

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 ammoniumnitrate ("**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: U67120AP1987PLC039114) 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 Village Ponnada, Etcherla Mandalam, Dist. Srikakulam, Andhra Pradesh ("**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 interlinkages 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.
 - (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.

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- (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

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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) Talaja 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

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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 organization 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

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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 Village Ponnada, Etcherla Mandalam, Dist. Srikakulam, Andhra Pradesh;

"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

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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.

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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 council or 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.

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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 (Rs.)
12,50,00,000 Equity Shares of Rs. 10 each	125,00,00,000
10,00,000 Cumulative Redeemable Preference Shares of Rs. 100 each	10,00,00,000
Total	135,00,00,000
Issued, Subscribed and Fully Paid Up Share Capital	Amount (Rs.)
8,82,04,943 Equity Shares of Rs. 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 (Rs.)
50,000 Equity Shares of Rs. 10 each	500,000
Total	500,000
Issued, Subscribed and Fully Paid Up Share Capital	Amount (Rs.)
50,000 Equity Shares of Rs. 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 (Rs.)
70,00,000 Equity Shares of Rs. 10 each	7,00,00,000
18,00,000 1% Cumulative Redeemable Preference Shares of Rs. 100 each	18,00,00,000
Total	25,00,00,000
Issued, Subscribed and Fully Paid Up Share Capital	Amount (Rs.)
10,00,000 Equity Shares of Rs. 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.

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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

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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

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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

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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,

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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 relating to the period prior to the Effective Date is received in the name of DFCPL, 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

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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.

- 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

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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

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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

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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.

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- 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 Fertichemas 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.

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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 Undertaking 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.

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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 DFCPL, 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 DFCPL (including those relating to any property, right, power liability, obligation or duty, of DFPCL in respect of the Residual Undertaking of DFCPL) shall be continued and enforced solely by or against DFPCL.

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

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- (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 DFCPL, 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 Rs10/- (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.

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

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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

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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.

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- 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 thereunder. 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

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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/DFCPL.

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

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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 DFCPL/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 Smartchemas 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 Smartchemas 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 Smartchemalone 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 Actand 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 Smartchemas a part of the transfer of the Demerged Undertakings as a going concernand the same shall be assumed by Smartchem and to the extent they are outstanding on the Effective Dateon the same terms and conditions and Smartchemalone 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 Fertichempertaining to the Demerged Undertakings on or after the Appointed Date but prior to the Effective Dateshall be deemed to have been raised, used, incurred or undertaken for and on behalf of Smartchemand shall, under the provisions of Sections 391 to 394 of the 1956 Act and other applicable provisions of the 1956 Act or the

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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 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.

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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

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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

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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, along with 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 Fertichemas per the Share Entitlement Ratio of 1:1 i.e. for every 1(one) fully paid equity share 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 Rs. 10 each, ranking *paripassu* 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.
- 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 *paripassu* 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 Fertichemas 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

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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 Fertichemas 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

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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

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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 Fertichempertaining 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 Fertichempertaining 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 Fertichempertaining 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 Business of 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 Business of 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

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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% Cumulative 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 Fertilchem 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 Fertilchem 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 Fertilchem 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 Fertilchem 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 whatsoever.

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.

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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.

50. Change of Registered office of Smartchem

Smartchem is in the process of initiating necessary steps for shifting its registered office from the State of Andhra Pradesh to the State of Maharashtra. For the purpose of this Scheme, the application/petitions pursuant to the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable shall be made to the High Court where the registered office of Smartchem will be situated.



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
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.

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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

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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)	1,006.33
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

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.

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Schedule 4

List of registered Trademark of TAN Undertaking

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

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SHARP & TANNAN

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
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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.



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 Milind P. Phadke Ramnath D. Kare Ashwin B. Chopra
 Edwin Augustine Raghunath P. Acharya Firdosh D. Buchia Thiratharaj A. Khot Pavan K. Aggarwal
 Also at Pune. Associate Offices : Bangalore, Chennai, Goa & New Delhi



SHARP & TANNAN

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SHEET NO: _____

- 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).

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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 Australia 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 Fertilchem into Smartchem with effect from the Appointed Date.

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- 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;

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- 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

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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

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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 Fertilchem shall entail transfer of undertakings of the holding company (i.e. DFPCL) into its wholly-owned subsidiary (i.e. SCM Fertilchem) and will not result in acquisition of assets from third parties & no shares of DFPCL or SCM Fertilchem 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 Fertilchem) through DFPCL in proportion to their respective shareholding in DFPCL. On Demerger of TAN Undertaking & Fertiliser Undertaking, the shareholders of SCM Fertilchem (i.e. DFPCL) will be issued shares of Smartchem in the same proportion as they hold shares in SCM Fertilchem. 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 Fertilchem 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 economic 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

Augustine

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



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



DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

**REPORT ON RECOMMENDATION OF THE AUDIT COMMITTEE OF
DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION
LIMITED ON THE DRAFT SCHEME OF ARRANGEMENT AMONGST
DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION
LIMITED, SCM FERTICHEM LIMITED AND SMARTCHEM
TECHNOLOGIES LIMITED**

Members present:

Dr. Rama Iyer- Chairman of the Audit Committee Meeting held on 29th March, 2016

Mr. S. R. Wadhwa- Member

Invitees:

Mr. Vipin Agarwal- President & CFO

1. Preamble and Background

1.1 A meeting of the Audit Committee of **Deepak Fertilisers And Petrochemicals Corporation Limited** ("DFPCL" or "Company") was held on 29th March, 2016 to consider and recommend the proposed Scheme of Arrangement ("Scheme") involving the following

- The slump exchange of (a) the Technical Ammonia Nitrate ("TAN") undertaking of the Company together with its business and operations including its manufacturing and related facilities located at (i) Talaja and Pune, Maharashtra (ii) Jawaharlal Nehru Port, Maharashtra and (iii) Paradeep and its marketing and corporate office(s) ("TAN Undertaking"), and (b) the Fertiliser undertaking of the Company together with its business and operations including its manufacturing and related facilities located at (i) Talaja and Pune, Maharashtra (ii) Jawaharlal Nehru Port, Maharashtra and (iii) Panipat, Haryana and its marketing and corporate office(s) ("Fertiliser Undertaking") (and collectively, (a) and (b) are hereinafter referred to as the "Transferred Undertakings") of the

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Company to SCM Fertichem Limited ("SCM Fertichem"), on a going concern basis ("Slump Exchange"); and

- Thereafter, the subsequent demerger of the Transferred Undertakings and vesting of the same from SCM Fertichem in Smartchem Technologies Limited ("Smartchem"), on a going concern basis, in accordance with Section 2(19AA) of the Income Tax Act, 1961 ("Demerger");

with effect from the Appointed Date 1st January, 2015 to be implemented in terms of a Scheme, to be entered among the Company, SCM Fertichem, Smartchem and their respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956, or under Section 230 to 234 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956, or Companies Act, 2013, as applicable.

