to constitute separate intellectual property rights of DFPCL or SCM Fertichem, as the case may be, by the relevant authorities pursuant to the sanction of the Scheme by the High Court(s).

4.6. all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, securities transaction tax, input credit, CENVAT, value added tax, sales tax, goods and service tax, as applicable, entry tax, goods and service tax, as applicable, taxes withheld/paid in a foreign country, etc.) payable by or refundable to the Transferred Undertakings, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims, as the case may be, of SCM Fertichem, and any tax incentives, advantages, privileges, exemptions, rebates, benefits, credits, tax holidays u/s 80-IA of Income Tax Act, remissions, reductions, etc., as would have been available to Transferred Undertakings, shall pursuant to the Scheme becoming effective, be available to SCM Fertichem.

4.7. all approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Transferred Undertakings, or to the benefit of which the Transferred Undertakings may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law pursuant to the vesting orders of the High Court(s) sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature, of SCM Fertichem, and shall be in full force and effect in favor of SCM Fertichem and may be enforced as fully and

effectually as if, instead of DFPCL, SCM Fertichem had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, sanctions, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, rebates, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by DFPCL, but relate to or benefitting at present Residual Undertaking of DFPCL and the Transferred Undertakings, shall be deemed to constitute separate permits, licenses, consents, sanctions, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, rebates, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of DFPCL and SCM Fertichem (or its successor or assigns), respectively, by the relevant authorities pursuant to the sanction of this Scheme by the High Court(s). It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall take on record the orders of the High Court(s) sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of SCM Fertichem as successor in interest, pursuant to the sanction of this Scheme by the High Court(s), and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, SCM Fertichem shall file certified copies of such sanction orders, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, sanctions, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

4.8. all benefits, entitlements, incentives and concessions under incentive schemes and policies, pertaining to the Transferred Undertakings that DFPCL is entitled to, including under customs, excise, service tax, VAT, sales tax, goods and service tax, as applicable and entry tax and income tax laws, subsidy receivables from government, direct tax benefit/ exemptions/ deductions, shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to SCM Fertichem upon Part III of the Scheme becoming effective as if SCM Fertichem was originally entitled to all such benefits, entitlements, incentives and concessions.

All benefits of any and all corporate approvals as may have already been taken by DFPCL with respect to the Transferred Undertakings, whether being in the nature of compliances or otherwise, shall stand vested in SCM Fertichem and the said corporate approvals and compliances shall, upon the Scheme becoming effective, be deemed to have been taken/complied with by SCM Fertichem.

4.9. all estates, assets, rights, title, interests and authorities accrued to and/or acquired by DFPCL in relation to the Transferred Undertakings shall be deemed to have been accrued to and/or acquired for and on behalf of SCM Fertichem and shall, upon the Scheme coming into effect, pursuant to the provisions of Section 394(2) and other applicable provisions of the 1956 Act and 2013 Act, without any further act, instrument or deed be and shall stand vested in or be deemed to have been vested in SCM Fertichem to that extent and shall become the estates, assets, right, title, interests and authorities of SCM Fertichem.

4.10. SCM Fertichem shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Transferred Undertakings under applicable laws, including but not limited to sales tax, goods and service tax, as applicable, value added tax, service tax, excise duty, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, input tax credits already availed of or utilized by the Transferred Undertakings and SCM Fertichem in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.

4.11. all statutory rights and obligations pertaining to Transferred Undertakings would vest in/accrue to SCM Fertichem. Hence, obligation pertaining to Transferred Undertakings, prior to the Effective Date, to issue or receive any statutory declaration or any other forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by SCM Fertichem and if any form relatable to the period prior to the Effective Date is received in the name of DFPCL, it would be deemed to have been received by SCM Fertichem in fulfillment of their obligations.

4.12. all books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Undertakings of DFPCL, to the extent possible and permitted under applicable laws, be handed over by them to SCM Fertichem.

5. Without prejudice to the generality of clause 3 above, upon the Scheme coming into effect, with effect from the Appointed Date:

5.1. all the liabilities, whether or not provided in the books of DFPCL pertaining to the Transferred Undertakings, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in SCM Fertichem as a part of the transfer of the Transferred Undertakings, as a going concern and the same shall be assumed by SCM Fertichem, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date, the liabilities of SCM Fertichem on the same terms and conditions as were applicable to DFPCL, and SCM Fertichem alone shall meet, discharge and satisfy the same. It is clarified for the avoidance of doubt that the listed secured Non-convertible debentures of the value of Rs. 230.48 crores as on the Appointed Date attributable to the Transferred Undertakings shall remain in DFPCL, provided however that SCM Fertichem shall be liable to pay to DFPCL the amount payable with respect to such debentures.

5.2. all liabilities comprised in the Transferred Undertakings, and which are incurred or which arise or accrue to the Transferred Undertakings of DFPCL, on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in SCM Fertichem as a part of the transfer of the Transferred Undertakings as a going concern and the same shall be assumed by SCM Fertichem and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to DFPCL, SCM Fertichem alone shall meet, discharge and satisfy the same.

5.3. any liabilities of the Transferred Undertakings as on the Appointed Date that are discharged by DFPCL on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of SCM Fertichem.

5.4. all loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by DFPCL pertaining to the Transferred Undertakings on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of SCM Fertichem and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in SCM Fertichem as a part of the transfer of the Demerged Undertakings as a going concern and the same shall be assumed by SCM Fertichem and to the extent they are outstanding on the Effective Date, SCM Fertichem shall meet, discharge and satisfy the same.

5.5. the liabilities, if any, due or which may at any time in the future become due in relation to the Transferred Undertakings, inter-se DFPCL and SCM Fertichem, shall stand discharged /cancelled and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of SCM Fertichem

It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

5.6. all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferred Undertakings which secure or relate to the liabilities shall, without any further act, instrument, deed or document, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and

attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to SCM Fertichem. It is being clarified that the aforesaid Encumbrances shall not be extended to any existing assets of SCM Fertichem. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

5.7. any reference, in any security documents or arrangements, to DFPCL and assets and properties pertaining to the Transferred Undertakings, shall be construed as a reference to SCM Fertichem and the assets and properties of Transferred Undertakings transferred to SCM Fertichem pursuant to this Scheme.

5.8. without prejudice to the foregoing provisions, SCM Fertichem/DFPCL may execute any instruments or documents or do all such acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

5.9. the provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

6. It is clarified that all rights, title and obligation enuring for the benefit of or becoming liability of SCM Fertichem by virtue of clause 3, 4 and 5 above, shall enure for or become the rights, title, obligation and liability of the successors or assigns of SCM Fertichem either under the provisions of Part IV of this Scheme or otherwise.

7. Upon the Scheme becoming effective, the secured creditors of DFPCL that relate to the Transferred Undertakings, if any, and/or other security holders over the properties of the Transferred Undertakings shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of Transferred Undertakings, as existing immediately prior to transfer and vesting of the Transferred Undertakings into SCM Fertichem and the secured creditors of SCM Fertichem and/or other security holders over the properties of SCM Fertichem shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of SCM Fertichem, as existing immediately prior to the effectiveness of the Scheme. It is hereby clarified that pursuant to the transfer and vesting of the Transferred Undertakings into SCM Fertichem in terms of the Scheme, the secured creditors of DFPCL related to the Transferred Undertakings and/or other security holders over the properties of the Transferred Undertakings shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of SCM Fertichem and vice versa, and hence such assets of DFPCL related to the Transferred Undertakings and that of SCM Fertichem, as the case may be, which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of SCM Fertichem.

8. **Employees**

8.1. All the employees, pertaining to the Transferred Undertakings, shall become employees of and be engaged by SCM Fertichem pursuant to the vesting orders and by operation of law, with effect from the Scheme coming into effect, on same terms and conditions which, as a result, shall be no less favorable than those on which they are currently engaged by DFPCL, without any interruption of service as a result of transfer and vesting of Transferred Undertakings and without any further act, deed or instrument on the part of DFPCL or SCM Fertichem.

8.2. All contributions made by DFPCL on behalf of its employees and all contributions made by the employees including the interests arising thereon, to the funds and standing to the credit of such employees' account with such funds, shall, upon this Scheme becoming effective, be transferred to SCM Fertichem along with such of the investments made by such funds which are referable and allocable to the employees of the Transferred Undertakings of DFPCL and SCM Fertichem shall stand substituted for DFPCL with regard to the obligation to make the said contributions.

8.3. With regard to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees pertaining to the Transferred Undertakings, upon Part III of the Scheme becoming effective, shall be continued on the same terms and conditions by SCM Fertichem and, SCM Fertichem including its successor or assigns shall stand substituted for DFPCL for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of applicable laws or otherwise. It is the intent that all the rights, duties, powers and obligations of DFPCL in relation to such fund or funds shall become those of SCM Fertichem without need of any fresh approval from any statutory authority. It is

hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of DFPCL for such purpose shall be treated as having been continuous.

8.4. SCM Fertichem agrees that the services of all employees of DFPCL, pertaining to the Transferred Undertakings prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident plans and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in DFPCL. SCM Fertichem undertakes to pay the same, as and when payable under applicable laws.

8.5. The contributions made by DFPCL under applicable law in connection with the employees of the Transferred Undertakings of DFPCL, to the funds, for the period after the Appointed Date shall be deemed to be contributions made by SCM Fertichem.

9. DFPCL and/or SCM Fertichem, as the case may be, shall, at any time after the Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which DFPCL has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. SCM Fertichem shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of DFPCL and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of DFPCL.

10. DFPCL and/or SCM Fertichem, as the case may be, shall, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by DFPCL in relation to the Transferred Undertakings including its business and operations, into SCM Fertichem. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of SCM Fertichem pursuant to the sanction of this Scheme by the High Court(s), and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, SCM Fertichem (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with relevant authorities concerned for information and record purposes. SCM Fertichem shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of DFPCL and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

11. **Legal Proceedings**

11.1. All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) whether by or against, pertaining to the Transferred Undertakings, shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Transferred Undertakings or anything contained in this Scheme.

11.2. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) whether by or against, pertaining to the Transferred Undertakings, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against SCM Fertichem as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against SCM Fertichem.

11.3. SCM Fertichem undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated pertaining to the Transferred Undertakings, transferred to its name and to have the same continued, prosecuted and enforced by or against SCM Fertichem.

12. **Conduct of business**

With effect from the Appointed Date and up to and including the date of the Scheme coming into effect:

12.1. DFPCL shall carry on and shall be deemed to have carried on all its business activities pertaining to the Transferred Undertakings and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions, benefits for and on account of and in trust for SCM Fertichem;

12.2. all obligations, liabilities, duties and commitments attached, related or pertaining to the Transferred Undertakings of DFPCL shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for SCM Fertichem;

12.3. all profits or income arising or accruing in favor of DFPCL in relation to the Transferred Undertakings and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, securities transaction tax, taxes withheld/paid in a foreign country, sales tax, value added tax, excise duty, customs duty, service tax or goods and service tax, as applicable, cess, tax refunds, etc.) or losses arising or incurred by DFPCL in relation to the Transferred Undertakings shall, for all intent and purposes, be treated as and be deemed to be the profits or income, taxes or losses, as the case may be, of SCM Fertichem. It is hereby clarified that any tax payable by or refundable relating to the Transferred Undertakings, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books relating to the Transferred Undertakings) of SCM Fertichem, and any unabsorbed tax losses and depreciation, etc., as would have been available to Transferred Undertakings on or before the Effective Date, shall be available to SCM Fertichem upon Part III of the Scheme coming into effect; and

12.4. all intra-party transactions between DFPCL and SCM Fertichem pertaining to Transferred Undertakings shall be considered as inter-party transactions. Tax, if any, on such inter-party transactions shall be payable without any interest and penalty subject to applicable laws.

13. **Consideration for Slump Exchange**

Upon the Scheme coming into effect and upon transfer and vesting of the Transferred Undertakings of DFPCL into SCM Fertichem pursuant to the Slump Exchange as stated herein, SCM Fertichem shall discharge the lump sum consideration of Rs. 743,00,00,000 (Rupees seven hundred forty three crores only) payable by it to DFPCL by issue of 1,60,00,000 (One crore sixty lacs only) equity shares of INR 10 each (face value), as mutually agreed between the Board of Directors of DFPCL and SCM Fertichem.

14. **Accounting Treatment in the books of SCM Fertichem**

SCM Fertichem shall, upon the Scheme becoming effective, with effect from the Appointed Date, record the assets and liabilities of the Transferred Undertakings (as appearing in the books of accounts of DFPCL at the close of business on the day preceding the Appointed Date), as vested in it pursuant to Slump Exchange in terms of this Part III in accordance with the allocation report to be prepared as per Accounting Standard - 10 notified under the 1956 Act read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act.

15. **Accounting Treatment in the books of DFPCL**

DFPCL shall, upon the Scheme becoming effective, with effect from the Appointed Date, account for Part III of the Scheme as under:

15.1. The accounts representing the assets and liabilities pertaining to the Transferred Undertakings shall stand reduced by the book value of assets & liabilities transferred to SCM Fertichem.

15.2. Any difference between consideration received as per clause 13 above and the book value of net assets (assets less liabilities) of the Transferred Undertakings transferred shall be adjusted in the profit and loss account by DFPCL.

16. DFPCL and/or SCM Fertichem shall be entitled to, amongst others, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax, excise duty, sales tax, goods and service tax, as applicable value added tax, entry tax, cess, professional tax or any other statutory returns, if required, credit for advance tax paid, tax deducted at source, claim for sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by SCM Fertichem previously disallowed in the hands of DFPCL pertaining to Transferred Undertakings under the Income Tax Act, credit of tax paid under Section 115JB read with Section 115JAA of the Income Tax Act, credit

of foreign taxes paid/ withheld etc., if any, pertaining to Transferred Undertakings as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. Smartchem shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it by virtue of this Scheme with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of the Transferred Undertakings relating to the period on or after Appointed Date respectively shall be deemed to be the taxes or duties paid by SCM Fertichem and shall be entitled to claim credit or refund for such taxes or duties.

17. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferred Undertakings, including any taxes paid and taxes deducted at source and deposited by DFPCL pertaining to Transferred Undertakings on inter se transactions during the period between Appointed Date as applicable and the Effective Date shall be treated as tax paid by SCM Fertichem and shall be available to SCM Fertichem for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by DFPCL pertaining to the Transferred Undertakings on transactions other than inter se transactions during the period between Appointed Date as applicable and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Smartchem. Any TDS deducted by, or on behalf of, DFPCL pertaining to the Transferred Undertakings on inter se transactions will be treated as tax deposited by SCM Fertichem.

18. Transfer and vesting of Transferred Undertakings in terms of Part III of the Scheme is not a sale in the course of business.