DFPCL along with its nominees hold 100% equity share capital of SCM Fertichem and Smartchem.

- 1.2 This report of the Audit Committee is made in order to comply with the requirements of SEBI Circular No CIR/CFD/CMD/16/2015 dated 30th November, 2015 issued by the Securities and Exchange Board of India ("SEBI Circular").
- 1.3 Pursuant to and in compliance of the SEBI Circular, the Audit Committee at their meeting held on 29th March, 2016 has examined the following documents, amongst others:
 - i. Draft Scheme, duly initialed by the Chairman of the Committee for the purpose of identification;
 - ii. Certificate dated 29th March, 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")

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- iii. Valuation Report dated 29th March, 2016 issued by M/s Sharp & Tannan, Independent Chartered Accountants, prescribing the Share Entitlement Ratio ("**Valuation Report**");
 - iv. Fairness Opinion dated 29th March, 2016 issued by JM Financial Institutional Securities Ltd, an independent merchant banker (Category I SEBI registered 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**");
 - v. Certificate dated 29th March, 2016 from M/s. **B.K. Khare and Co.**, Chartered Accountants, Statutory Auditors of the Company, confirming that the accounting treatment contained in the draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting standards notified by the Central Government under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the generally accepted accounting principles, in terms of Para I(A)(5)(a) of Annexure I of the SEBI Circular ("**Auditor Certificate**"); and
 - vi. Net worth certificate issued by M/s **B.K. Khare and Co.**, Statutory Auditors of the Company, certifying the pre & post Scheme net worth of the Company.
- 1.4 After detailed consideration of the aforesaid documents and discussions on the same, the recommendation arrived at by the Audit Committee is given below in Paragraph 3 of this report.
2. **Proposed Scheme**
- 2.1 The Audit Committee at its meeting held on 29th March, 2016 noted the background and rationale for the said draft Scheme.





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 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.
- (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.

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- (vi) The proposed arrangement would result in greater economies of scale and will provide a larger and stronger base for potential future growth.
- (vii) DFPCI 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.
- 2.2 The audit committee reviewed the CA Certificate, the Fairness Opinion and the Valuation Report and consequently consideration proposed to be discharged is as under:
- a) **Slump Exchange**— SCM Fertichem shall discharge the lump sum consideration of INR 743 Crs payable by it to the Company, by issue of its 1,60,00,000 equity shares of face value of INR 10 each. SCM Fertichem shall remain an unlisted wholly owned subsidiary of the Company post the Scheme.
- b) **Demerger**— Smartchem shall issue its equity shares to the shareholders of SCM Fertichem (i.e. the Company), in accordance with a share entitlement ratio of 1:1 ("**Share Entitlement Ratio**"), meaning thereby that upon this Scheme becoming effective, the Company shall be entitled to receive 1 fully paid up equity share of Smartchem of INR 10 each for every 1 equity share of INR 10 each held in SCM Fertichem. Smartchem shall remain an unlisted wholly owned subsidiary of the Company post the Scheme.

3. **Recommendation of the Audit Committee**

- 3.1 The Audit Committee, after perusal, deliberation and review of the provisions of the draft Scheme along with the Valuation Report, CA Certificate, Fairness Opinion and other documents listed above finds the transactions as listed in the draft Scheme, along with the appointed date given thereof, the demerger and slump exchange provided therein including the Share Entitlement Ratio,

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DEEPAK FERTILISERS
AND PETROCHEMICALS CORPORATION LIMITED

Continuation Sheet

to be in the interest of all the companies involved, their shareholders and other stakeholders and is therefore, also fair. Accordingly, the Audit Committee unanimously recommends the draft Scheme to (i) the Board of Directors of the Company for its approval and for favorable consideration and (ii) Securities and Exchange Board of India, the BSE Limited and National Stock Exchange of India Limited for their favorable consideration.

For DEEPAK FERTILISERS AND
PETROCHEMICALS
CORPORATION LIMITED

Place: Talaja
Date: 29th March, 2016

Dr. Rama Iyer
Chairman of the Audit Committee
Meeting held on 29th March, 2016

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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

Kethan
Authorized Signatory



Annexure H-1

Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1	Name of Entity: Smartchem Technologies Limited
2	Scrip Code/Name of Scrip/Class of Security: -
3	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg. 31(1)(c)
a.	If under 31(1)(b) then indicate the report for Quarter ending: Quarter ended 31.03.2016 (Pre Scheme)
b.	If under 31(1)(c) then indicate date of allotment/extinguishment
4	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-

Particulars	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 or Warrants?		No
3 Whether the Listed Entity has any shares against which depository receipts are issued?		No
4 Whether the Listed Entity has any shares in locked-in?		No
5 Whether any shares held by promoters are pledge or otherwise encumbered?		No

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

5 The tabular format for disclosure of holding of specified securities is as follows :-

I-0, Smartchem Technologies Limited

Company Secretary

Smartchem Technologies Limited													
Table II (i)(b)- Statement showing shareholding pattern of the Promoter and Promoter Group													
Category	Category & Name of shareholders	PAN	No. of shares held	No. of fully paid up equity shares held	No. of shares underlain by Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	No. of Voting Rights of securities	No. of Shares Underlying	Shareholding, as a % assuming full conversion of convertible securities (including as a % of (A+B+C2))	Number of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialised form
	(i)	(ii)	(iii)	(iv)	(v)	(vi) = (iii)+(iv)+(v)	(vii) As a % of (A+B+C2)	(viii) As a % of (A+B+C2)	(ix)	(x)	(xi)	(xii)	(xiii)
1	Indian Individuals / Hindu Undivided Family*		0	0	0	0	0	0	0	0	0	0	0
(a)	Central Government / State Government(s)		0	0	0	0	0	0	0	0	0	0	0
(b)	Financial Institutions / Banks		0	0	0	0	0	0	0	0	0	0	0
(c)	Any Other (Specify)		1	1000000	0	1000000	100	0	0	0	0	0	999994
(d)	Bodies Corporate		1	1000000	0	1000000	100	0	0	0	0	0	999994
	Deepak Fertilisers And Petrochemicals Corporation Limited		1	2000000	0	2000000	100	0	0	0	0	0	999994
	Sub Total (A)(1)		1	1000000	0	1000000	100	0	0	0	0	0	999994
2	Foreign		0	0	0	0	0	0	0	0	0	0	0
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0
(b)	Government		0	0	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions		0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0
	Sub Total (A)(2)		0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter And Promoter Group (A)= (A)(1)+(A)(2)		1	1000000	0	1000000	100	0	0	0	0	0	999994