19. *Compliance with section 180(1)(a) of 2013 Act*

    The consent / approval given by the shareholders of DFPCL to the Scheme, in writing by way of a consent letter/ affidavit or by passing a resolution at a general meeting or at a court-convened meeting of DFPCL, as may be applicable, shall also be deemed as the consent of the members of DFPCL, as the case may be, under Section 180(1)(a) of the 2013 Act and all other relevant provisions of 2013 Act, as applicable, to the Slump Exchange of Transferred Undertakings of DFPCL to SCM Fertichem and there shall be no need to pass a separate shareholders' resolution/s at a general meeting for the same as is required under Section 180(1)(a) of the 2013 Act and/or other relevant provisions of 2013 Act, as applicable.

20. *Residual Undertaking of DFPCL to continue with DFPCL*

    20.1. All the assets, liabilities and obligations together with the business and operations, pertaining to the Residual Undertaking of DFPCL, shall continue to belong to and remain vested in and be managed by DFPCL.

    20.2. All legal and other proceedings by or against DFPCL under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Residual Undertaking of DFPCL (including those relating to any property, right, power liability, obligation or duty, of DFPCL in respect of the Residual Undertaking of DFPCL) shall be continued and enforced solely by or against DFPCL.

    20.3. With effect from the Appointed Date, as applicable, and upto Effective Date;

        (i) All profits accruing to DFPCL or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Residual Undertaking of DFPCL shall, for all purposes, be treated as the profits or losses, as the case may be, of DFPCL; and

        (ii) All assets and properties acquired by DFPCL in relation to the Residual Undertaking of DFPCL, on and after the Appointed Date shall belong to and continue to remain vested in DFPCL.

21. **Increase in Authorised Share Capital of SCM Fertichem**

    21.1. In order to suffice for the purpose of issuance of necessary equity shares to DFPCL, as specified in Clause 13 above, it is proposed that the authorised equity share capital of SCM Fertichem be further increased by Rs. 16,20,00,000 (Rupees sixteen crores and twenty lacs only), i.e., to an aggregate of Rs. 16,25,00,000 (Rupees sixteen crores and twenty five lacs only), divided into 1,62,50,000 equity shares of Rs. 10 each.

    21.2. Clause V of the Memorandum of Association of SCM Fertichem shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 62 of the 2013 Act and Section

394 of the 1956 Act and other applicable provisions of the 1956 Act and 2013 Act, as the case may be and be replaced by the following clause:

"The Authorised Share Capital of the Company shall be Rs. 16,25,00,000 (Rupees sixteen crores and twenty five lacs only) divided into 1,62,50,000 (One Crore sixty two lacs fifty thousand) Equity Shares of Rs 10/- (Rupees Ten) each with power of the Board of Directors of the company to increase or reduce such capital, from time to time, in accordance with the company regulations and the legislative provisions for the time being in force in this behalf and with the power to sub-divide the shares in the capital for the time being. If whenever the capital of the company is divided into shares of different classes, the rights of any class may be varied, modified, effected, extended, abrogated or surrendered as provided in the Articles of Association of the Company and the legislative provisions for the time being in force."

21.3. It is clarified that the approval of the members of SCM Fertichem to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association under the provisions of Section 13 and 62 of the 2013 Act and other applicable provisions of the 2013 Act and 1956 Act.

PART IV–DEMERGER OF TAN UNDERTAKING AND FERTILISER UNDERTAKING

Transfer and vesting of the Demerged Undertakings i.e. TAN Undertaking and Fertiliser Undertaking by SCM Fertichem into Smartchem by way of Demerger

22. Upon the Scheme becoming effective, pursuant to the orders of the High Court(s) sanctioning the Scheme by the High Court(s) and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the 1956 Act or the corresponding provisions of the 2013 Act, as applicable and soon after Part III of the Scheme coming into effect, with effect from the Appointed Date, the said Transferred Undertakings (which hereafter for the purpose of this Part is referred to as the Demerged Undertakings) shall be transferred to and vested in and/or be deemed to have been transferred to and vested in Smartchem, on a going concern and "as-is-where-is" basis, by way of Demerger in accordance with Section 2(19AA) of the Income Tax Act without any further act, instrument or deed, so as to become, as and from the Appointed Date, the undertakings of Smartchem by virtue of and in the manner provided in this Part IV of the Scheme.

23. Without prejudice to the generality of clause 22 above, upon the Scheme becoming effective, under the provisions of Sections 391 to 394 and other applicable provisions of the 1956 Act or the corresponding provisions of the 2013 Act, as applicable, and all other provisions of applicable law, if any, with effect from the Appointed Date, the entire Demerged Undertakings together with all its business and operations including all its assets and liabilities, shall be transferred by SCM Fertichem to Smartchem by way of Demerger on a going concern basis and in the following manner:

23.1. all the estate, assets (including intangible assets, whether or not recorded in the books), properties, rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts, comprised in the Demerged Undertakings of whatsoever nature and where-so-ever situated shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in Smartchem and/or be deemed to be transferred to and vested in Smartchem as a part of the transfer and vesting of the Demerged Undertakings as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, rights, claims, title, interest and authorities including accretions and appurtenances of Smartchem.

23.2. Such of the assets and properties of Demerged Undertakings as are movable in nature or are incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, without any cost or charge and without any notice or other intimation to any third party for transfer of the same, will be and shall stand transferred to and vested in Smartchem and/or be deemed to stand transferred to Smartchem as a part of the transfer and vesting of the Demerged Undertakings as a going concern so as to become from the Appointed Date, the assets and properties of Smartchem. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

23.3. all other movable properties of Demerged Undertakings, sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi Government, local or other authority or body or with any company or other person shall without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and shall stand transferred to and vested in Smartchem and/or deemed to have been transferred to and vested in Smartchem, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Demerged Undertakings as a going concern, so as to become from the Appointed Date, the assets and properties of Smartchem.

23.4. Smartchem may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor pertaining to the Demerged Undertakings, that pursuant to the sanction of this Scheme by the High Court(s), such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of Smartchem as the person entitled thereto, to the end and intent that the right of SCM Fertichem to recover or realize all such debts (including the debts payable by such debtor or obligor to SCM Fertichem pertaining to the Demerged Undertakings) stands transferred and assigned to Smartchem and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by SCM Fertichem pertaining to the Demerged Undertakings and all the rights, title and interest pertaining to the Demerged Undertakings of SCM Fertichem shall, pursuant to Section 394(2) of the 1956 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Smartchem.

23.5. all immovable properties pertaining to the Demerged Undertakings and rights and interests in immovable properties of SCM Fertichem including any tenancies in relation to warehouses, office space, guest houses and residential premises including those provided to/occupied by the employees of Demerged Undertakings of SCM Fertichem and all documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall upon this Scheme becoming effective, stand transferred to and be vested in and be deemed to have been transferred to and vested in Smartchem, without any further act or deed done/executed or being required to be done/executed by SCM Fertichem or Smartchem or both. Smartchem shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of Smartchem by the Appropriate Authorities pursuant to the sanction of this Scheme by the High Court(s) in accordance with the terms hereof.

23.6. all approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Demerged Undertakings, or to the benefit of which the Demerged Undertakings may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law pursuant to the vesting orders of the High Court(s) sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature, of Smartchem, and shall be in full force and effect in favor of Smartchem and may be enforced as fully and effectually as if, instead of DFPCL/SCM Fertichem, Smartchem had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, sanctions, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, rebates, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, as are held at present by DFPCL/SCM Fertichem, but relate to or benefitting at present Residual Undertaking of DFPCL and the Demerged Undertakings, shall be deemed to constitute separate permits, licenses, consents, sanctions, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, rebates, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the

necessary substitution/endorsement shall be made and duly recorded in the name of DFPCL and Smartchem, respectively, by the relevant authorities pursuant to the sanction of this Scheme by the High Court(s). It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall take on record the orders of the High Court(s) sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of Smartchem as successor in interest, pursuant to the sanction of this Scheme by the High Court(s), and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, Smartchem shall file certified copies of such sanction orders, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, sanctions, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

23.7. all rent agreements pertaining to the Demerged Undertakings with various landlords, owners and lessors in connection with the use of the assets pertaining to Demerged Undertakings, together with security deposits and advance/prepaid rent, etc., shall stand automatically transferred and vested in favour of Smartchem on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. Smartchem shall continue to pay rent as provided for in such agreements, and Smartchem and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, Smartchem shall also be entitled to refund of security deposits paid under such agreements by SCM Fertichem pertaining to Demerged Undertakings.

23.8. All permissions, approvals, sanctions, consents, subsidies, privileges, income tax benefits and exemptions, rebates, indirect tax benefits and exemptions (including benefits, entitlements, incentives and concessions under incentive schemes and policies, customs, excise, service tax, VAT, sales tax, goods and service tax, as applicable and entry tax), all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertakings and all rights and benefits that have accrued or which may accrue pertaining to the Demerged Undertakings, whether on, before or after the Appointed Date, if any, shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to be transferred to and vested in Smartchem as a part of the transfer of the Demerged Undertakings as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions (including benefits, entitlements, incentives and concessions under incentive schemes and policies, customs, excise, service tax, VAT, sales tax, goods and service tax, as applicable and entry tax), all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements of Smartchem and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of Smartchem, and Smartchem shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to Smartchem.

23.9. all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements for the purpose of carrying on the business pertaining to the Demerged Undertakings and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertakings and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of Smartchem and may be enforced as fully and effectually as if Smartchem had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by SCM Fertichem (and not by any of its successors), shall be fulfilled by Smartchem as if it is the duly constituted attorney of SCM Fertichem/ DFPCL.

Any inter-se contracts in relation to the Demerged Undertakings and Smartchem shall stand cancelled and cease to operate upon this Scheme becoming effective.

All guarantees provided by any bank in relation to the Demerged Undertakings outstanding as on the Effective Date, shall vest in Smartchem and shall enure to the benefit of Smartchem and all guarantees issued by the bankers in relation to the Demerged Undertakings favouring any third party shall be deemed to have been issued at the request of Smartchem and continue in favour of such third party till its maturity or earlier termination.

23.10. without prejudice to the generality of the foregoing, bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Demerged Undertakings and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon the Scheme becoming effective, by operation of law pursuant to the vesting orders of the High Court(s), be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of Smartchem. Such property and rights shall stand vested in Smartchem and shall be deemed to have become the property of Smartchem by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.

23.11. all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets, including registrations, licenses, trademarks, logos, service marks, copyrights, domain names, trade names and applications relating thereto, goodwill, know-how and trade secrets appertaining to the Demerged Undertakings, shall without any further act, instrument or deed, and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in Smartchem as a part of the transfer of the Demerged Undertakings as a going concern, so as to become as and from the Appointed Date, the intellectual property of Smartchem.

23.12. all intangible assets including various business or commercial rights, etc. belonging to but not recorded in books pertaining to Demerged Undertakings shall be transferred to and vested with Smartchem and shall be recorded at their respective fair values under the head intangible assets. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.

23.13. all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, banking cash transaction tax, securities transaction tax, input credit, CENVAT, entry tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax or goods and service tax, as applicable, excise duty, cess, wealth tax, fringe benefit tax and tax collected at source, etc.) payable by or refundable to or being the entitlement of the Demerged Undertakings, including all or any refunds or claims shall be treated as the tax liability or refunds/ credits/claims, as the case may be, of Smartchem, and any tax incentives, advantages, privileges, exemptions, rebates, credits, tax holidays, remissions, reductions and/or any other benefit, as would have been available to the Demerged Undertakings, shall pursuant to the Scheme becoming effective, be available to Smartchem.

23.14. Smartchem shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Demerged Undertakings under applicable laws, including but not limited to sales tax, goods and service tax, as applicable, value added tax, service tax, excise duty, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, input tax credits already availed of or utilized by the Demerged Undertakings and Smartchem in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme. Smartchem shall be claiming depreciation on the fair value of the assets transferred upon Demerger and to be recorded in its books.

23.15. all statutory rights and obligations pertaining to Demerged Undertakings would vest in/accrue to Smartchem. Hence, obligation pertaining to Demerged Undertakings, prior to the Effective Date, to issue or receive any statutory declaration or any other forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Smartchem and if any form relatable to the period prior to the said Effective Date is received in the name of DFPCL/SCM Fertichem, it would be deemed to have been received by Smartchem in fulfillment of their obligations.

23.16. benefits of any and all corporate approvals as may have already been taken pertaining to the Demerged Undertakings, whether being in the nature of compliances or otherwise, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in Smartchem as a part of the transfer of the Demerged Undertakings as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by Smartchem.

23.17. such of the assets comprised in the Demerged Undertakings on or after the Appointed Date but prior to the Effective Date, shall without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in Smartchem as a part of the transfer of the Demerged Undertakings as a going concern, so as to become, as and from the Appointed Date, the assets of Smartchem.

24. Without prejudice to the generality of clause 22 above, upon the Scheme coming into effect, with effect from the Appointed Date:

24.1. all the liabilities, whether or not provided in the books of SCM Fertichem pertaining to the Demerged Undertakings, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other applicable provisions of the 1956 Act or the corresponding provisions of the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Smartchem as a part of the transfer of the Demerged Undertakings, as a going concern and the same shall be assumed by Smartchem, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date, the liabilities of Smartchem on the same terms and conditions as were applicable to the Demerged Undertakings and Smartchem alone shall meet, discharge and satisfy the same.

24.2. all liabilities comprised in the Demerged Undertakings, and which are incurred or which arise or accrue to the Demerged Undertakings of SCM Fertichem, on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other applicable provisions of the 1956 Act or the corresponding provisions of the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Smartchem as a part of the transfer of the Demerged Undertakings as a going concern and the same shall be assumed by Smartchem and to the extent they are outstanding on the Effective Date on the same terms and conditions and Smartchem alone shall meet, discharge and satisfy the same.

24.3. any liabilities of the Demerged Undertakings as on the Appointed Date that are discharged by DFPCL/SCM Fertichem on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of Smartchem.

24.4. all loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by SCM Fertichem pertaining to the Demerged Undertakings on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Smartchem and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other applicable provisions of the 1956 Act or the corresponding provisions of the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Smartchem as a part of the transfer of the Demerged Undertakings as a going concern and the same shall be assumed by Smartchem and to the extent they are outstanding on the Effective Date, Smartchem shall meet, discharge and satisfy the same.

24.5. the liabilities, if any, due or which may at any time in the future become due in relation to the Demerged Undertakings, inter-se SCM Fertichem/DFPCL and Smartchem, shall stand discharged/cancelled and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of Smartchem.

It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who

is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

24.6. all Encumbrances, if any, existing prior to the Effective Date over the assets of the Demerged Undertakings which secure or relate to the liabilities shall, without any further act, instrument, deed or document, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to Smartchem. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Demerged Undertakings which were earlier not Encumbered or the existing assets of Smartchem. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

24.7. any reference in any security documents or arrangements (to any party pertaining to the Demerged Undertakings)and their assets and properties, shall be construed as a reference to Smartchem and the assets and properties of the Demerged Undertakings transferred to Smartchem pursuant to this Scheme.

24.8. without prejudice to the foregoing provisions, Smartchem/ SCM Fertichem/DFPCL may execute any instruments or documents or do all such acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

24.9. the provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

25. **Employees**

25.1. Upon the coming into effect of this Scheme, all employees pertaining to Demerged Undertakings shall become employees of Smartchem("Transferred Employees") with effect from the Effective Date, on same terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged, without any interruption of service as a result of this Demerger and transfer. With regard to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of the Transferred Employees, upon Part IV of the Scheme becoming effective, shall be continued on the same terms and conditions by Smartchem and Smartchem shall stand substituted for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of applicable laws. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the Transferred Employees and the services of all the Transferred Employees for such purpose shall be treated as having been continuous.

25.2. Smartchem agrees that the services of the Transferred Employees prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in the Demerged Undertakings. Smartchem undertakes to pay the same, as and when payable under applicable laws.

25.3. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, annuity, deposit linked insurance fund, pension, staff welfare scheme and any other special scheme or benefits of the Transferred Employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, annuity, deposit linked insurance fund, pension, staff welfare scheme, etc., being maintained by DFPCL or as may be created by Smartchem for such purpose. Pending such transfer, the contributions required to be made in respect of the Transferred Employees shall continue to be made by Smartchem to the existing funds maintained by DFPCL. It is the intent that all the rights, duties, powers and obligations of SCM Fertichem/DFPCL in relation to such fund or funds shall become those of Smartchem without need of any fresh approval from any statutory authority.

25.4. Upon the Scheme becoming effective, SCM Fertichem/DFPCL as the case may be will transfer/handover to Smartchem, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

25.5. The contributions made under applicable law in connection with the employees of the Demerged Undertakings, to the provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created, for the period after the Appointed Date shall be deemed to be contributions made by Smartchem.

25.6. Smartchem shall continue to abide by any agreement(s)/ settlement(s) entered into in respect to the Transferred Employees.

26. **Legal Proceedings**

26.1. All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) whether by or against, pertaining to the Demerged Undertakings, shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Demerged Undertakings or anything contained in this Scheme.

26.2. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) whether by or against, pertaining to the Demerged Undertakings, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against Smartchem as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against Smartchem.

26.3. Smartchem undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated pertaining to the Demerged Undertakings, transferred to its name and to have the same continued, prosecuted and enforced by or against Smartchem.

27. All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Demerged Undertakings, to the extent possible and permitted under applicable laws, be handed over to Smartchem.

28. Upon the Scheme becoming effective, the secured creditors relating to the Demerged Undertakings, if any, and/or other security holders over the properties of the Demerged Undertakings shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of Demerged Undertakings, as existing immediately prior to transfer and vesting of the Demerged Undertakings into Smartchem and the secured creditors of Smartchem and/or other security holders over the properties of Smartchem shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of Smartchem, as existing immediately prior to the effectiveness of the Scheme. It is hereby clarified that pursuant to the transfer and vesting of the Demerged Undertakings into Smartchem in terms of the Scheme, the secured creditors relating to the Demerged Undertakings and/or other security holders over the properties of the Demerged Undertakings shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of Smartchem and vice versa, and hence such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of SCM Fertichem or Smartchem as the case may be.

29. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertakings occurs by virtue of this Scheme itself, Smartchem may, at any time after the Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), documents, confirmations or other writings or enter into any arrangements with any party to any contract or arrangement, in relation to the Demerged Undertakings, or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. DFPCL or Smartchem, as the case may be, shall, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses

and certificates which were held or enjoyed by DFPCL in relation to the TAN Undertaking and Fertiliser Undertaking including its business and operations, into Smartchem. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of Smartchem pursuant to the sanction of this Scheme by the High Court(s), and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, Smartchem shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. Smartchem shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of SCM Fertichem pertaining to the Demerged Undertakings and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Undertakings to be carried out or performed.

30. **Conduct of Business**

With effect from the Appointed Date as applicable and up to the Effective Date:

30.1. SCM Fertichem shall be deemed to have carried on all its business activities pertaining to the Demerged Undertakings and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions, benefits for and on account of and in trust for Smartchem;

30.2. all obligations, liabilities, duties and commitments attached, related or pertaining to the Demerged Undertakings shall be deemed to have been undertaken by SCM Fertichem for and on account of and in trust for Smartchem;

30.3. all profits and income accruing or arising to SCM Fertichem in relation to the Demerged Undertakings, and losses and expenditure arising or incurred by SCM Fertichem in relation to the Demerged Undertakings, for the period commencing from the Appointed Date as applicable, shall, for all purposes be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of Smartchem;

30.4. all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, fringe benefit tax, banking cash transaction tax, tax collected at source, taxes withheld/ paid in a foreign country, sales tax, value added tax, excise duty, customs duty, service tax or goods and service tax, as applicable, cess, tax refunds) payable by or refundable relating to the Demerged Undertakings, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books relating to the Demerged Undertakings) of Smartchem, and any unabsorbed tax losses and depreciation, etc., as would have been available to Demerged Undertakings on or before the Effective Date, shall be available to Smartchem upon the Scheme coming into effect; and

all intra-party transactions between SCM Fertichem and Smartchem pertaining to Demerged Undertakings shall be considered as inter-party transactions. Tax, if any, on such inter-party transactions shall be payable without any interest and penalty subject to applicable laws.

Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertakings as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded on or with effect from the Appointed Date as applicable till the Effective Date.

31. **Consideration for Demerger**

31.1. Upon the Scheme becoming effective, the Board of Directors of Smartchem shall fix a record date, for determining the entitlement of the shareholders of SCM Fertichem, to the number of fully paid-up equity shares, to be issued by Smartchem in accordance with clause 31 of this Scheme ("Record Date"). SCM Fertichem shall provide to Smartchem, a list containing particulars of equity shareholders of SCM Fertichem as on the Record Date, alongwith their entitlement to the fully paid-up equity shares of Smartchem that would be required to be issued and allotted by Smartchem to the shareholders of SCM Fertichem, in terms of clause 31 of this Scheme.

31.2. Upon this Scheme becoming effective and in consideration of the Demerger and transfer and vesting of the Demerged Undertakings to Smartchem, in terms of Part IV of this Scheme, Smartchem shall, without any further application or deed, issue and allot equity shares to the shareholders of SCM Fertichem as per the Share Entitlement Ratio of 1:1 i.e. for every 1 (one) fully paid equity share of face value of Rs. 10 each held by such shareholder in SCM Fertichem, the holders thereof shall receive 1 (one) fully paid up equity share of Smartchem of face value of Rs. 10 each, ranking pari passu in all respects with the existing equity shares of Smartchem.

31.3. The Share Entitlement Ratio mentioned above has been arrived at based on the valuation report prepared by M/s Sharp &Tannan, an independent Chartered Accountant, and confirmed by a fairness opinion prepared by JM Financial Institutional Securities Ltd., an independent merchant banker and approved by the Audit Committee and Board of DFPCL.

31.4. No fractional shares shall be issued by Smartchem in respect of any fractional entitlements. Fractional entitlements, if any, shall be rounded off to the next integer for the purpose of determining the number of new equity shares to be allotted by Smartchem. Accordingly, Smartchem shall issue 1,60,50,000 equity shares of fair value of Rs. 1,568 per share to the shareholders of SCM Fertichem as consideration for Demerger.

31.5. The equity shares to be issued and allotted by Smartchem in terms of clause 31 above shall be subject to the provisions of the Memorandum and Articles of Association of Smartchem and shall rank pari passu in all respects including dividend, voting and other rights, with the existing equity shares of Smartchem. It is hereby clarified that the new equity shares issued and allotted by Smartchem to the shareholders of SCM Fertichem pursuant to Part IV of this Scheme shall not be entitled to any dividend declared, distributed by Smartchem before the Effective Date.

31.6. In the event that Smartchem or SCM Fertichem restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of Part IV of this Scheme, the Share Entitlement Ratio shall be adjusted accordingly, with the prior consent of respective Board of Directors of Smartchem and SCM Fertichem, to take into account the effect of any such corporate actions.

31.7. The issue and allotment of equity shares by Smartchem to the equity shareholders of SCM Fertichem as provided in Part IV of this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Smartchem as if the procedure laid down under applicable provisions of the 1956 Act or 2013 Act were duly complied with.

32. **Accounting treatment in the books of Smartchem**

Upon the Scheme becoming effective, Smartchem shall account for the Demerger in its books as under:

32.1. Smartchem shall account for the Demerger of Demerged Undertakings in its books of account with effect from the Appointed Date.

32.2. All the assets and liabilities of the Demerged Undertakings (as recorded by SCM Fertichem in its books in terms of Clause 14 of the Scheme) shall be recorded at their respective book values in the books of Smartchem.

32.3. Intangible assets (not recorded in the books) shall be recorded in the books of Smartchem, subject to fulfillment of criteria mentioned in AS 26, by Smartchem at a value determined by an independent valuer.

32.4. To the extent that there are inter-company loans, advances, deposits or other obligations as between Demerged Undertakings and Smartchem, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of SCM Fertichem as well as Smartchem for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, advances, deposits or balances, with effect from the Appointed Date.

32.5. The excess, if any, of the consideration, viz., fair value of equity shares issued over the value of net assets (including intangible assets, as aforesaid) of Demerged Undertakings taken over and recorded and after making adjustment for inter-company loans, etc, as mentioned in clause 32.4, shall be recognised as Goodwill in the books of Smartchem. In the event the result is negative, it shall be credited to Capital Reserve in the books of Smartchem.

32.6. Smartchem shall record in its books of account, all transactions of the Demerged Undertakings in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

32.7. Entire costs and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be charged to profit and loss account of Smartchem.

32.8. The intangible assets recorded, as aforesaid, shall be amortized in the books of Smartchem over its useful life. Goodwill (if any) recorded on demerger, as aforesaid, shall be amortized to income on a systematic basis not

exceeding 20 years and as per criteria given in accounting standards, which shall be reviewed by the Board of Directors periodically.

32.9. In case of any differences in accounting policies between Smartchem and SCM Fertichem, impact of the same till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles, so as to ensure that the financial statements of Smartchem reflect the financial position on the basis of consistent accounting policies.

32.10. The Board of Directors may adopt any other accounting treatment for the Demerger which is in accordance with Accounting Standards and generally accepted accounting principles as applicable.

33. **Accounting treatment in the books of SCM Fertichem**

33.1. Upon the coming into effect of this Scheme, the book value of assets and liabilities of the Demerged Undertakings as appearing in the books of account of SCM Fertichem and transferred to Smartchem shall be reduced from the book value of assets and liabilities of SCM Fertichem.

33.2. The difference in the book value of assets over book value of liabilities transferred will be adjusted against the Securities Premium Account to the tune of Rs. 727 Crores and share capital to the tune of Rs. 16 Crores.

33.3. The reduction in the Securities Premium Account and share capital of SCM Fertichem shall be effected as an integral part of the Scheme in accordance with provisions of Sections 100 to 103 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable and the order of the High Court(s) sanctioning the Scheme shall be deemed to be also the order under Section 102 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable, for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the 1956 Act or the other relevant provisions of the 2013 Act will not be applicable. Notwithstanding the reduction in the Securities Premium & Capital of SCM Fertichem, SCM Fertichem shall not be required to add "And Reduced" as suffix to its name.

34. Compliance with Section 2(19AA) of The Income Tax Act, 1961

The provision of this Scheme as they relate to the Demerger complies with the conditions relating to "demerger" as defined and specified under Section 2(19AA) of the Income Tax Act. If any terms or provisions or part of this Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(19AA) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

35. Smartchem shall be entitled to, amongst others, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax, excise duty, sales tax, goods and service tax, as applicable, value added tax, entry tax, cess, professional tax or any other statutory returns, if required, credit for advance tax paid, tax deducted at source, claim for sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by Smartchem previously disallowed in the hands of SCM Fertichem pertaining to Demerged Undertakings under the Income Tax Act, credit of tax paid under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to Demerged Undertakings as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. Smartchem shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it by virtue of this Scheme with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of the Demerged Undertakings relating to the period on or after Appointed Date respectively shall be deemed to be the taxes or duties paid by Smartchem and shall be entitled to claim credit or refund for such taxes or duties.

36. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Demerged Undertakings, including any taxes paid and taxes deducted at source and deposited by SCM Fertichem pertaining to Demerged Undertakings on inter se transactions during the period between Appointed Date as applicable and the Effective Date shall be treated as tax paid by Smartchem and shall be available to Smartchem for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest.

Further, TDS deposited, TDS certificates issued or TDS returns filed by SCM Fertichem pertaining to the Demerged Undertakings on transactions other than inter se transactions during the period between Appointed Date as applicable and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Smartchem. Any TDS deducted by, or on behalf of, SCM Fertichem pertaining to the Demerged Undertakings on inter se transactions will be treated as tax deposited by Smartchem.

37. Transfer and vesting of Demerged Undertakings in terms of Part IV of the Scheme is not a sale in the course of business.

38. With effect from the Effective Date, Smartchem shall carry on and shall be authorized to carry on the businesses of Demerged Undertakings. For the purposes of giving effect to the order of the High Court(s) under Sections 391 to 394 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act as applicable, sanctioning the Scheme, Smartchem shall at any time pursuant to such orders be entitled to get the recordal of the change in the legal right(s) upon the Demerger of Demerged Undertakings in accordance with the provisions of the Sections 391 to 394 of the 1956 Act or the relevant provision of the 2013 act as applicable. Smartchem is and shall always be deemed to have been authorized to execute any pleadings, applications, forms etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

39. *Remaining Business of SCM Fertichem to continue with SCM Fertichem*

    39.1. All the assets, liabilities and obligations together with the business and operations, pertaining to the Remaining Businessof SCM Fertichem, shall continue to belong to and remain vested in and be managed by SCM Fertichem.

    39.2. All legal and other proceedings by or against SCM Fertichem under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Remaining Business of SCM Fertichem (including those relating to any property, right, power liability, obligation or duty, of SCM Fertichem in respect of the Remaining Businessof SCM Fertichem) shall be continued and enforced solely by or against SCM Fertichem.

    39.3. With effect from the Appointed Date, as applicable, and upto the Effective Date;

        (i) SCM Fertichem shall carry on all business and activities relating to the Remaining Business of SCM Fertichem for and on its own behalf;

        (ii) All profits accruing to SCM Fertichem thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business of SCM Fertichem shall, for all purposes, be treated as the profits or losses, as the case may be, of SCM Fertichem; and

        (iii) All assets and properties acquired by SCM Fertichem in relation to the Remaining Business of SCM Fertichem on and after the Appointed Date as applicable shall belong to and continue to remain vested in SCM Fertichem.