*Company is a wholly owned subsidiary of Indian Company namely Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL) (beneficial owner), and members other than DFPCL are only nominee shareholders of DFPCL and do not hold the beneficial interest in the equity shares of the Company

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. : NIL

Note:

(1) PAN would not be displayed on website of Stock Exchange(s)

(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Smartchem Technologies Limited
Table III - Statement showing shareholding pattern of the Public shareholder

Category	Name of Shareholders	Non of Shareholders	No. of fully paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total nos. shares (calculated as per SCRR, 1957)	Number of Voting Rights	Shareholding as a % of total nos. shares (calculated as per SCRR, 1957)	No. of Shares Underlying Outstanding convertible securities (including)	Number of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialised form
		(i)	(ii)	(iii)	(iv)	(v) = (ii)+(iii)+(iv)	(vi) = Total as a % of (A+B+C)	(vii) = (vi) x (viii) / (A+B+C)	(ix) = (ix) + (x) + (xi) + (xii)	(x) = As a % of total shares held	(xi) = As a % of total shares held	(xii) = As a % of total shares held
1	Institutions											
(a)	Mutual Fund											
(b)	Venture Capital Funds											
(c)	Alternate Investment Funds											
(d)	Foreign Venture Capital Investors											
(e)	Foreign Portfolio Investor											
(f)	Financial Institutions / Banks											
(g)	Insurance Companies											
(h)	Provident Funds / Pension Funds											
(i)	Any Other (Specify)											
	Foreign Institutional Investors											
	Sub Total (D1)											
	Central Government / State Government(s) / President of India											
2	India											
3	Foreign Institutions											
(a)	Individuals											
	I. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.											
	II. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.											
(b)	NBFCs registered with RBI											
(c)	Employee Trusts											
(d)	Overseas Depositories (holding DRs) (Balancing figure)											
(e)	Any Other (Specify)											
	Trusts											
	Independent Members Of Director											
	Foreign Bodies											
	Hindu Undivided Family											
	Non Resident Indian (Non Repat)											
	Non Resident Indian (Repatriate)											
	Independent Director											
	Clearing Member											
	Broker/Corporator											
	Sub Total (B1)(3)											
	Total Public Shareholding (B1+B2+B3+B4+B5+B6+B7+B8+B9+B10+B11+B12+B13)											

Details of the Shareholders acting as persons in Concert including their Shareholding (No. and %): Nil

*Details of Shares which remain unclaimed may be given here along with details such as number of Shareholders, outstanding shares held in demat/physical suspense account, voting rights which are frozen etc.

Notes:

(1) PAN would not be disclosed on website of Stock Exchanges.

(2) The above format needs to be disclosed along with the name of following person/institution/Non Institution holding more than 1% of total number of shares

(3) V.V.A.T. the information pertaining to Depository Receipts. The same may be disclosed in the respective column to the extent information available and the balance to be disclosed as held by custodian.

Smartchem Technologies Limited

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category & Name of shareholders	PAN	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including securities)	Shareholding, as a % assuming full conversion of convertible securities (ix) = (viii)+(ix) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
											No. of Voting Rights	Total as a % of (A+B+C)	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
1.	Custodian/DR Holder		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(xix)
	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2.	Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available

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Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1	Name of Listed Entity: Smartchem Technologies Limited
2	Scrip Code/Name of Scrip/Class of Security: Not Applicable
3	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg. 31(1)(c)
a.	If under 31(1)(b) then indicate the report for Quarter ending : Post Scheme
b.	If under 31(1)(c) then indicate date of allotment/extinguishment : Not Applicable
4	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-

Particulars	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 or Warrants?		No
3 Whether the Listed Entity has any shares against which depository receipts are issued?		No
4 Whether the Listed Entity has any shares in locked-in?		No
5 Whether any shares held by promoters are pledge or otherwise encumbered?		No

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

5 The tabular format for disclosure of holding of specified securities is as follows :-

Smartchem Technologies Limited
Company Secretary

Smartchem Technologies Limited

Table 1 - Summary Statement holding of specified securities

Category	Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	No. of equity shares underlying Depository Receipts	Total nos. shares held (calculated as per SCRR, 1957)	Shareholding as a % of total (calculated as per SCRR, 1957)	Number of Voting Rights in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding as a % of (A+B+C+D+E+F+G)	Number of Locked in shares		Number of shares pledged or encumbered	Number of equity shares held in dematerialized form		
							Total as a % of (A+B+C)					No. (A)	As a % of total Shares held (B)			No. (A)	As a % of total Shares held (B)
							Class wt. X	Class wt. Y	Total								
(B)	(i)	(ii)	(iii)	(iv)	(v) = (iii)+(iv)+(v)	(vi) As a % of (A+B+C)	(vii)	(viii)	(ix)	(x)	(xi) As a % of (A+B+C)	(xii)	(xiii)	(xiv)	(xv)		
(A)	Promoter & Promoter Group	1	37590000	0	37590000	100%	0	0	0	0	0	0	0	0	37590000		
(B)	Public	0	0	0	0	0%	0	0	0	0	0	0	0	0	0		
(C)	Non Promoter - Non Public	0	0	0	0	0%	0	0	0	0	0	0	0	0	0		
(D)	Shares Underlying DRs	0	0	0	0	0%	0	0	0	0	0	0	0	0	0		
(E)	Shares Held By Employee Trust	0	0	0	0	0%	0	0	0	0	0	0	0	0	0		
	Total	1	37590000	0	37590000	100%	0	0	0	0	0	0	0	0	37590000		

Smartchem Technologies Limited

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category & Name of shareholders	PAN	Nos. of sharehold-ers	No. of fully paid up equity shares held	No. of underlying Depository Receipts	Total nos. shares held	Sharehold- ing as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying %	Sharehold- ing, its assuming full conversion of convertible securities (including securities)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights	Total as a % of (A+B+C)	As a % of total Shares held (b)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	(i)	(ii)	(iii)	(iv)	(v)	(vi) = (iv)+(v)+(vi)	(vii) As a % of (A+B+C2)	(viii) Class eg: X	(ix) Class eg: Y	(x) Total	(xi) = (vii) + (viii) + (ix)	(xii) = (xi) + (xii) + (xiii)	(xiii)	(xiv)	(xv)	(xvi)	(xvii)
1. Custodian/DR Holder			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Beneficial Shareholder			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Promoter- Non Public Shareholding (2) = (C1)+(C2)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note:

- (1) PAN would not be displayed on website of Stock Exchanges.
 (2) The above format needs to disclose name of all holders holding more than 1% of total number of shares
 (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available

Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1	Name of Entity:	SCM Fertichem Limited
2	Scrip Code/Name of Scrip/Class of Security:	-
3	Share Holding Pattern Filed under:	Reg. 31(1)(a)/Reg. 31(1)(b)/Reg. 31(1)(c)
a.	If under 31(1)(b) then indicate the report for Quarter ending :	Quarter ended 31.03.2016 (Pre Scheme)
b.	If under 31(1)(c) then indicate date of allotment/extinguishment	
4	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-	

Particulars	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 or Warrants?		No
3 Whether the Listed Entity has any shares against which depository receipts are issued?		No
4 Whether the Listed Entity has any shares in locked-in?		No
5 Whether any shares held by promoters are pledge or otherwise encumbered?		No

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

5 The tabular format for disclosure of holding of specified securities is as follows :-

For SCM Fertichem Limited

[Signature]

Authorised Signatory

SCVM Fertichem Limited

Table 1 - Summary Statement holding of specified securities

Category	Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including percentage)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights	Total as a % of (A+B+C)				No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
(I)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii)As a % of (A+B+C2)	(ix)	(x)	(xi)= (vii)+(x) As a % of (A+B+C2)	(xii)	(xiii)	(xiv)				
(A)	Promoter & Promoter Group	1	50,000	-	-	50,000	100	-	-	-	-	-	-	-	-	-	
(B)	Public	0	0	0	0	0	-	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C)	Non Promoter - Non Public	0	0	0	0	0	-	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C1)	Shares Underlying DRs	0	0	0	0	0	-	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C2)	Shares Held by Employee Trust	0	0	0	0	0	-	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total	1	50,000	-	-	50,000	100	-	-	-	-	-	-	-	-	-	-

SCM Fertichem Limited

Table II (B) - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of shareholders	PAN	No. of shareholder	No. of fully paid up equity shares held	No. of fully paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % as a % of total no. of shares [calculated as per SCRR, 1957]	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including share capital) Warrants]	Shareholding % as a % assuming full conversion of convertible securities (including share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No. of Voting Rights	Total as a % of (A+B+C)	Class eg: X			No. (A)	As a % of total Shares held (B)	No. (B)	As a % of total Shares held (B)	
1	Indian Individuals / Hindu Undivided Family*		0	0	0	0	0	0	0	0		0	0	0	0	0	0	0
(a)	Central Government / State Governments]		0	0	0	0	0	0	0	0		0	0	0	0	0	0	0
(b)	Financial Institutions / Banks		0	0	0	0	0	0	0	0		0	0	0	0	0	0	0
(c)	Any Other (Specify)		1	50000	0	0	50000	100	0	0		0	0	0	0	0	0	0
(d)	Bodily Corporate		1	50000	0	0	50000	100	0	0		0	0	0	0	0	0	0
	Deepak Fertiliser And Petrochemicals Corporation Limited	AARDD1988D	1	50000	0	0	50000	100	0	0		0	0	0	0	0	0	0
	Sub Total (A)(1)		1	50000	0	0	50000	100	0	0		0	0	0	0	0	0	0
2	Foreign																	
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0	0	0	0	0		0	0	0	0	0	0	0
(b)	Government		0	0	0	0	0	0	0	0		0	0	0	0	0	0	0
(c)	Institutions		0	0	0	0	0	0	0	0		0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0	0	0		0	0	0	0	0	0	0
(e)	Any Other (Specify)		0	0	0	0	0	0	0	0		0	0	0	0	0	0	0
	Sub Total (A)(2)		0	0	0	0	0	0	0	0		0	0	0	0	0	0	0
	Total Shareholding Of Promoter And Promoter Group (A)+(A)(2)		1	50000	0	0	50000	100	0	0		0	0	0	0	0	0	0

* Company is a wholly owned subsidiary of Indian Company namely Deepak Fertilisers And Petrochemicals Corporation Limited (DPFCL) [beneficial owner], and members other than DPFCL are only nominee shareholders of DPFCL and do not hold the beneficial interest in the equity shares of the Company

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. : NIL

Note:

(1) PAN would not be displayed on website of Stock Exchange(s)

(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

SCM Fertilchem Limited

Table III - Statement showing shareholding pattern of the Public shareholder;