40. Increase in Authorised Share Capital of Smartchem

    40.1. In order to suffice for the purpose of issuance of necessary equity shares to the shareholders of SCM Fertichem, as specified in Clause 31.1 above, it is proposed that the authorised equity share capital of Smartchem be further increased by Rs. 10,50,00,000 (Rupees Ten crores and fifty lacs), i.e., to an aggregate of Rs. 17,50,00,000 (Rupees Seventeen crores and fifty lacs), divided into 1,75,00,000 equity shares of Rs. 10 each.

    40.2. Clause V of the Memorandum of Association of Smartchem shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 62 of the 2013 Act and Section 394 of the 1956 Act and other applicable provisions of the 1956 Act and 2013 Act, as the case may be and be replaced by the following clause:

    "The Authorised Share Capital of the Company is Rs. 35,50,00,000 (Rupees Thirty Five Crores and fifty lacs) divided into (i) 1,75,00,000 (One crore seventy five lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each, (ii) 18,00,000 (Eighteen Lakh) 1% Cumula*tive Redeemable Preference Shares of Rs. 100/- (Rupees One hundred only) each with power of the Board of Directors of the company to increase or reduce such capital, from time to time, in accordance with the company regulations and the legislative provisions for the time being in force in this behalf and with the power to sub-divide the shares in the capital for the time being. If whenever the capital of the company is divided into shares of different classes, the rights of any class may be varied, modified, effected, extended, abrogated or surrendered as provided in the Articles of Association of the Company and the legislative provisions for the time being in force.*"

40.3. It is clarified that the approval of the members of Smartchem to the scheme shall be deemed to be their consent/ approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association under the provisions of Section 13 and 62 of the 2013 Act and other applicable provisions of the 2013 Act and 1956 Act.

PART V – GENERAL TERMS AND CONDITIONS

41. Validity of existing resolutions, etc.

Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or the shareholders of DFPCL pertaining to the TAN Undertaking and Fertiliser Undertaking, as are considered necessary by the Board of Directors of Smartchem and which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as the resolutions of Smartchem upto the end of financial year 2016-17, and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act and the 2013 Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of Smartchem shall be added to the limits, if any, under like resolutions passed by the Board of Directors and/or the shareholders of Smartchem and shall constitute the aggregate of the said limits in Smartchem.

42. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Transferred Undertakings and/or Demerged Undertakings or whether it arises or does not arise out of the activities, business or operations of the Transferred Undertakings and/or Demerged Undertakings shall be decided by mutual agreement between the respective Boards of Directors of DFPCL and/or SCM Fertichem and/or Smartchem.

43. Conditions to effectiveness of the Scheme

The Scheme is conditional upon and subject to:

43.1. this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of DFPCL, SCM Fertichem and Smartchem as required under the 1956 Act or the 2013 Act, as applicable, and the requisite order of the High Court(s) being obtained, or dispensation having been received from the High Court(s) in relation to obtaining such consent from the shareholders and/or creditors, as applicable;

43.2. such other approvals and sanctions including sanction of any Governmental Authority, as may be required by law or contract in respect of the Scheme;

43.3. the High Court(s) having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to DFPCL, SCM Fertichem and Smartchem; and

43.4. such certified/authenticated copy of the Order of the High Court(s) being filed with the concerned Registrar of Companies.

44. Applications/Petitions to the High Court(s) and Approvals

44.1. DFPCL, SCM Fertichem and Smartchem shall dispatch, make and file all applications and petitions under Sections 391 to 394 of the 1956 Act and other applicable provisions of the 1956 Act and the 2013 Act before the High Court(s), under whose jurisdiction the registered office of DFPCL, SCM Fertichem and Smartchem are situated, for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

44.2. SCM Fertichem and Smartchem shall be entitled, pending the sanction of the Scheme, to apply to any appropriate authority, if required, under any law for such consents and approvals which they may require to own TAN Undertaking and Fertiliser Undertaking.

45. Modifications to the Scheme

DFPCL, SCM Fertichem and Smartchem (by their respective Board of Directors), may, in their full and absolute discretion, jointly and as mutually agreed in writing:

45.1. assent to any alteration(s) or modification(s) to this Scheme which the High Court(s) and/or any other Governmental Authority may deem fit to approve or impose;

45.2. give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising

under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law);

45.3. modify or vary this Scheme prior to the Effective Date, in any manner at any time; or

45.4. If any part of this Scheme is found to be unworkable for any reasons whatsoever withdraw this Scheme prior to the Effective Date, in any manner at any time; or

45.5. Determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Fertiliser Undertaking of DFPCL and TAN Undertaking of DFPCL or not, on the basis of any evidence that they may deem relevant for this purpose.

46. Withdrawal of the Scheme

DFPCL and /or SCM Fertichem and/or Smartchem acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority/person or otherwise is unacceptable to any of them or for any reason whatsover.

47. When the Scheme comes into operation and its Parts given effect to

The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date. It is clarified that sequentially the Scheme shall come into effect Part-wise i.e. Part III and followed by Part IV.

48. Severability

If any provision or part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of DFPCL, SCM Fertichem and Smartchem, affect the validity or implementation of the other provisions and parts of this Scheme.

In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst DFPCL, SCM Fertichem and Smartchem and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall have overriding effect and shall prevail.

49. Costs

49.1. In the event of the Scheme not being sanctioned by the High Court(s), the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

49.2. Subject to Clause 49.1 above, all costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by DFPCL, SCM Fertichem and Smartchem in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid solely by Smartchem.

Schedule 1
Statement of Assets and Liabilities relating to the Fertiliser Undertaking as appearing in the books of accounts as at 31st December, 2014

Particulars	INR in Crs.
Fixed Assets	
Gross Block	391.66
Less: Depreciation	304.95
Net Block	86.70
Capital Work-in-Progress	38.69
Total Fixed Assets	**125.39**
Other Assets	
Inventories	269.21
Sundry Debtors	437.10
Loans and Advances	39.68
Cash & Bank Balance including Short Term	0.00
Total Other Assets	**745.98**
Total Assets (A)	**871.37**
Non-Current Liabilities	
Long Term Borrowings*	99.93
Total Non Current Liabilities	**99.93**
* Please refer Clause 5.1	
Current Liabilities	
Short Term Borrowings	391.05
Trade Payables	109.32
Other Current Liabilities	50.29
Total Current Liabilities	**550.66**
Total Liabilities (B)	**650.59**
Net Assets Value of Fertiliser Undertaking (A-B)	**220.78**

The above number are based on the unaudited financial as at 31st Dec 2014. List of assets and liabilities has been certified by M/s HMA & Associates, an Independent Chartered Accountant.

Schedule 2
List of registered Trademark of Fertiliser Undertaking

Sl No.	Name of Category of Trademark
1	MAHADHAN KRUSHI SAMRUDDHICHE ABHIYAN (DEVICE OF HUMAN BEING)
2	DEEPAK MAHADHAN
3	MAHAPOWER
4	MAHADHAN SAARRTHIE
5	SAARRITHIE
6	MAHAPOWER 24:24:0
7	MAHADHAN MAHAPOWER 24:24:0
8	MAHADHAN 24:24:0
9	YASHADA – English

Schedule 3

Statement of Assets and Liabilities relating to the TAN Undertaking as appearing in the books of accounts as at 31st December, 2014

Particulars	INR in Crs.
Fixed Assets	
Gross Block	880.05
Less: Depreciation	230.15
Net Block	649.91
Capital Work-in-Progress	1.04
Total Fixed Assets	**650.95**
Other Assets	
Inventories	156.09
Sundry Debtors	188.11
Loans and Advances	11.17
Cash & Bank Balance including Short Term	0.00
Total Other Assets	**355.38**
Total Assets (A)	**1,006.32**
Non-Current Liabilities	
Long Term Borrowings*	330.20
Total Non Current Liabilities	**330.20**
* Please refer Clause 5.1	
Current Liabilities	
Short Term Borrowings	77.40
Trade Payables	57.81
Other Current Liabilities	18.73
Total Current Liabilities	**153.94**
Total Liabilities (B)	**484.14**
Net Assets Value of TAN Undertaking (A-B)	**522.18**

The above number are based on the unaudited financial as at 31st Dec 2014. List of assets and liabilities has been certified by M/s HMA & Associates, an Independent Chartered Accountant.

Schedule 4

List of registered Trademark of TAN Undertaking

Sl No.	Name of Category of Trademark
1	OPTIBLAST
2	OPTISPAN
3	OPTIFORM
4	OPTIMEX

HMA & ASSOCIATES
Chartered Accountants

Head Off.: 1, Runwal Pratishtha, 1202/27, Shivajinagar, Apte Road, Behind Santosh Bakery, Pune 411 004.
Telefax : +91 20 3049 2806/07/08 Email : ho@hmaca.in www.hmaca.in
Branch Offices : PUNE, THANE, NASIK, KOLHAPUR

29th March, 2016

To,
Deepak Fertilisers And Petrochemicals Corporation Limited
Opp. Golf Course, Shastri Nagar, Yerawada,
Pune – 411006,
Maharashtra

Kind Attn: **Mr. Debashish Banerjee**

Dear Sir,

Re: Certification of Net Assets Value of TAN & Fertiliser Undertakings of DFPCL

We, HMA & Associates, Chartered Accountants ("**HMA**" or "**we**"), have been requested to certify the value of assets and liabilities of (i) Technical Ammonium Nitrate ("**TAN**") Undertaking, and (ii) Fertiliser Undertaking of Deepak Fertilisers And Petrochemicals Corporation Limited ("**DFPCL**" or "**Company**") as on 31st December 2014 (collectively (i) and (ii) are hereinafter referred to as the "**Transferred Undertakings**"). We are pleased to present herewith our report on the same.

1. **Purpose of the Report**

1.1. DFPCL is contemplating a corporate restructuring which amongst other includes transfer of Transferred Undertakings of DFPCL to SCM Fertichem Limited ("**SCM Fertichem**") through slump exchange on a going concern basis with effect from the Appointed Date of 1st January, 2015 ("**Slump Exchange**").

Strictly Private and Confidential

1.2. Towards the above mentioned Slump Exchange, the Management of DFPCL is desirous of getting certified the value of assets and liabilities of Transferred Undertakings as on 31st December, 2014.

2. Background

2.1. TAN Undertaking:

"TAN Undertaking" shall mean the whole of the TAN undertaking of the Company together with its business and operations including its manufacturing facility located at Taloja & Pune, Maharashtra on a going concern basis, and comprising of, inter alia, all the assets and liabilities which relate thereto, or are necessary therefore. TAN Undertaking commenced its operations in the Financial Year 1992-93 and majorly comprises of factory buildings, furniture & fixtures, laboratory equipments, plant & machinery, land etc.

2.2. Fertiliser Undertaking:

"Fertiliser Undertaking" shall mean the whole of the Fertiliser undertaking of the Company together with its business and operations including its manufacturing and related facilities located at (i) Taloja & Pune, Maharashtra, (ii) Jawaharlal Nehru Port, Maharashtra, and (iii)Panipat, Haryana and its marketing and corporate office(s), on a going concern basis, and comprising of, inter alia, all the assets and liabilities which relate thereto, or are necessary therefore. Fertiliser Undertaking commenced its operations in the Financial Year 1983-84 and majorly comprises of electrical installations, factory buildings, furniture & fixtures, plant & machinery, laboratory equipments, land etc.

2.3. Further, we understand that the Transferred Undertakings is in operative and working condition. It is fairly well maintained with proper and satisfactory corrective and preventive maintenance practice.

3. **Sources of Information**

3.1. Mangement Certified Balance Sheet of Transferred Undertakings of DFPCL as on 31st December, 2014.

3.2. Detailed fixed assets register of Transferred Undertakings of DFPCL as on 31st December, 2014.

3.3. Management Certified Quarterly results of DFPCL for the quarter ended 31 December 2014 along with a full unit-wise break-up of the same.

4. **Assets & Liabilities as on 31st December 2014**

4.1. We have not done any Technical assessment of the Assets & Liabilities as to whether the same are eligible to be included in a particular undertaking or not. We have relied on the details of assets and liabilities provided to us by the management for every undertaking and have only verified them with the Books of Accounts of the Company.

4.2. Our analysis is based on the financial data, documents and information provided to us by the Management of DFPCL. Kindly note that the certification of the value of assets and liabilities carried out by us is subject to the accuracy of the information provided by the Management or any other key personnel of DFPCL. Any changes in the information, so provided, may have an impact on the value so certified.

4.3. To certify the value of assets & liabilities of Transferred Undertakings of DFPCL, we have followed the Net Assets Value Method.

The Net Assets Value of Transferred Undertakings on going concern basis is arrived at **INR 742.96 Crs**. For details refer ***Annexure 1***.

4.4. This report is prepared for DFPCL and must be used only for the specific engagement and regulatory reporting purposes. This report is not intended for and should not be made available or quoted or referred to or transmitted to anybody else, in whole or in part, for any purpose without our prior written consent.

Thanking You,

Yours faithfully,

For HMA & Associates
Chartered Accountants
FRN - 100537W

CA Anand D. Joshi
Partner
Membership No. - 113805

Date: 29th March 2016
Place: Pune

Encl.: a/a

Annexure I

Net Assets Value of TAN and Fertiliser Undertakings as on 31 December 2014

Particulars	INR in Crs.
A. Net Assets Value of TAN Undertaking (Refer Annexure II)	522.18
B. Net Assets Value of Fertiliser Undertaking (Refer Annexure III)	220.78
Net Assets Value of TAN and Fertiliser Undertaking	**742.96**

Annexure II

Net Assets Value of TAN Undertaking as on 31 December 2014

Particulars	INR in Crs.
Fixed Assets (Refer Annexure IV)	
Gross Block	880.05
Less: Depreciation	230.15
Net Block	649.91
Capital Work-in-Progress	1.04
Total Fixed Assets	**650.95**
Other Assets	
Inventories	156.09
Sundry Debtors	188.11
Loans and Advances	11.17
Cash & Bank Balance including Short Term	0.00
Total Other Assets	**355.38**
Total Assets (A)	**1,006.33**
Non-Current Liabilities	
Long Term Borrowings	330.20
Total Non Current Liabilities	**330.20**
Current Liabilities	
Short Term Borrowings	77.40
Trade Payables	57.81
Other Current Liabilities	18.73
Total Current Liabilities	**153.94**
Total Liabilities (B)	**484.14**
Net Assets Value of TAN Undertaking (A-B)	**522.18**

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Annexure III

Net Assets Value of Fertiliser Undertaking as on 31 December 2014

Particulars	INR in Crs.
Fixed Assets (Refer Annexure V)	
Gross Block	391.66
Less: Depreciation	304.95
Net Block	86.70
Capital Work-in-Progress	38.69
Total Fixed Assets	**125.39**
Other Assets	
Inventories	269.21
Sundry Debtors	437.10
Loans and Advances	39.68
Cash & Bank Balance including Short Term	0.00
Total Other Assets	**745.98**
Total Assets (A)	**871.37**
Non-Current Liabilities	
Long Term Borrowings	99.93
Total Non Current Liabilities	**99.93**
Current Liabilities	
Short Term Borrowings	391.05
Trade Payables	109.32
Other Current Liabilities	50.29
Total Current Liabilities	**550.66**
Total Liabilities (B)	**650.59**
Net Assets Value of Fertiliser Undertaking (A-B)	**220.78**

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Annexure IV

Details of Fixed Assets of TAN Undertaking of DFPCL as on 31st Dec 2014

(INR in Crs.)