Category	Category & Name of shareholders	PAN	No. of shareholder are	No. of fully paid up equity shares held	No. of partly paid up equity shares held	No. of underlying Depository Receipts	Total nos. shares held	Sharehold- ing as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying	Sharehold- ing, as a % assuming full conversion of convertible securities (including	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in (dematerial) and form
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (vi) + (v) + (vi)	(viii) As a % of (viii) + (vii)	(ix)			(x)	(xi) As a % of (xi) + (x)	(xii)	(xiii)		(xiv)	
									No of Voting Rights			Outstand- ing convertible securities (including	No. (x)	As a % of total Shares held(b)	No. (x)	As a % of total held(b)		
									Class 'X'	Class 'Y'	Total	Total as a % of (ix) + (x)						
1	Institutions																	
a)	Mutual Fund							0.0000				0.0000	0	0.0000	0	0.0000	0	
b)	Venture Capital Funds							0.0000				0.0000	0	0.0000	0	0.0000	0	
c)	Alternative Investment Funds							0.0000				0.0000	0	0.0000	0	0.0000	0	
d)	Foreign Venture Capital Investors							0.0000				0.0000	0	0.0000	0	0.0000	0	
e)	Foreign Portfolio Investor							0.0000				0.0000	0	0.0000	0	0.0000	0	
f)	Financial Institutions / Banks							0.0000				0.0000	0	0.0000	0	0.0000	0	
g)	Insurance Companies							0.0000				0.0000	0	0.0000	0	0.0000	0	
h)	President / Funds / Pension Funds							0.0000				0.0000	0	0.0000	0	0.0000	0	
i)	Any Other (Specify)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Foreign Institutional Investors							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Solo Total (B)(1)							0.0000				0.0000	0	0.0000	0	0.0000	0	
2	Central Government / State Government(s) / President of India							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Solo Total (B)(2)							0.0000				0.0000	0	0.0000	0	0.0000	0	
3	Non-Institutions							0.0000				0.0000	0	0.0000	0	0.0000	0	
a)	Individuals							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.							0.0000				0.0000	0	0.0000	0	0.0000	0	
b)	NRFC registered with RBI							0.0000				0.0000	0	0.0000	0	0.0000	0	
c)	Employee Trusts							0.0000				0.0000	0	0.0000	0	0.0000	0	
d)	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
e)	Any Other (Specify)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)							0.0000				0.0000	0	0.0000	0	0.0000	0	
	Overseas Depositories (holding DRs) (Specifying figure)	</																

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %); and

Note:

1) PAN would not be displayed on website of Stock Exchanges[5].

3) Where the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance of the above format needs to be disclosed along with the name of following persons/institutions/Non institutions holding more than 2% of total number of shares.

SCM Fertichem Limited

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category & Name of shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including percentage)	Shareholding as a % assuming full conversion of convertible securities as a percentage (XI) = (VII)+(X) As a % of	Number of Locked in shares	Number of Shares pledged or otherwise	Number of equity shares held in dematerialised form	
									No of Voting Rights		Total as a % of (A+B+C)						
									Class eg: X	Class eg: Y							Total
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (vi)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)	(x)	(xi) = (vii)+(x) As a % of	(xii)	(xiii)	(xiv)	(xv)		
1	Custodian/DR Holder Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0	
2	Total Non-Promoter-Non Public Shareholding (C) = (C1)+(C12)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0	

Note:

- (1) PAN would not be displayed on website of Stock Exchanges.
(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available

Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1	Name of Listed Entity:	SCM Fertichem Limited
2	Scrip Code/Name of Scrip/Class of Security:	Not Applicable
3	Share Holding Pattern Filed under:	Reg. 31(1)(a)/Reg. 31(1)(b)/Reg. 31(1)(c)
a.	If under 31(1)(b) then indicate the report for Quarter ending :	Post Scheme
b.	If under 31(1)(c) then indicate date of allotment/extinguishment :	Not Applicable
4	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-	

Particulars	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 or Warrants?		No
3 Whether the Listed Entity has any shares against which depository receipts are issued?		No
4 Whether the Listed Entity has any shares in locked-in?		No
5 Whether any shares held by promoters are pledge or otherwise encumbered?		No

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

5 The tabular format for disclosure of holding of specified securities is as follows :-

For SCM Fertichem Limited



Authorised Signatory

SCM Fertilchem Limited

Table II (B)(i)- Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of shareholders	PAN	No. of shares held	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (Calculated as per SCRR, 1957)	No. of securities of securities	Number of Voting Rights	Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including ESOPs)	Shareholding as a % assuming full conversion of convertible securities (A+B+C2)	No. (A)	As a % of total Shares held (A)	As a % of total Shares held (A2)	Number of Shares pledged or otherwise encumbered in dematerialised form
	(B)	(C)	(D)	(E)	(F)	(G)	(H) = (D)+(E)+(F)+(G)	(I) = (H) As a % of (A+B+C)	(J)	(K) = Class size x J	(L) = (K) As a % of (A+B+C)	(M) = (N) + (O) + (P) + (Q)	(N) = (M) As a % of (A+B+C2)	(O)	(P)	(Q)	(R)
1	Indian Individuals / Hindu Undivided Family		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
(a)	Central Government / State Government		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
(b)	Financial Institutions / Banks		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
(c)	Any Other Entity		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
2	Indian Corporate Bodies		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
(a)	Depository Receipts and Foreign Institutional Investors		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
(b)	Any Other Entity		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
3	Foreign		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
(a)	Individuals (Non-Resident)		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
(b)	Government		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions / Banks		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
(d)	Any Other Entity		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0
4	Total Shareholding of Promoter and Promoter Group (A1)		0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0

* Company is a wholly owned subsidiary of Indian Company namely Dapag Fertilisers And Petrochemicals Corporation Limited (DFPCL) (beneficial owner), and members other than DFPCL are only nominee shareholders of DFPCL and do not hold the beneficial interest in the equity shares of the Company

Note - 1. SCM Fertilchem Ltd. shall have 1,40,00,000 equity shares of INR 10 each in DFPC, pursuant to stamp exchange of PAN Underwriting & Fertiliser Underwriting from DFPC, pursuant to stamp exchange of PAN Underwriting & Fertiliser Underwriting from SCM Fertilchem and Smartchem. Share capital of INR 10 Crs. [1,40,00,000 equity shares of INR 10 each] shall be reduced in terms of clause 33.2 of Scheme. Hence, there will not be any change in the shareholding pattern of SCM Fertilchem pursuant to the proposed restructuring.

Details of Shares which remain encumbered only be given here along with details such as number of shareholders, outstanding shares held in dematerialised suspense account, vesting rights which are frozen etc.: Nil.

Note:

(1) PAN would not be displayed on website of Stock Exchange(s)

(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(1) of SEB (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

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SCM Fertilchem Limited

Table B: Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of Shareholders	PAN	No. of shares held as per SCRR, 1957	Total nos. shares held	No. of shares underlying Depository Receipts	No. of equity shares held	No. of fully paid up equity shares held	No. of equity shares held	No. of shares pledged or otherwise encumbered	Number of Locked in shares	Shareholding as a % assuming full conversion of convertible securities as a percentage of the total shareholding	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form		
												No. (A)	As a % of Total Shares held (B)		No. (C)	As a % of Total Shares held (D)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)	(xv)		
1	Institutions															
	Mutual Fund															
	Venture Capital Funds															
	Alternative Investment Funds															
	Foreign Venture Capital Investors															
	Foreign Portfolio Investors															
	Financial Institutions / Banks															
	Insurance Companies															
	President Family Pension Funds															
	Any Other Entity															
2	Foreign Institutional Investors															
	Sovereign Wealth Funds															
	Central Government / State Government / President of India															
	Foreign Institutional Investors															
	Sovereign Wealth Funds															
	Central Government / State Government / President of India															
	Foreign Institutional Investors															
	Sovereign Wealth Funds															
	Central Government / State Government / President of India															
	Foreign Institutional Investors															
3	Individuals															
	Individual shareholders holding nominal share capital up to Rs. 2 lakh.															
	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.															
	SPV/Trusts/Partnership with REI															
	Employee Trusts															
	Overseas Depositories (holding 50% balancing share)															
	Any Other Entity															
	Trusts															
	Independent Relatives Of Director															
	Foreign Nationals															
4	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
5	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															
	Non Resident Indians (NRI)															

SCM Fertichem Limited
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category & Name of shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Sharehold- ing as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including securities)	Sharehold- ing, as a % assuming conversion of convertible securities (X)/(VI)+(X) As a % of	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No. of Voting Rights	Total as a % of (A+B+C)	Class eg: X: Class eg: Y: Total			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
	(I)		(II)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C)	(IX)	(X)	(XI)+(X) As a % of	(XII)	(XIII)	(XIV)	(XV)			
1	Custodian/DR Holder																	
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)																	
	Total Non-Promoter-Non Public Shareholding (C) = (II)+(V)+(XII)																	

Note:
 (1) PAN would not be displayed on website of Stock Exchange(s).
 (2) The above format needs to disclose name of all holders holding more than 1% of total number of shares
 (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available

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SCM Fertichem Limited

Regd. Office: Deepak Complex, Opp. Golf Course, Shastri Nagar, Yerawada,
Pune - 411 006.

Tel : +91-20-6645 8000 Fax : +91-20-6645 8296

CIN: U24211PN2012PLC145023

Annexure J

The financial details and capital evolution of the transferee company for the previous 3 financial years and 9 months ended as on 31st Dec 2015 as per the audited statement of Accounts:

Name of the Company: **SCM Fertichem Limited.**

(Rs. in Crores)

	As per last Audited Financial for the 9 months ended	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	31 st December, 2015	2014-15	2013-14	2012-13
Equity Paid up Capital	500,000.00	500,000.00	500,000.00	500,000.00
Reserves and surplus	-1,17,325.56	-78,113.74	-66,349.62	-45,514.66
Carry forward losses				
Net Worth	382,674.44	421,886.26	433,650.38	454,485.34
Miscellaneous Expenditure				
Secured Loans	NIL	NIL	NIL	NIL
Unsecured Loans	NIL	NIL	NIL	NIL
Fixed Assets	NIL	NIL	NIL	NIL
Income from Operations	NIL	NIL	NIL	NIL
Total Income	NIL	NIL	NIL	NIL
Total Expenditure	39,211.82	11,764.12	20,834.96	45,514.66
Profit before Tax	-39,211.82	-11,764.12	-20,834.96	-45,514.66
Profit after Tax	-39,211.82	-11,764.12	-20,834.96	-45,514.66
Cash profit	-39,211.82	-11,764.12	-20,834.96	-45,514.66
EPS	-0.78	-0.24	-0.42	-0.91
Book value	7.65	8.44	8.67	9.09

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SCM Fertichem Limited

Regd. Office: Deepak Complex, Opp. Golf Course, Shastri Nagar, Yerawada,
Pune - 411 006.

Tel : +91-20-6645 8000 Fax : +91-20-6645 8296

CIN: U24211PN2012PLC145023

Note: The financials should not be more than 6 months old. In such cases additional column may be added to provide the latest financials.

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Annexure K Corporate Office : Sai Hira, Survey No. 93, Mundhwa, Pune 411 036, India.
Tel.: +91-20-66458000

The financial details and capital evolution of the resulting company for the previous 3 financial years and 9 months ended as on 31st Dec 2015 as per the audited statement of Accounts:

Name of the Company: **Smartchem Technologies Limited.**

(Rs. in Crores)

	As per last Audited Financial for the 9 months ended	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	31 st December, 2015	2014-15	2013-14	2012-13
Equity Paid up Capital	1.00	1.00	1.00	1.00
Reserves and surplus	36.96	40.03	40.14	35.81
Carry forward losses	0.00	0.00	0.00	0.00
Net Worth	37.96	41.03	41.14	36.81
Miscellaneous Expenditure	0.00	0.00	0.00	0.00
Secured Loans	0.00	0.00	0.00	0.00
Unsecured Loans	33.10	23.80	0.00	0.00
Fixed Assets	17.17	19.12	21.26	22.49
Income from Operations	33.25	84.52	97.70	55.98
Total Income	33.47	84.93	98.28	57.05
Total Expenditure	35.79	81.47	85.94	56.98
Profit before Tax	(2.32)	3.46	12.35	0.07
Profit after Tax	(2.18)	2.28	8.44	0.05
Cash profit	(0.90)	3.99	10.15	1.70
EPS (Rs)	(21.78)	22.83	84.43	0.54
Book value/Share (Rs)	379.62	410.31	411.43	368.11

Note: The financials should not be more than 6 months old. In such cases additional column may be added to provide the latest financials.

We add Value

Registered Office & Plant : Village Ponnada, Etcherla Mandalam, Dist. Srikakulam Andhra Pradesh 532 404, India.
Tel: +91-8942-271391/270726. Fax: +91-8942-271392. CIN: U67120AP1987PLC039114



Annexure-I

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



DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

Annexure I

The financial details and capital evolution of the transferor company for the previous 3 financial years as per the audited statement of Accounts and 9 month ended as on 31st Dec 2015 based on limited review report is as under:

Name of the Company: **Deepak Fertilisers And Petrochemicals Corporation Limited.**
(Rs. in Crores)

	As per last Unaudited* Financial for the 9 months ended	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	31-12-2015	2014-15	2013-14	2012-13
Equity Paid up Capital	88.20	88.20	88.20	88.20
Reserves and surplus	1,531.88	1,436.66	1,402.91	1,226.05
Carry forward losses	-	-	-	-
Net Worth	1,620.08	1,524.86	1,491.11	1,314.25
Miscellaneous Expenditure	-	-	-	-
Secured Loans	1,089.77	1,038.03	961.61	1,123.90
Unsecured Loans	816.97	346.04	-	-
Fixed Assets	1,553.42	1,491.18	1,482.04	1,439.24
Income from Operations	3,171.97	3,711.77	3,816.28	2,606.46
Total Income	3,212.15	3,750.05	3,863.32	2,668.24
Total Expenditure	3,078.18	3,641.82	3,526.93	2,467.66
Profit before Tax	133.97	108.22	336.39	200.58
Profit after Tax	95.22	78.35	243.88	146.91
Cash profit	183.31	195.66	346.52	244.36
EPS	10.80	8.88	27.65	16.65
Book value	183.67	172.88	169.05	149.00

Signature



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



DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

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Note: The financials should not be more than 6 months old. In such cases additional column may be added to provide the latest financials.