Description	Gross Block	Depreciation	Net Block
Land	10.18	(0.05)	10.13
Nitric Acid Plants	300.01	(75.11)	224.90
Import Infrastructure at JNPT	94.45	(23.72)	70.73
Technical Ammonium Nitrate Plant	473.23	(130.27)	342.96
Marketing Offices- Misc Assets	2.18	(0.99)	1.19
	880.05	**(230.15)**	**649.91**

Annexure V

Details of Fixed Assets of Fertiliser Undertaking of DFPCL as on 31st Dec 2014

(INR in Crs.)

Description	GROSS BLOCK	DEPRECIATION	NET BLOCK
Ammonia	156.29	(125.49)	30.81
Nitric Acid Plant	94.68	(82.20)	12.48
NP	73.55	(65.82)	7.73
Import Infrastructure at JNPT	25.59	(19.95)	5.64
Bensulf	15.89	(7.16)	8.73
Area Office/ Saarthie Centres and other Locations			
Land	16.76	-	16.76
Other Assets	8.90	(4.33)	4.56
	391.66	**(304.95)**	**86.70**

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HMA & ASSOCIATES PUNE Chartered Accountants

29th March, 2016

The Board of Directors of SCM Fertichem Limited Deepak Complex, Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra	The Board of Directors of Smartchem Technologies Limited Village Ponnada, Etcherla Mandalam, Dist. Srikakulam, Andhra Pradesh

Dear Sir/Madam,

Re: Recommendation of Fair Share Entitlement Ratio for the proposed demerger of TAN Undertaking and Fertiliser Undertaking from SCM Fertichem Limited into Smartchem Technologies Limited

This is with reference to the discussions held on the proposed restructuring. We have been given to understand that the Management is contemplating a restructuring through scheme of arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Ltd. (**"DFPCL"**), SCM Fertichem Ltd. (**"SCM Fertichem"**) and Smartchem Technologies Ltd. (**"Smartchem"**) (individually referred to as **"the Company"** or together referred to as **"the Companies"**) and their respective shareholders and creditors in terms of Sections 391-394 of the Companies Act, 1956 (**"Scheme"**).

Towards the above, M/s Sharp & Tannan (referred to as "Valuer"or "we" or "us"), have been requested to recommend fair Share Entitlement Ratio (**"Entitlement Ratio"**) for the proposed demerger of Technical Ammonium Nitrate (**"TAN"**) Undertaking and Fertiliser Undertaking from SCM Fertichem into Smartchem (**"Demerger"**). As per the draft Scheme provided to us, appointed date for the proposed Demerger is 1st Jan, 2015 (**"Appointed Date"**). We are pleased to present herewith our report on the same.

1. BRIEF BACKGROUND

1.1. SCM FERTICHEM

1.1.1. SCM Fertichem, an unlisted public limited company, was incorporated on 10th October, 2012, inter alia, for manufacturing and trading of fertilisers, petroleum and their by products. Its registered office is located in Pune.

SHARP & TANNAN SIT CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI-20

Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.
Tel. (22) 2204 7722/23, 6633 8343 - 47 Fax (22) 6633 8352 E-mail : admin.mumbai@sharpandtannan.com
Farook M. Kobla Shreedhar T. Kunte Mihir P. Phadke Ramnath D. Kare Ashwin B. Chopra
Edwin Augustine Raghunath P. Acharya Firdosh D. Buchia Thirtharaj A. Khot Pavan K. Aggarwal
Also at Pune. Associate Offices : Bangalore, Chennai, Goa & New Delhi

1.1.2. The issued & paid up equity share capital of SCM Fertichem as at 31st December, 2015 was INR 5,00,000 divided into 50,000 equity shares of INR 10/- each (face value) and its share capital structure was as under:

Authorised Share Capital		**Amount (INR)**
50,000 Equity Shares of INR 10 each		500,000
	Total	500,000

Issued, Subscribed and Fully Paid Up Share Capital		**Amount (INR)**
50,000 Equity Shares of INR 10 each		500,000
	Total	500,000

1.1.3. The entire equity share capital of SCM Fertichem is held by DFPCL (along with its nominees).

1.1.4. We have been informed by the Management of SCM Fertichem that there has been no change in the share capital of the company till the date of this report.

1.1.5. The Management of SCM Fertichem represented that SCM Fertichem does not have any outstanding warrants/options/convertible securities, as at the date hereof.

1.1.6. Further, we have been given to understand by the Management that the Board of Directors of the Companies have proposed transfer of

(i) the TAN undertaking of the company together with its business and operations including its manufacturing facility located at Taloja & Pune, Maharashtra ("**TAN Undertaking**"), and

(ii) the Fertiliser undertaking of the company together with its business and operations including its manufacturing and related facilities located at Taloja and Jawaharlal Nehru Port, Maharashtra ("**Fertiliser Undertaking**")

of DFPCL to SCM Fertichem, on a going concern basis against issuance of 1,60,00,000 equity shares of face value of INR 10/- each by SCM Fertichem to DFPCL ("**Slump Exchange**").

1.1.7. Pursuant to issuance of equity shares as mentioned above upon Slump Exchange, the issued & paid up equity share capital of SCM Fertichem shall stand increased to INR 16,05,00,000 divided into 1,60,50,000 equity shares of INR 10/- each (face value).

1.2. SMARTCHEM

1.2.1. Smartchem, an unlisted public limited company, was incorporated on 21st January, 1987. It is engaged in the business of manufacturing & trading of ammonium nitrate and weak nitric acid.

1.2.2. The issued & paid-up equity share capital of Smartchem as at 31st December, 2015 was INR 1,00,00,000 divided into 10,00,000 equity shares of INR 10/- each (face value) and its share capital structure was as under:

Authorised Share Capital	Amount (INR)
70,00,000 Equity Shares of INR 10 each	7,00,00,000
18,00,000 1% Cumulative Redeemable Preference Shares of INR 100 each	18,00,00,000
Total	25,00,00,000

Issued, Subscribed and Fully Paid Up Share Capital	Amount (INR)
10,00,000 Equity Shares of INR 10 each	1,00,00,000
Total	1,00,00,000

1.2.3. The entire equity share capital of Smartchem is held by DFPCL (along with its nominees).

1.2.4. We have been informed by the Management of the company that there has been no change in the above share capital of the company till the date of this report.

1.2.5. The Management of Smartchem represented that Smartchem does not have any outstanding warrants/options/convertible securities, as at the date hereof.

1.2.6. During FY 2014-15, Smartchem had formed a subsidiary company, namely Platinum Blasting Services Pty Limited in Australi with locally renowned professionals in the field of mining/blasting services to provide blasting services in and around Australia.

2. SCOPE & PURPOSE OF FAIR SHARE ENTITLEMENT RATIO

2.1. We are given to understand that the Board of Directors of the Companies proposes to transfer TAN Undertaking and Fertiliser Undertaking (collectively hereinafter referred to as **"Business Undertakings"**) by way of demerger on a going concern basis from SCM Fertichem into Smartchem with effect from the Appointed Date.

S&T CHARTERED ACCOUNTANTS PAREKH ANNEXE, MUMBAI-20

2.2. This is proposed to be achieved by way of a Scheme of Arrangement pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 & other applicable provisions made there-under and the Companies Act, 2013.

2.3. For this purpose, we have been requested to recommend fair Share Entitlement Ratio for the purpose of proposed Demerger. This Share Entitlement Ratio Report ("**Valuation Report**") may be placed before the Audit Committee, as per SEBI Circular CIR/CFD/CMD/16/2015 dated 30th November, 2015 and to the extent mandatorily required under the applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Scheme.

2.4. This Valuation Report is subject to the exclusions, limitations & disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with-the relevant documents referred to therein.

3. SOURCES OF INFORMATION

3.1. In connection with preparing this Valuation Report, we have received & relied upon the following sources of information from the management:

- Draft Scheme of Arrangement;
- Management certified financial results of Smartchem for 9 months ended 31st December 2015;
- Audited financials of Smartchem & SCM Fertichem for FY 2013-14 & 2014-15. We have been given to understand that financial results of SCM Fertichem as on 31st March 2015 can be considered as representative financials as on 31st December 2015;
- Shareholding pattern of SCM Fertichem and Smartchem as on 31st December, 2015;
- Number of shares required to be issued by SCM Fertichem upon Slump Exchange and shareholding pattern of SCM Fertichem post such share issue;
- Number of equity shares required to be issued by Smartchem to DFPCL pursuant to the proposed Demerger.

3.2. Relevant data and information with reference to SCM Fertichem, Smartchem & Business Undertakings provided to us by the representatives of DFPCL in written or oral form or in form of soft copy;



3.3. Discussions regarding past, current & future business projections on SCM Fertichem, Smartchem & Business Undertakings;

3.4. Information provided by leading database sources, market research reports and other published data;

3.5. Management Representation Letters dated 28th March, 2016 containing various data, documents and information relating to Business Undertakings, SCM Fertichem & Smartchem.

4. SCOPE LIMITATIONS, ASSUMPTIONS, EXCLUSIONS AND DISCLAIMERS

4.1. This Valuation Report, its contents and the results herein are specific to the purpose mentioned in this report. The Management has represented that the business activities of the Companies have been carried out in the normal and ordinary course since 1st January, 2016 to date hereof and that no material adverse change has occurred in their respective operations and financial position between 1st January 2016 and date hereof.

4.2. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information (both written & verbal) made available to us by the Companies and (ii) the accuracy of the information that was publicly available, and formed substantial basis for this Valuation Report. We have not carried out a due diligence or audit of the Companies, nor have we independently investigated or otherwise verified the data provided by the Companies. In rendering this Valuation Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof. We do not express any opinion or offer any form of assurance that the explanations, financial information or other information as prepared and provided by the Companies is accurate and complete. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that, in case of any doubt, they have checked the relevance or materiality of any specific information with respect to the present exercise with us. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

4.3. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The respective management of the Companies have indicated to us that they have understood that any omissions, inaccuracies or mis-statements may

materially affect our analysis/result. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

4.4. Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable value, although certain formulae are helpful in assessing reasonableness.

4.5. This report and its contents is prepared for the Companies and to be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to or quoted in any correspondence, registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or discussion with any person. The report is confidential to the Companies and it is given on the express undertaking that will not be communicated, in whole or in part, to any third party without prior written consent of Valuer. Neither this report nor its contents may be used for any other purpose other than in connection with this proposed Demerger without prior written consent of Valuer.

4.6. Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair, neither ourselves, nor any of our partners, or officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities which may arise based on the information used in this report. We owe responsibility only to the Board of Directors of the Companies and nobody else. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Companies, their management, directors, employees or agents.

4.7. A valuation of this nature is necessarily based on prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect

on, and the information made available to us as of, the date hereof. Events occurring after the date hereof, may affect this Report and the assumptions used in preparing it, and we do not assume any obligations to update, revise or reaffirm this Valuation Report. However, we reserve the right to amend or replace the report at any time in the event of any material change in the facts presented to us.

4.8. The Valuation Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the management certified balance sheet of the Companies. Our conclusion of value assumes that the assets & liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the date hereof.

4.9. This Valuation Report does not look into the business / commercial reasons behind the proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

4.10. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. In addition, this Valuation Report does not in any manner address the price at which equity shares will trade following approval of the Demerger and we express no opinion or recommendation as to how the shareholders or creditors of the Companies should vote at their respective meeting(s) to be held in connection with the proposed Demerger.

4.11. The fee for this engagement is not contingent upon the results of this report.

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5. RECOMMENDATION OF FAIR SHARE ENTITLEMENT RATIO

5.1. The proposed Slump Exchange of TAN Undertaking & Fertiliser Undertaking of DFPCL into SCM Fertichem shall entail transfer of undertakings of the holding company (i.e. DFPCL) into its wholly-owned subsidiary (i.e. SCM Fertichem) and will not result in acquisition of assets from third parties & no shares of DFPCL or SCM Fertichem have to be issued to any third party. The existing shareholders of DFPCL own the net assets of DFPCL and all its wholly owned subsidiaries (including SCM Fertichem) through DFPCL in proportion to their respective shareholding in DFPCL. On Demerger of TAN Undertaking & Fertiliser Undertaking, the shareholders of SCM Fertichem (i.e. DFPCL) will be issued shares of Smartchem in the same proportion as they hold shares in SCM Fertichem. Consequently, the net assets owned by the shareholders of DFPCL as on the effective date will not change when DFPCL receive shares of Smartchem consequent to the proposed Demerger.

5.2. Pre Slump Exchange & Demerger, TAN Undertaking & Fertiliser Undertaking was owned by DFPCL and post Slump Exchange & Demerger, such undertaking shall be owned by Smartchem, a wholly owned subsidiary of DFPCL. Upon allotment of shares by Smartchem to DFPCL for Demerger, the beneficial interest of the shareholders in the equity of DFPCL will remain same since no shares are issued to any third party and Smartchem continues to remain wholly owned subsidiary of DFPCL.

5.3. In the current instance, the issue of adjusting equity values between different shareholders that usually forms the prime consideration for determining a fair Share Entitlement Ratio is not relevant. The determination of Fair Share Entitlement Ratio would not have any economic impact on the ultimate value of the shareholders of DFPCL and the proposed Demerger will be value neutral to the shareholders of DFPCL.

5.4. We have been informed by the Management that upon scheme becoming effective & prior to issuance of shares for Slump Exchange & Demerger, the authorized share capital of SCM Fertichem and Smartchem would be increased by the requisite amount so that post issue paid up share capital is lower than the authorized share capital.

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5.5. Based on the aforesaid, in particular read with paragraph 2 & 5.1 to 5.4 above and the caveats mentioned in point 4 above, and considering that there will not be any change in the ecomomic interest of the shareholders of DFPCL, the following proposed Share Entitlement Ratio for Demerger, as proposed by the management, is fair to the shareholders:

"1 (One) equity share of Smartchem of INR 10/- each fully paid up for every 1 (One) equity share of SCM Fertichem of INR 10/- each fully paid up."