* The unaudited financials for 9 month ended 31st December 2015 has been subjected to limited review in accordance with Revised Standard on Review Engagement (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by The Institute of Chartered Accountants of India (ICAI).

Saven



B. K. KHARE & CO.
CHARTERED ACCOUNTANTS

T + 91 022 22000607/7318/6360
+ 91 022 66315835/36
F + 91 022 2200 3476
E info@bkkhareco.com
706/708, Sharda Chambers New Marine
Lines, Mumbai - 400 020, India

The Board of Directors
Deepak Fertilisers and Petrochemicals Corporation Limited

Limited Review Report on Standalone Financial Results for the quarter and nine months ended 31st
December 2015

1. We have reviewed the Standalone Financial Results for the quarter and nine months ended 31st December 2015 which are included in the accompanying Statement of Unaudited Financial Results for the quarter and nine months ended 31st December 2015 (the "Statement") of Deepak Fertilisers and Petrochemicals Corporation Limited ("the Company"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to note no. 2 and 3 of the Statement which describes the uncertainty related to the outcome of supply of natural gas and related matters. Our conclusion is not qualified in respect of this matter.

For and on behalf of
B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Naresh Kumar Kataria
Naresh Kumar Kataria
Partner

M. No. 037825
Mumbai

Dated: January 21, 2016



Pune
T + 91 020 60601005/6/7/8/9
+ 91 020 25666932/32926341
E bkkpune@bkkhareco.com
Hotel Swaroop, 4th Floor,
Lane No.10, Prabhat Road,
Erandwane, Pune - 411 004, India

Bengaluru
T + 91 80 41105357
E bkkbengaluru@bkkhareco.com
101, Money Chambers,
1st Floor, # 5 K. H. Road,
Shanthinagar,
Bengaluru - 560027, India

New Delhi
T + 91 011 4182 8360
E bkkdelhi@bkkhareco.com
107, Siddharth Chambers,
Near IIT Gate,
Kalu Sarai, Hauz Khas,
New Delhi - 110 016, India.



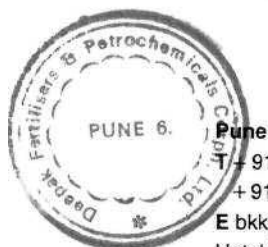
Annexure L

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To,
The Board of Directors
Deepak Fertilisers and Petrochemicals Corporation Limited
Opp. Golf Course,
Shastri Nagar, Yerwada,
Pune-411006

Certificate on accounting treatment in the Draft Scheme of Arrangement in accordance with Para I (A) 5 (a) of Annexure I of SEBI circular no. CIR/CFD/CMD/16/2015 dated 30 November 2015

1. We, the statutory auditors of **Deepak Fertilisers and Petrochemicals Corporation Limited ("DFPCL")**, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clauses 14, 15, 32 and 33 of the Draft Scheme of Arrangement as approved by the Board of Directors of the Companies at their meetings held on 29 March 2016 between **Deepak Fertilisers and Petrochemicals Corporation Limited, SCM Fertichem Limited and Smartchem Technologies Limited** ("the Draft Scheme") in terms of the provisions of sections 391 to 394 of the Companies Act, 1956 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Other Generally Accepted Accounting Principles (Indian GAAP). The said Draft Scheme is subject to shareholders and regulatory approvals.
2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Companies.
3. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.
4. Based on our examination and according to the information and explanations given to us, we confirm that the proposed accounting treatment contained in the aforesaid Draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the generally accepted accounting principles as applicable on the Appointed Date.



Pune
T + 91 020 60601005/6/7/8/9
+ 91 020 25666932/32926341
E bkkpune@bkkhareco.com
Hotel Swaroop, 4th Floor,
Lane No.10, Prabhat Road,
Erandwane, Pune - 411 004, India

Bengaluru
T + 91 80 41105357
E bkkbengaluru@bkkhareco.com
101, Money Chambers,
1st Floor, # 6 K. H. Road,
Shanthinagar,
Bengaluru - 560027, India

New Delhi
T + 91 011 4182 8360
E bkkdelhi@bkkhareco.com
107, Siddharth Chambers,
Near IIT Gate,
Kalu Sarai, Hauz Khas,
New Delhi - 110 016, India.



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5. This certificate is given with reference to Indian GAAP which are applicable on the Appointed Date in the Draft Scheme i.e. 1 January 2015. Further, Indian GAAP do not cover accounting treatment of de-merger transactions, which is governed by generally accepted accounting principles.
6. A copy of the Draft Scheme duly authenticated on behalf of the Company (initialed by us for identification) and a certified copy of the resolution of the Board of Directors of the Company approving the Draft Scheme is attached as Annexure I and II respectively, of this certificate.
7. This certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE Ltd and the National Stock Exchange of India. This certificate should not be used for any other purpose without our prior written consent.

For B.K. Khare and Co.
Chartered Accountants
Firm Reg. No. 105102W

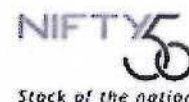
Naresh Kumar Kataria

Naresh Kumar Kataria
Partner
Membership Number: 037825
Mumbai
Dated: 29th March 2016





NATIONAL STOCK EXCHANGE
OF INDIA LIMITED



Date of Download 07-May-2016

NSE Acknowledgement

Symbol:-	DEEPAKFERT
Name of the Company: -	Deepak Fertilizers And Petrochemicals Corporation
Submission Type:-	Corporate Governance
Quarter/Period Ended: -	31-Mar-2016
Date of Submission:-	2016-04-13 09:55:35.0
NEAPS App. No:-	29170

Disclaimer :We hereby acknowledge receipt of your submission through NEAPS. Please note that the content and information provided is pending to be verified by NSEIL.