Thanking You,

Yours faithfully,
For **Sharp &Tannan,**
Chartered Accountants
Firm Regn No.: 109982W

Edwin Augustine
(Partner)
Membership No. - 043385
Date: 29th March, 2016
Place: Mumbai



JM FINANCIAL

STRICTLY CONFIDENTIAL

March 29, 2016

The Board of Directors,
Deepak Fertilisers and Petrochemicals Corporation Limited
Sai Hira, Survey No. 93,
Mundhwa, Pune – 411 036, India.

Subject: Proposed scheme of arrangement between Deepak Fertilisers and Petrochemicals Corporation Limited ("DFPCL" or the "Company"), SCM Fertichem Limited ("SCM Fertichem"), Smartchem Technologies Limited ("Smartchem") and their respective shareholders & creditors ("Scheme" or "Scheme of Arrangement")

Ladies and Gentlemen:

We refer to the engagement letter dated March 28, 2016 ("**Engagement Letter**") whereby Deepak Fertilisers and Petrochemicals Corporation Limited (the "Company") has requested JM Financial Institutional Securities Limited ("**JM Financial**") to provide a fairness opinion to the Company on the valuation report dated March 29, 2016 issued by M/s Sharp & Tannan (the "**Valuer**") ("**Valuation Report**") for the proposed Scheme under the provisions of Section 391 to Section 394 of the Companies Act, 1956. The Scheme envisages following steps:

I. Slump exchange of (i) the Technical Ammonia Nitrate ("**TAN**") undertaking of the Company together with its business and operations pertaining to manufacturing and trading facility located at Taloja & Pune, Maharashtra ("**TAN Undertaking**"), and (ii) the Fertiliser undertaking of the Company together with its business and operations pertaining to manufacturing and trading facility located at Taloja & Pune, Maharashtra ("**Fertiliser Undertaking**") (and collectively, (i) and (ii) are hereinafter referred to as the "**Transferred Undertakings**") of the Company to SCM Fertichem, on a going concern basis ("**Slump Exchange**"); and

II. Thereafter, the subsequent demerger of the TAN Undertaking and Fertiliser Undertaking ("**Demerged Undertakings**") and vesting of the same in Smartchem, on a going concern basis, in accordance with Section 2(19AA) of the Income Tax Act, 1961 ("**Demerger**").

Brief Background

The Company is a public limited company incorporated under the Companies Act, 1956 and is primarily engaged in the business of, *inter alia*, manufacturing and selling of fertilisers, technical ammonia nitrate, bulk chemicals, mining chemical, generation & distribution of power and value added real estate. The equity shares ("**Equity Shares**") of the Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"). BSE and NSE are together hereinafter referred to as the "**Stock Exchanges**".

SCM Fertichem is an unlisted wholly owned subsidiary of the Company, incorporated under the Companies Act, 1956 and is engaged *inter alia*, in the business of manufacturing and trading of fertilisers, petrochemicals and their by-products.

Smartchem is an unlisted wholly owned subsidiary of the Company, incorporated under the Companies Act, 1956 and is engaged *inter alia*, in the business of manufacturing and trading of ammonium nitrate and weak nitric acid.

The Company has appointed the Valuer to determine the share entitlement ratio for issue of shares by Smartchem to the shareholder of SCM Fertichem (i.e. the Company) pursuant to the Demerger. The Valuer has recommended share entitlement ratio of 1 equity share of Smartchem for every 1 equity share held in SCM Fertichem for the said Demerger (**"Share Entitlement Ratio"**).

The Company in terms of the Engagement Letter has requested us to examine the Valuation Report and such other information provided by the Company and issue our independent opinion as to the fairness of the Share Entitlement Ratio for the Demerger (**"Fairness Opinion"**).

Source of Information

For the said examination and for arriving at the opinion set forth below, we have:

1. Perused the Valuation Report;
2. Perused annual report of SCM Fertichem and Smartchem for the financial year ended March 31, 2015;
3. Reviewed the draft Scheme; and
4. Reviewed shareholding pattern as of date and capital structure of SCM Fertichem and Smartchem.

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was provided or otherwise made available to us by the Company for the purposes of this opinion. We have not conducted any due diligence and express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. We have not reviewed any books and records of the Company other than those provided or made available to us. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties, facilities or assets of the Company and neither express any opinion with respect thereto nor accept any responsibility thereof. We have not made any independent valuation or appraisal of the assets or liabilities of the Company nor have we been furnished with any such appraisals. We have not reviewed any internal management information statements or any non public reports, and instead, with your consent, have relied upon information that was provided or otherwise made available to us by the Company for the purposes of this opinion. We further do not provide any opinion on taxation, legal, actuarial or accounting matters related to the Scheme or otherwise and the Company and the shareholders shall not rely on this opinion for these matters.

We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the proposed Scheme, no changes will be imposed that will have a material adverse effect on the proposed Scheme. We understand that the management of the Company, during our discussion with them has drawn our attention to all such information and matters which may have an impact on our analysis and opinion. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion.

In the ordinary course of business, JM Financial Group (JM Financial Group includes JM Financial and its affiliates) is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the JM Financial Group may at any time

hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

We express no opinion whatever and make no recommendation at all as to the Company's underlying decision to undertake the Scheme or provide any kind of recommendation to the equity shareholders of the Company as to how they should vote in the resolution of the shareholders for the Scheme. We also do not provide any recommendation to the creditors of the Company with respect to proposed Scheme. We also express no opinion and accordingly accept no responsibility for the impact of the proposed Scheme on the current or future value and / or price of the Equity Shares of the Company.

Conclusion

Based on our examination of the Valuation Report, such other information provided to us by the Company and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the Share Entitlement Ratio considered for the purpose of the Demerger is fair to the Company.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed only to the Board of Directors of the Company. The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party without JM Financial's prior written consent. However, the Company may provide a copy of the Fairness Opinion if requested / called upon by any regulatory authorities of India subject to the Company promptly intimating JM Financial in writing about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality and not in parts. Further this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Yours truly,

For **JM Financial Institutional Securities Limited**

Authorized Signatory

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

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

20th June, 2016

To,

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001.

Scrip Code – 500645

Listing – Compliance Department
National Stock Exchange of India Ltd,
Exchange Plaza, Plot No. C/1, G Block
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

NSE Symbol - DEEPAKFERT

Ref. - Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations") for the proposed Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited, SCM Fertichem Limited & Smartchem Technologies Limited and their respective shareholders and creditors

Subject - Complaints Report

Dear Sir,

This is with reference to the aforementioned application.

We would like to bring to your attention that the Draft scheme was uploaded on the Company's website on 11th May 2016. In terms of Para 1(A)(6) of Annexure I of SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, Complaints Report containing details of complaints/comments received on the draft Scheme as per Annexure III of the said Circular is attached and marked as Annexure – 1 for the period from 11th May 2016 to 14th June, 2016.

Request you to kindly acknowledge the same.

For **Deepak Fertilisers And Petrochemicals Corporation Limited**

Mandar Velankar
Assistant Company Secretary

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

Annexure - 1

COMPLAINTS REPORT
[Period covered - From 11th May 2016* to 14th June 2016#]

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly.	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/pending)
1.	NA		
2.			
3.			
4.			

* The date of hosting the draft Scheme & other documents on the Company's website, i.e., 11th May, 2016, from which the Draft Scheme became accessible to the public for their observations.

14th June, 2016 indicates the end of 21 days from the date of uploading of the draft Scheme & other documents on the BSE's website, on 25th May, 2016

For **Deepak Fertilisers And**
Petrochemicals Corporation Limited,

Mandar Velankar
Assistant Company Secretary

Place: Pune, Maharashtra
Date: 20th June, 2016

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

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

23rd June, 2016

To,

Listing – Compliance Department
National Stock Exchange of India Ltd,
Exchange Plaza, Plot No. C/1, G Block
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

NSE Symbol - DEEPAKFERT

Ref. - Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations") for the proposed Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited, SCM Fertichem Limited & Smartchem Technologies Limited and their respective shareholders and creditors

Subject - Complaints Report

Dear Sir,

This is with reference to the aforementioned application.

We would like to bring to your attention that the Draft scheme was uploaded on the NSE's website on 1st June, 2016. In terms of Para 1(A)(6) of Annexure I of SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, Complaints Report containing details of complaints/comments received on the draft Scheme as per Annexure III of the said Circular is attached and marked as Annexure – 1 for the period from 1st June 2016 to 21st June 2016.

Request you to kindly acknowledge the same.

For **Deepak Fertilisers And Petrochemicals Corporation Limited**

Mandar Velankar
Assistant Company Secretary

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

Annexure - 1

COMPLAINTS REPORT
[Period covered - From 1st June 2016* to 21st June 2016#]

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly.	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/pending)
1.	NA		
2.			
3.			
4.			

* The date of hosting the draft Scheme & other documents on the NSE's website, i.e., 1st June, 2016.

21st June 2016 indicates the end of 21 days from the date of uploading of the draft Scheme & other documents on the NSE's website, on 1st June, 2016.

For **Deepak Fertilisers And Petrochemicals Corporation Limited,**

Mandar Velankar
Assistant Company Secretary

Place: Pune, Maharashtra
Date: 23rd June, 2016

DCS/AMAL/AM/24(f)/460/2016-17
July 18, 2016

The Company Secretary
Deepak Fertilizers & Petrochemicals Corporation Ltd
Opp Golf Course, Shastri Nagar,
Yerawada, Pune - 411006

Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Deepak Fertilizers & Petrochemicals Corporation Ltd, SCM Fertichem Ltd and Smartchem Technologies Ltd.

We are in receipt of Draft Scheme of Arrangement between Deepak Fertilizers & Petrochemicals Corporation Ltd, SCM Fertichem Ltd and Smartchem Technologies Ltd as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated July 15, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall duly comply with various provisions of the Circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
g. Complaints Report as per Annexure II of this Circular.
h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Pujari

Nitin Pujari
Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/80423 July 18, 2016

The Assistant Company Secretary
Deepak Fertilizers and Petrochemicals Corporation Limited
Opp. Golf Course,
Shastri Nagar, Yerawada
Pune - 411006

Kind Attn.: Mr. Mandar Velankar

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement (Under Section 391 To 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013) amongst Deepak Fertilisers and Petrochemicals Corporation Limited and SCM Fertichem Limited and Smartchem Technologies Limited and their respective shareholders and creditors.

This has reference to the draft Scheme of Arrangement (Under Section 391 To 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013) amongst Deepak Fertilisers and Petrochemicals Corporation Limited and SCM Fertichem Limited and Smartchem Technologies Limited and their respective shareholders and creditors submitted to NSE vide your letter dated May 09, 2016.

Based on our letter reference no Ref: NSE/LIST/78028 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated July 15, 2016, has given following comments on the draft Scheme of Arrangement:

"The Company shall duly comply with various provisions of the Circular."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from July 18, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a) Copy of Scheme as approved by the High Court;
b) Result of voting by shareholders for approving the Scheme;
c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

d) Status of compliance with the Observation Letter/s of the stock exchanges
e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f) Complaints Report as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

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

This Document is Digitally Signed
Signer : Divya Babu Poojari
Date: Mon, Jul 18, 2016 15:16:15 GMT+05:30
Location: NSE

Pre and Post Scheme of Arrangement Shareholding Patten of Deepak Fertilisers And Petrochemicals Corporation Limited

General information about company	
Scrip code	500645
Name of the company	DEEPAK FERTILISERS & PETROCHEMICALS CORPORATION LTD
Whether company is SME	No
Class of Security	Equity Shares
Type of report	Quarterly
Quarter Ended / Half year ended/Date of Report (For Prelisting / Allotment)	30-09-2016
Date of allotment / extinguishment (in case Capital Restructuring selected) / Listing Date	
Shareholding pattern filed under	Regulation 31 (1) (b)

Sr. No.	Particular	Yes/No
1	Whether the Listed Entity has issued any partly paid up shares?	No
2	Whether the Listed Entity has issued any Convertible Securities ?	No
3	Whether the Listed Entity has issued any Warrants ?	No
4	Whether the Listed Entity has any shares against which depository receipts are issued?	No
5	Whether the Listed Entity has any shares in locked-in?	No
6	Whether any shares held by promoters are pledge or otherwise encumbered?	No
7	Whether company has equity shares with differential voting rights?	No

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+ (V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			
								No of Voting (XIV) Rights			Total as a % of (A+B+C)
								Class eg: X	Class eg:y	Total	
(A)	Promoter & Promoter Group	5	45049377			45049377	51.07	45049377		45049377	51.07
(B)	Public	99010	43155566			43155566	48.93	43155566		43155566	48.93
(C)	Non Promoter-Non Public										
(C1)	Shares underlying DRs										
(C2)	Shares held by Employee Trusts										
	Total	99015	88204943			88204943	100	88204943		88204943	100

Table I - Summary Statement holding of specified securities										
Category (I)	Category of shareholder (II)	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group				51.07					45049377
(B)	Public				48.93					36516250
(C)	Non Promoter-Non Public									
(C1)	Shares underlying DRs									
(C2)	Shares held by Employee Trusts									
	Total				100					81565627

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group											
B	Table III - Statement showing shareholding pattern of the Public shareholder										
(1)	Institutions										
(a)	Mutual Funds	6	747183			747183	0.85	747183		747183	0.85
(e)	Foreign Portfolio Investors	44	12840308			12840308	14.56	12840308		12840308	14.56
(f)	Financial Institutions/ Banks	19	45037			45037	0.05	45037		45037	0.05
(g)	Insurance Companies	5	1223334			1223334	1.39	1223334		1223334	1.39
Sub-Total (B)(1)		74	14855862			14855862	16.84	14855862		14855862	16.84
(3)	Non-institutions										
(a(i))	Individuals - i.Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	95104	16448217			16448217	18.65	16448217		16448217	18.65
(a(ii))	Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	49	2493739			2493739	2.83	2493739		2493739	2.83
(b)	NBFCs registered with RBI	3	29686			29686	0.03	29686		29686	0.03
(e)	Any Other (specify)	3780	9328062			9328062	10.58	9328062		9328062	10.58
Sub-Total (B)(3)		98936	28299704			28299704	32.08	28299704		28299704	32.08
Total Public Shareholding (B)=(B)(1)+ (B)(2)+(B) (3)		99010	43155566			43155566	48.93	43155566		43155566	48.93
C	Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder										
Total (A+B+C2)		99015	88204943			88204943	100	88204943		88204943	100
Total (A+B+C)		99015	88204943			88204943	100	88204943		88204943	100