For Deepak Fertilisers And Petrochemicals
Corporation Limited


Asst. Company Secretary



ANNEXURE I

Format to be submitted by listed entity on quarterly basis

1. Name of Listed Entity - **Deepak Fertilizers And Petrochemicals Corporation Limited**
 2. Quarter ending - **31-Mar-2016**

I. Composition of Board of Directors										
Title (Mr./Ms)	Name of the Director	DIN	PAN	Categor y (Chairp erson /Executiv e/Non- Executive / Independ ent/ Nominee)	Date of Appoint ment	Date of cessati on	Tenu re	No of Directors hip in listed entities including this listed entity	No of members hips in Audit/ Stakehol der Committe e(s) including this listed entity	No of post of Chairp erson in Audit/ Stakeh older Commite e held in listed entities includi ng this listed entity
Mr.	S.C. Mehta	001 282 04	AAFP M344 8R	C & ED	01-Dec- 2002		0	1	1	0
Mr.	Partha Bhattac haryya	003 294 79	ACZPB 3511C	NED	22-Jan- 2016			2	1	1
Mr.	R.A. Shah	000 098 51	ABIPS 1839C	NED	11-Feb- 2015		0	10	5	3
Mr.	D. Basu	000 096 53	ACWP B2499 L	ID	31-Jul- 2014	30-Jul- 2017	3	3	1	2
Mr.	N C SINGH AL	000 049 16	AAGP S6961 E	ID	31-Jul- 2014	30-Jul- 2017	3	2	2	3
Mr.	U P JHAVER I	002 738 98	ACIPL 6132E	ID	31-Jul- 2014	30-Jul- 2017	3	1	1	0
Mr.	S RAMA IYER	000 765 49	AAAPI 3482L	ID	31-Jul- 2014	30-Jul- 2017	3	4	2	0
Mr.	ANIL SACHD EV	003 010 07	ABEPS 7807A	ID	31-Jul- 2014	30-Jul- 2017	3	1	0	0
Mr.	S R WADH	002 282	AAAP W011	ID	31-Jul- 2014	30-Jul- 2017	3	1	2	1



	WA	01	7C							
Mrs.	PARUL S MEHTA	001 964 10	AAHP M668 9E	NED	20-Oct- 2005			1	0	0
Mr.	PRANA Y VAKIL	004 333 79	AABP V4181 A	ID	31-Jul- 2014	30-Jul- 2017	3	3	2	0

II. Composition of Committees

Audit Committee

Sr. No.	Name of the Director	Category	Chairperson/Membership
1	N C SINGHAL	ID	Chairperson
2	S R WADHWA	ID	Member
3	S RAMA IYER	ID	Member

Stakeholders Relationship Committee

Sr. No.	Name of the Director	Category	Chairperson/Membership
1	S.C. Mehta	C & ED	Member
2	D. Basu	ID	Chairperson
3	S R WADHWA	ID	Member

Risk Management Committee

Sr. No.	Name of the Director	Category	Chairperson/Membership
1	S R WADHWA	ID	Chairperson
2	Partha Bhattacharyya	NED	Member
3	Vipin Agarwal		Member

Nomination and Remuneration Committee

Sr. No.	Name of the Director	Category	Chairperson/Membership
1	S.C. Mehta	C & ED	Member
2	D. Basu	ID	Chairperson
3	ANIL SACHDEV	ID	Member
4	PRANAY VAKIL	ID	Member

III. Meeting of Board of Directors

Date(s) of Meeting (if any) in the previous quarter	Date(s) of Meeting (if any) in the relevant quarter	Maximum gap between any two consecutive (in number of days)
05-Nov-2015	21-Jan-2016	76

IV. Meeting of Committees

Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (details)	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive (in number of days)
20-Jan-2016	Yes	04-Nov-2015	52
05-Feb-2016	Yes	16-Dec-2015	
29-Mar-2016	Yes		



V. Related Party Transactions	
Subject	Compliance status (Yes/No/NA)
Whether prior approval of audit committee obtained	Yes
Whether shareholder approval obtained for material RPT	Not Applicable
Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee	Yes

VI. Affirmations

1. The composition of Board of Directors is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015. - **Yes**
2. The composition of the following committees is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015
 - a. Audit Committee - **Yes**
 - b. Nomination & remuneration committee - **Yes**
 - c. Stakeholders relationship committee - **Yes**
 - d. Risk management committee (applicable to the top 100 listed entities) - **Yes**
3. The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015. - **Yes**
4. The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015. - **Yes**
5. a. This report and/or the report submitted in the previous quarter has been placed before Board of Directors. - **Yes**
 b. Any comments/observations/advice of Board of Directors may be mentioned here:

--

Name : MANDAR VELANKAR
Designation : Compliance Officer



ANNEXURE II

Format to be submitted by listed entity at the end of the financial year (for the whole of financial year)

I. Disclosure on website in terms of Listing Regulations		
Item		Compliance status (Yes/No/NA)
Details of business		Yes
Terms and conditions of appointment of independent directors		Yes
Composition of various committees of board of directors		Yes
Code of conduct of board of directors and senior management personnel		Yes
Details of establishment of vigil mechanism/ Whistle Blower policy		Yes
Criteria of making payments to non-executive directors		Yes
Policy on dealing with related party transactions		Yes
Policy for determining 'material' subsidiaries		Yes
Details of familiarization programmes imparted to independent directors		Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances		Yes
email address for grievance redressal and other relevant details		Yes
Financial results		Yes
Shareholding pattern		Yes
Details of agreements entered into with the media companies and/or their associates		Not Applicable
New name and the old name of the listed entity		Not Applicable
II Annual Affirmations		
Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Not Applicable
Fees/compensation	17(6)	Not Applicable
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Not Applicable
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	Yes
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes



Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Not Applicable
Disclosure of Shareholding by Non-Executive Directors	26(4)	Not Applicable
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

III Affirmations:

The Listed Entity has approved Material Subsidiary Policy and the Corporate Governance requirements with respect to subsidiary of Listed Entity have been complied. - **Yes**

Name : MANDAR VELANKAR
Designation : Compliance Officer