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group									
Sr.	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+ (X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
A	Table II - Statement showing shareholding pattern of the Promoter and Promoter Group								
(1)	Indian								
(a)				29.92					26394005
(d)				21.15					18655372
Sub-Total (A) (1)				51.07					45049377
(2)	Foreign								
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)				51.07					45049377
B	Table III - Statement showing shareholding pattern of the Public shareholder								
(1)	Institutions								
(a)				0.85					747183
(e)				14.56					12840308
(f)				0.05					27962
(g)				1.39					1222584
Sub-Total (B) (1)				16.84					14838037
(3)	Non-institutions								
(a(i))				18.65					11523457
(a(ii))				2.83					2473689
(b)				0.03					29686
(e)				10.58					7651381
Sub-Total (B) (3)				32.08					21678213
Total Public Shareholding (B)=(B)(1)+ (B)(2)+(B)(3)				48.93					36516250
C	Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder								
Total (A+B+C2)				100					81565627
Total (A+B+C)				100					81565627

Individuals/Hindu undivided Family				
Searial No.	1	2	3	
Name of the Shareholders (I)	Sailesh Chimanlal Mehta	PARUL SAILESH MEHTA	CHIMANLAL KHIMCHAND MEHTA	Click here to go back
PAN (II)	AAFPM3448R	AAHPM6689E	AAFPM0905P	Total
No. of fully paid up equity shares held (IV)	21284506	4045226	1064273	26394005
No. Of Partly paid-up equity shares held (V)				
No. Of shares underlying Depository Receipts (VI)				
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	21284506	4045226	1064273	26394005
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	24.13	4.59	1.21	29.92
Number of Voting Rights held in each class of securities (IX)				
Class eg:X	21284506	4045226	1064273	26394005
Class eg:y				
Total	21284506	4045226	1064273	26394005
Total as a % of Total Voting rights	24.13	4.59	1.21	29.92
No. Of Shares Underlying Outstanding convertible securities (X)				
No. of Shares Underlying Outstanding Warrants (Xi)				
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)				
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(Xi)(a) As a % of (A+B+C2)	24.13	4.59	1.21	29.92
Number of Locked in shares (XII)				
No. (a)				
As a % of total Shares held (b)				
Number of Shares pledged or otherwise encumbered (XIII)				
No. (a)				
As a % of total Shares held (b)				
Number of equity shares held in dematerialized form (XIV)	21284506	4045226	1064273	26394005
Reason for not providing PAN				

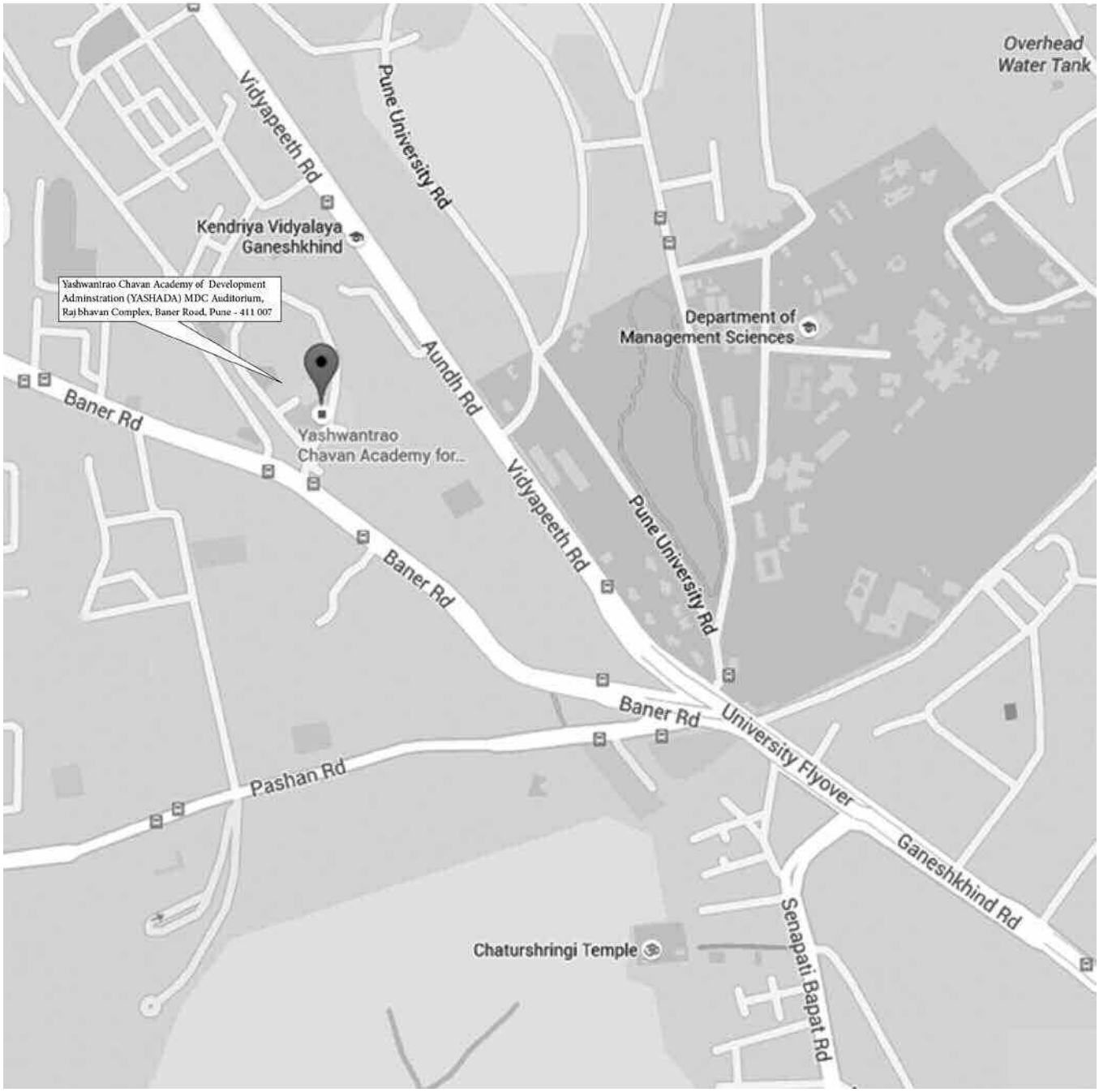
Any Other (specify)			
Searial No.	1	2	
Category	Bodies Corporate	Bodies Corporate	Click here to go back
Name of the Shareholders (I)	NOVA SYNTHETIC LIMITED	SOFOTEL INFRA PRIVATE LIMITED	
PAN (II)	AAACN3288L	AAACS8038B	Total
No. of the Shareholders (I)	1	1	2
No. of fully paid up equity shares held (IV)	17267071	1388301	18655372
No. Of Partly paid-up equity shares held (V)			
No. Of shares underlying Depository Receipts (VI)			
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	17267071	1388301	18655372
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	19.58	1.57	21.15
Number of Voting Rights held in each class of securities (IX)			
Class eg: X	17267071	1388301	18655372
Class eg:y			
Total	17267071	1388301	18655372
Total as a % of Total Voting rights	19.58	1.57	21.15
No. Of Shares Underlying Outstanding convertible securities (X)			
No. of Shares Underlying Outstanding Warrants (Xi)			
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)			
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	19.58	1.57	21.15
Number of Locked in shares (XII)			
No. (a)			
As a % of total Shares held (b)			
Number of Shares pledged or otherwise encumbered (XIII)			
No. (a)			
As a % of total Shares held (b)			
Number of equity shares held in dematerialized form (XIV)	17267071	1388301	18655372
Reason for not providing PAN			

Foreign Portfolio Investors			
Searial No.	1	2	
Name of the Shareholders (I)	FIDELITY PURITAN TRUST-FIDELITY LOW-PRICED STOCK FUND	FIDELITY NORTHSTAR FUND	Click here to go back
PAN (II)	AAATF1551H	AAATF1570C	Total
No. of fully paid up equity shares held (IV)	7569000	1250500	8819500
No. Of Partly paid-up equity shares held (V)			
No. Of shares underlying Depository Receipts (VI)			
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	7569000	1250500	8819500
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	8.58	1.42	10
Number of Voting Rights held in each class of securities (IX)			
Class eg: X	7569000	1250500	8819500
Class eg:y			
Total	7569000	1250500	8819500
Total as a % of Total Voting rights	8.58	1.42	10
No. Of Shares Underlying Outstanding convertible securities (X)			
No. of Shares Underlying Outstanding Warrants (Xi)			
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)			
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	8.58	1.42	10
Number of Locked in shares (XII)			
No. (a)			
As a % of total Shares held (b)			
Number of equity shares held in dematerialized form (XIV)	7569000	1250500	8819500
Reason for not providing PAN			
Reason for not providing PAN			

Any Other (specify)			
Searial No.	1	2	
Category	Bodies Corporate	Bodies Corporate	
Category / More than 1 percentage	More than 1 percentage of shareholding	More than 1 percentage of shareholding	
Name of the Shareholders (I)	CICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	Click here to go back
PAN (II)	AAACI7351P	AAACI7904G	Total
No. of the Shareholders (I)	1	1	0
No. of fully paid up equity shares held (IV)	1565589	1850000	0
No. Of Partly paid-up equity shares held (V)			
No. Of shares underlying Depository Receipts (VI)			
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	1565589	1850000	0
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	1.77	2.1	0
Number of Voting Rights held in each class of securities (IX)			
Class eg: X	1565589	1850000	0
Class eg:y			
Total	1565589	1850000	0
Total as a % of Total Voting rights	1.77	2.1	0
No. Of Shares Underlying Outstanding convertible securities (X)			
No. of Shares Underlying Outstanding Warrants (Xi)			
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)			
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	1.77	2.1	0
Number of Locked in shares (XII)			
No. (a)			
As a % of total Shares held (b)			
Number of equity shares held in dematerialized form (XIV)	1565589	1850000	0
Reason for not providing PAN			

VENUE FOR COURT CONVENED MEETING

Yashwantrao Chavan Academy of Development Adminstration
(YASHADA) MDC Auditorium, Raj Bhavan Complex,
Baner Road, Pune - 411 007



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO 866 OF 2016

In the matter of the Sections 391 to 394 of the Companies Act, 1956 and applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013;

And

In the matter of the Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited; SCM Fertichem Limited and Smartchem Technologies Limited and their respective shareholders and creditors.

Deepak Fertilisers And Petrochemicals Corporation Limited, CIN No.: L24121MH1979PLC021360 a company incorporated under the Companies Act, 1956, and having its registered office at Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra - 411006) ..... Applicant

FORM OF PROXY

Name of the Member(s):
Registered address:
E-mail Id
Folio No./ Client Id**
DP Id**
I/We, the undersigned, as the Equity Shareholder(s) of Deepak Fertilisers And Petrochemicals Corporation Limited (the above named Applicant) do hereby appoint;

1. Name	E-mail Id
Address	Signature

or failing him / her

2. Name	E-mail Id
Address	Signature

or failing him / her

3. Name	E-mail Id
Address	Signature

as my /our Proxy, to act for me/ us at the meeting of the Equity Shareholders of the Company to be held on Thursday, December 15, 2016 at 12 Noon at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune – 411007, for the purpose of considering, and if thought fit, to approve, with or without modification(s), the proposed Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited; SCM Fertichem Limited and Smartchem Technologies Limited and their respective shareholders and creditors (the "Scheme") at such meeting and any adjournment / adjournments thereof to vote, for me / us and in my / our name(s) *(here, "if for" insert "for", "if against", insert "against", and in the latter case, strike out the words below either with or without modification(s) after the word "Arrangement") the said Scheme of Arrangement either with or without modification(s) as my/our proxy may approve.

Signature of Proxy:

Signature_____ Please affix Revenue Stamp _____

* (Strike out what is not necessary)

Dated this _____day of_____2016

** Applicable for shareholder(s) holding in dematerialized form.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. The Form of Proxy must be deposited at the registered office of the Company at not less than 48 (Forty Eight) hours prior to the commencement of the aforesaid meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and/or holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder. All alterations made in the Form of Proxy should be initialed.
3. In case multiple proxies are received not less than 48 (Forty Eight) hours before the time of holding the aforesaid meeting, the proxy later in time shall be accepted.
4. Also, a person who is a minor cannot be appointed as proxy.

DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

Regd. Office: Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006.
Corp. Office: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036.
Tel.: +91 20 6645 8000 | Fax: +91 20 2668 3723
CIN: L24121MH1979PLC021360

IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 866 OF 2016

In the matter of the Sections 391 to 394 of the Companies Act, 1956 and applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013;
And
In the matter of the Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited; SCM Fertichem Limited and Smartchem Technologies Limited and their respective shareholders and creditors.

Deepak Fertilisers And Petrochemicals Corporation Limited, CIN No.: L24121MH1979PLC021360 a company incorporated under the Companies Act, 1956, and having its registered office at Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra - 411 006.).....Applicant Company

Notice convening meeting of the equity shareholders of the Applicant Company

Notice is hereby given that by an order dated October 27, 2016, the Hon'ble High Court of Judicature at Bombay has directed a meeting of the equity shareholders of the Applicant Company to be held at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration, (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411 007, on Thursday, December 15, 2016 at 12 noon, for the purpose of considering and if thought fit, approving with or without modification, the Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited; SCM Fertichem Limited and Smartchem Technologies Limited and their respective shareholders and creditors ("Scheme").

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the equity shareholders of the Applicant Company will be held at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration, (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411 007, on Thursday, December 15, 2016 at 12 noon, at which time and place the said equity shareholders are requested to attend.

Copies of the said Scheme and of the statement under Section 393 of the Companies Act, 1956 can be availed free of charge at the registered office of the Applicant Company, i.e. Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra - 411 006.

Persons entitled to attend and vote at the meeting, may vote in person or by proxy provided that all proxies in the prescribed form duly signed are deposited at the registered office of the Applicant Company not later than 48 hours before the scheduled time of the meeting. Form(s) of proxy and Attendance Slip can be obtained free of charge at the registered office of the Applicant Company.

The Hon'ble Court has appointed Mr. S. C. Mehta, Chairman & Managing Director of the Applicant, failing him, Mr. N. C. Singhai, Director of the Applicant and failing him, Mr. S. R. Wadhwa, Director, of the Applicant Company as the Chairman of the said meeting of the equity shareholders.

The Applicant Company has on November 19, 2016 completed the dispatch of the notice along with the explanatory statement in physical form to all its members who hold equity shares as on November 11, 2016 by Registered Post with Acknowledgement Due and through email (to those shareholders whose email addresses are duly registered with the Applicant Company / Depositories as on November 11, 2016).

In compliance with regulation 44(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Applicant Company is pleased to provide its equity shareholders, the facility of remote e-Voting (to cast their vote electronically from a place other than the venue of the court convened meeting) through e-voting services provided by Karvy Computershare Private Limited (**"Karvy"**).

The remote e-Voting period begins at 9.00 am on Monday, December 12, 2016 and ends at 5:00 pm on Wednesday, December 14, 2016. During this period equity shareholder of the Applicant Company holding shares either in physical form or in dematerialized form as on the cut-off date i.e. December 8, 2016 may cast their vote electronically. The remote e-Voting module shall be disabled by Karvy for voting on December 14, 2016 at 5.00 p.m. IST and remote e-Voting shall not be allowed beyond the said date and time. Once the vote on the resolution is cast by the member he or she will not be allowed to change it subsequently.

The Applicant Company has appointed Snri S. V. Deulkar, Partner, SVD & Associates, Company Secretaries (FCS No. 1321 and C P No. 965) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

It may be noted that the facility for voting through ballot paper or electronic voting system will also be made available at the venue of the meeting and the Equity Shareholders attending the meeting who have not casted their votes before the meeting by way of remote e-Voting shall be able and entitled to exercise their right at the meeting through ballot paper or electronic voting system. Members who have casted their votes by remote e-Voting prior to the Meeting may attend the Court Convened Meeting but shall not be entitled to cast their votes again.

Members who have acquired shares after the dispatch of the Notice of Court Convened Meeting and before the cut-off date may obtain the User ID and Password by sending a request at evoting@karvy.com or investorgrievance@dfpcl.com. An equity shareholder whose name is recorded in the register of members or in the register of beneficial owner maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the physical meeting.

The notice including the e-voting instructions is available on the Applicant Company's website at www.dfpcl.com and a copy is also available on the website of Karvy at https://evoting.karvy.com. Copy of the notice is also available at www.bseindia.com and www.nseindia.com.

In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of the e-voting website of Karvy at https://evoting.karvy.com or contact Karvy at toll free no. 1-800-3454-001 or email id evoting@karvy.com. In case of any other queries/grievances connected with voting by electronic means, you may also contact Mr. S. V. Raju of Karvy at telephone no. 040 - 6716 2222.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of the courts, and other requisite regulatory approvals.

Sd/-

S. C. MEHTA
Chairman appointed for the Meeting

Dated this 21st day of November, 2016.

INDIAN EXPRESS
22/NOV/2016

INDIAN EXPRESS
22/NOV/2016

दीपक फर्टिलायझर्स
ॲण्ड पेट्रोकेमिकल्स्
कॉर्पोरेशन लिमिटेड

नोंदणीकृत कार्यालय: गोल्फ कोर्स समोर, शास्त्रीनगर, येरवडा, पुणे - 411 006.
कॉर्पोरेट कार्यालय: साई हिरा, सर्वे नं. 93, मुंढवा, पुणे - 411 036.
फोन: +91 20 6645 8000 | ई-मेल: investorgrievance@dfpcl.com
CIN: L24121MH1979PLC021360

मुंबई उच्च न्यायालय कार्यालय
सामान्य मूळ दिवाणी न्यायक्षेत्र
मार्गदर्शनासाठी कंपनी समन्स क्र. ८६६/२०१६

कंपनी अधिनियम, १९५६ च्या कलम ३९१ ते ३९४ आणि कंपनी अधिनियम, १९५६ आणि / किंवा कंपनीज अधिनियम, २०१३ च्या लागू असलेल्या तरतुदींबाबत
आणि
दीपक फर्टिलायझर्स ॲण्ड पेट्रोकेमिकल्स कॉर्पोरेशन लिमिटेड; एससीएम फर्टीकेम लिमिटेड आणि स्मार्टकेम टेक्नॉलाजीज लिमिटेड आणि त्यांचे संबंधित भागधारक आणि धनकोंबाबत

दीपक फर्टिलायझर्स ॲण्ड पेट्रोकेमिकल्स कॉर्पोरेशन लिमिटेड)
सीआयएन: एल२४१२१एमएच१९७९पीएलसी०२१३६०)
कंपनीज अधिनियम, १९५६ अन्वये स्थापित झालेली कंपनी आणि)
त्याचे नोंदणीकृत कार्यालय गोल्फ कोर्स समोर, शास्त्रीनगर, येरवडा,)
पुणे महाराष्ट्र - ४११ ००६ येथे असलेली) .... अर्जदार कंपनी

अर्जदार कंपनीच्या इक्विटी भागधारकांची सभा बोलवण्याबाबत सूचना :

याद्वारे सूचना देण्यात येत आहे, की दीपक फर्टिलायझर्स ॲण्ड पेट्रोकेमिकल्स कॉर्पोरेशन लिमिटेड; एससीएम फर्टीकेम लिमिटेड आणि स्मार्टकेम टेक्नॉलाजीज लिमिटेड आणि त्याच्या विशिष्ट अशा भागधारक आणि धनकों यांच्यातली स्कीम ऑफ अरेंजमेंट, सुधारणेसहित किंवा सुधारणेशिवाय, योग्य बदलांसह संमत करण्याच्या आणि त्यावर विचार करण्याच्या हेतूने १५ डिसेंबर २०१६ रोजी १२ वाजता एमडीसी सभागृह, यशवंतराव चव्हाण ॲकेडमी ऑफ डेव्हलपमेंट ॲडमिनिस्ट्रेशन, (यशदा) कॅम्पस, राजभवन कॉम्प्लेक्स, बाणेर रोड, पुणे-४११००७ येथे आयोजित करण्यात येत असलेल्या अर्जदार कंपनीच्या इक्विटी भागधारकांची बैठक घेण्याबाबत मा. मुंबई उच्च न्यायालय कार्यालय यांनी ऑक्टोबर २७, २०१६ अन्वये सूचित केले आहे (''योजना'').

सदर आदेशानुसार आणि त्यात सूचित केल्याप्रमाणे पुढील नोटीस देण्यात येत आहे, की गुरुवार, १५ डिसेंबर २०१६ रोजी १२ वाजता एमडीसी सभागृह, यशवंतराव चव्हाण ॲकेडमी ऑफ डेव्हलपमेंट ॲडमिनिस्ट्रेशन, (यशदा) कॅम्पस, राजभवन कॉम्प्लेक्स, बाणेर रोड, पुणे - ४११००७ येथे अर्जदार कंपनीच्या इक्विटी भागधारकांची बैठक घेण्यात येईल आणि या बैठकीला व या ठिकाणी सदर इक्विटी भागधारकांना उपस्थित राहण्याची विनंती करण्यात येत आहे.

सदर योजना आणि कंपनी अधिनियम, १९५६ च्या कलम ३९३ च्या अन्वये असलेल्या निवेदनाच्या प्रती अर्जदार कंपनीच्या नोंदणीकृत कार्यालयात गोल्फ कोर्स समोर, शास्त्रीनगर, येरवडा, पुणे, महाराष्ट्र - ४११००६ येथे विनाशुल्क मिळू शकतील.

या बैठकीला उपस्थित राहण्याचा आणि मतदान करण्याचा हक्क असलेल्या व्यक्ती स्वतः किंवा प्रतिनिधी व्यक्ती (प्रॉक्सि) द्वारे मतदान करू शकतील. अशा व्यक्तींसाठी मतदानाच्या ठरलेल्या वेळेआधी जास्तीत जास्त ४८ तासात निर्धारित फॉर्ममध्ये सर्व प्रतिनिधी व्यक्तींची नोंदणी करण्यासाठी प्रॉक्सी धारण करून अर्जदार कंपनीच्या नोंदणीकृत कार्यालयात सादर केली जाणे आवश्यक आहे. प्रॉक्झी आणि मुखत्यारपत्र अर्जदार कंपनीच्या नोंदणीकृत कार्यालयात विनाशुल्क मिळू शकतील.

या बैठकीसाठी श्री. एस. व्ही. मेहता, अर्जदाराचे अध्यक्ष व व्यवस्थापकीय संचालक यांना, ते नसतील तर त्यांच्याऐवजी श्री. एन. सी. गुप्ता, अर्जदाराचे उपाध्यक्ष आणि तेसुध्दा नसतील तर श्री. एस. आर. वाघवा, अर्जदार कंपनीचे व्यवस्थापक यांना या इक्विटी भागधारक बैठकीचे अध्यक्ष म्हणून नियुक्त केले आहे.

अर्जदार कंपनीने २१ नोव्हेंबर, २०१६ रोजी खुलाशाच्या स्वरुपाच्या निवेदनासह नोटीस प्रत्यक्ष स्वरुपात ११ नोव्हेंबर २०१६ रोजी इक्विटी भागधारक असलेल्या सर्व लाभलाभांना पोचपावतीसह रजिस्टर्ड एडीने आणि इ-मेलने पाठवण्याची प्रक्रिया पूर्ण केली आहे. (ज्यांचे इ-मेल आयडी २१ नोव्हेंबर, २०१६ रोजी अर्जदार कंपनी/डिपॉझिटरीजकडे योग्य त्या पध्दतीने नोंदणीकृत झाले आहेत अशा भागधारकांना).

सभा भरवणे सुलभतेसाठी आणि प्रकल्प आवश्यकता) नियमावली २०१५च्या नियम ४४ (१) नुसार अर्जदार कंपनीने इक्विटी भागधारकांना दूरस्थ इ-मतदान (कोर्टाने बोलवलेल्या बैठकीच्या स्थळाशिवाय दुसऱ्या कुठल्या तरी ठिकाणाहून इलेक्ट्रॉनिक माध्यमातून त्यांचे मत देण्यासाठी) करण्याची सुविधा कार्वी कॉम्प्युटरशेअर प्रायव्हेट लिमिटेडने पुरवलेल्या इ-व्होटींग सेवेद्वारे उपलब्ध करुन दिली आहे. ('कार्वी')

दूरस्थ इ-मतदानाचा कालावधी सोमवार, १२ डिसेंबर २०१६ रोजी सकाळी ९.०० वाजता सुरु होईल आणि बुधवार, १४ डिसेंबर २०१६ रोजी संध्याकाळी ५.०० वाजता संपेल. या कालावधीत कट-ऑफ तारीख, म्हणजेच ८ डिसेंबर २०१६ या दिवशी प्रत्यक्ष रुपात किंवा डिमटेरियलाइज्ड रुपात अर्जदार कंपनीचे शेअर्स धारण करणारे भागधारक त्यांची मते इलेक्ट्रॉनिक पध्दतीने देऊ शकतील. दूरस्थ इ-मतदान मोड्यूल, कार्वीकडून डिसेंबर १४, २०१६ रोजी भारतीय प्रमाणवेळेनुसार मतदानाच्या दृष्टीने बंद करण्यात येईल आणि प्रस्तुत तारीख व वेळेनंतर दूरस्थ इ-मतदानाला परवानगी मिळणार नाही. एकदा संबंधित ठरावावरचे मत सदस्याने दिले की त्याला/तिला त्यानंतर ते मत बदलण्याची परवानगी मिळणार नाही.

अर्जदार कंपनीने इ-मतदान पध्दत उत्तम आणि पारदर्शी पध्दतीने छाननी करण्यासाठी श्री. एस. व्ही. देऊळकर, भागीदार एतव्हीडी ॲण्ड असोसिएट्स, कंपनी सेक्रेटरीज (एफसीएस क्र.१३२१ आणि सी पी क्र. ९६५) यांची नेमणूक केली आहे.

मतदानेकद्वार किंवा इलेक्ट्रॉनिक मतदान पध्दतीद्वारे मतदानाची सुविधा बैठकीच्या ठिकाणीसुध्दा उपलब्ध केली जाईल आणि दूरस्थ इ-मतदानाद्वारे बैठकीआधी ज्यांनी मतदान केलेले नाही अशा बैठकीला उपस्थित राहणाऱ्या इक्विटी भागधारकांना, मतपत्रिका किंवा इलेक्ट्रॉनिक मतदान पध्दतीद्वारे अगदी बैठकीच्या वेळीसुध्दा मतदान करता येईल आणि असे मतदान करण्याचा हक्क त्यांना असेल. ज्यांनी बैठकीआधी दूरस्थ इ-मतदानाद्वारे आपले मतदान केले आहे अशा सदस्यांना कोर्टाने बोलवलेल्या बैठकीला उपस्थित राहता येईल पण पुन्हा मतदान करण्याचा हक्क त्यांना नसेल याची कृपया नोंद घ्यावी.

ज्या सदस्यांनी कोर्टाने बोलवलेल्या बैठकीची नोटीस पाठवली गेल्यानंतर आणि कट-ऑफ तारखेच्या आधी शेअर्स मिळवले असतील, त्यांना evoting@karvy.com किंवा investorgrievance@dfpcl.com या साईटवर विनंती पाठवून यूजर आयडी आणि पासवर्ड मिळवता येईल. या भागधारकांचे नाव डिपॉझिटरीकडून सांभाळल्या जाणाऱ्या सभासद नोंदणी पुस्तक किंवा लाभधारक नोंदणी पुस्तकामध्ये कट-ऑफ तारखेला नोंदवले गेले असेल, त्यांनाच दूरस्थ इ-मतदान तसेच प्रत्यक्ष बैठकीच्या वेळी होणाऱ्या मतदानाची सुविधा घेण्याचा हक्क असेल.

इ-मतदानासंबंधीच्या सूचनांसह नोटीस अर्जदार कंपनीच्या वेबसाईटवर www.dfpcl.com उपलब्ध असेल आणि त्याची एक प्रत कार्वीच्या - https://evoting.karvy.com या वेबसाईटवरही उपलब्ध असेल. नोटीसची एक प्रत www.bseindia.com आणि www.nseindia.com या वेबसाईटवरही उपलब्ध असेल.

कुठलेही प्रश्न असल्यास https://evoting.karvy.com या कार्वीच्या इ-व्होटींग वेबसाईटच्या डाऊनलोडस सेक्शनमध्ये उपलब्ध असलेल्या 'नियमित विचारले जाणारे प्रश्न' (एफएक्यूज) आणि 'इ-व्होटींग यूजर मॅन्युअल' चा विभागांचा आधार घ्यावा किंवा टोल फ्री नं १-८००-३४५४-००१ वर कार्वीशी संपर्क साधावा किंवा इमेल आयडी evoting@karvy.com संपर्क करावा. इलेक्ट्रॉनिक माध्यमातून करावयाच्या मतदानाबाबतीत आणखी काही प्रश्न/तक्रार असल्यास कार्वीचे श्री. एस. व्ही. राजू यांच्याशीही दूरध्वनी क्र.०४०-६७१६२२२ वर संपर्क साधता येईल.

योजना जर उपरनिर्दिष्ट बैठकीमध्ये संमत झाली तर ती त्यानंतर कोर्टाची संमती आणि अन्य आवश्यक त्या नियामक स्वरुपाच्या संमतींवर अवलंबून असेल.

सही/-
एस. सी. मेहता
बैठकीसाठी नियुक्त अध्यक्ष

आज रोजी २१ नोव्हेंबर २०१६ या दिवशी

Loksatta 22/nov/2016

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