



15th December, 2022

The Secretary

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai – 400 001

BSE Code: 500645

Listing Department

National Stock Exchange of India Ltd.

Exchange Plaza,

Bandra - Kurla Complex, Bandra (E)

Mumbai – 400 051

NSE Code: DEEPAKFERT

Dear Sir/ Madam,

Sub: Demerger/ Amalgamation of Composite Businesses: Outcome of Board meeting held on 15th December, 2022

In terms of provisions of Regulation 30 read with Part A of Schedule III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at their meeting held on 15th December, 2022 have accorded its in-principle approval to the Composite Scheme of Arrangement between Smartchem Technologies Limited (STL) (Demerged Company or Transferee Company), Deepak Mining Services Private Limited (DMSPL) (Resulting Company) and Mahadhan Farm Technologies Private Limited (MFTPL) (Transferor Company) and their respective shareholders in accordance with the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder.

STL and DMSPL are wholly owned subsidiaries of the Company and MFTPL is step down subsidiary of the Company.

The Scheme provides for:

- (i) Demerger of the TAN Business from Demerged Company to the Resulting Company; and
- (ii) Amalgamation of the Transferor Company with the Demerged Company.



This will result into creating holistic business entities housed in identified corporate entities.

The other details as required under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.-CIR/CFD/CMD/4/2015 dated September 09, 2015, is attached as “Annexure-A”.

The meeting commenced at 4:00 p.m. and concluded at 5.40 p.m.

We request you to take the same on your record.

Thanking you,
Yours faithfully,

**For Deepak Fertilisers
And Petrochemicals Corporation Limited**

**Ritesh Chaudhry
Company Secretary**

Encl: as above.



“Annexure A”

**Disclosure pursuant to Para A of Part A of Schedule III of Regulation 30 of SEBI
(Listing Obligation & Disclosure Requirements) Regulations, 2015**

Details of Amalgamation / Merger:

Sr. No.	Particulars	Details
1.	Name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as, size, turnover etc.;	<p>SMARTCHEM TECHNOLOGIES LIMITED ('STL' or 'Demerged Company' or 'Transferee Company '):</p> <p>STL was originally incorporated as a public limited company under the Companies Act, 1956 in the State of Gujarat on the 21st day of January 1987 under the name and style of 'Arlem Investment and Finance Limited'. Subsequently, on the 14th day of June 2000, the company changed its name to 'Smartchem Technologies Limited'. Its Corporate Identification Number is U67120PN1987PLC166034.</p> <p>Authorised Capital (Rs in Lacs): 3,550 (3,55,00,000 equity shares of INR 10 each) Paid-up Capital (Rs in Lacs): 1,705 (1,70,50,000 equity shares of INR 10 each) Turnover (Rs. in Lacs): 5,57,677</p> <p>MAHADHAN FARM TECHNOLOGIES PRIVATE LIMITED ('MFTPL' or 'Transferor Company')</p> <p>MFTPL was incorporated as a private limited company under the Companies Act, 1956 in the State of Maharashtra on the 22nd day of May 2003 under the name and style of 'Mahadhan Farm Technologies Private Limited'. Its Corporate Identification Number is U01110MH2003PTC140539.</p>



		<p>Authorised Capital (Rs in Lacs): 1.00 (10,000 equity shares of INR 10 each)</p> <p>Paid-up Capital (Rs in Lacs): Rs.1.00 (10,000 equity shares of INR 10 each)</p> <p>Turnover (Rs. in Lacs): 4,362.26</p>
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;	<p>No.</p> <p>Requisite approvals from Board and shareholders is being sought from respective entities. Post NCLT approval, MFTPL will merge into STL and shall cease to exist.</p>
3.	Area of business of the entity(ies);	<p>STL is carrying on the following businesses: (i) manufacturing of NPK and specialty fertilisers in India under its flagship brand ‘Mahadhan’ (‘Crop Nutrition Business’) (ii) manufacturing of Technical Ammonium Nitrate (‘TAN Business’) (iii) production of Ammonia which acts as a raw material for both the fertilisers and chemicals segment (‘Ammonia Business’) (iv) Manufacturing of Nitric acid, utilities (Steam, Effluent treatment plant) and trading of fertilisers and chemicals.</p> <p>MFTPL is engaged in the business of manufacturing of water-soluble fertilisers. MFTPL is a wholly owned subsidiary of STL</p>
4.	Rationale for amalgamation/merger;	<p>a. Simplification of Corporate Structure: Reduction of multiple entities carrying on similar businesses simplifies the group corporate structure</p> <p>b. Economies of Scale: Strengthening customer service, distribution network, overall economies of scale for all the business verticals (including reduction of overhead / administrative costs)</p>
5.	In case of cash consideration – amount or otherwise share exchange ratio;	Not Applicable. MFTPL is already wholly owned subsidiary of STL.



6.	Brief details of change in shareholding pattern (if any) of listed entity	Not Applicable as the Company is not part of scheme
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Details of Demerger:

Sr. No.	Particulars	Details
1.	Brief details of the division(s) to be demerged	<p>Separation of TAN Business of STL, by way of demerger, into Deepak Mining Services Private Limited ('DMSPL' Or 'Resulting Company'), a wholly owned subsidiary of the Company</p> <p>DMSPL was incorporated as a private limited company under the Companies Act, 1956 in the state of Maharashtra on the 6th day of August 2008 under the name and style of 'Deepak Mining Services Private Limited'. Its Corporate Identification Number is U14100PN2008PTC132562. DMSPL was incorporated with the objective of providing consultancy to mining companies in India <i>inter alia</i> to the entire value chain of the mining business. However, currently it has no business activities. DMSPL is a wholly owned subsidiary of Deepak Fertilisers and Petrochemicals Corporation Limited.</p>
2.	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	Turnover as of 31 st March 2022: Rs. 2,463 Cr; TAN Business as percentage of total turnover: 44%
3.	Rationale for demerger	<p>a. Focused Leadership: Over the last five years, the focus of both TAN and CNB business has evolved from commodity to specialty, with an increased emphasis on solutions. Both independent entities to have individual growth</p>



		<p>plans, focused leaderships, and strategies to maximise its growth prospects</p> <p>b. Consumer-focused Orientation Strategy: There is no product, seasonality, markets, branding, or value proposition overlap between CNB and TAN businesses. Consumer-focused orientation strategy likely to get impacted if the CNB and TAN work culture remains intermingled</p> <p>c. Demerger to Unlock the True Potential: Enable sector specific strategic and financial investments in respective businesses</p> <p>d. Economies of Scale: Strengthening customer service, distribution network, overall economies of scale for all the business verticals</p>
4.	Brief details of change in shareholding pattern (if any) of all entities	There would be no change in the Shareholding pattern of Resulting Company and demerged Company
5.	In case of cash consideration – amount or otherwise share exchange ratio	1 (One) fully paid up equity shares of face value of INR 10/- (Rupees Ten only) each of the Resulting Company shall be issued and allotted to the shareholders of the Demerged Company for every 1 (One) fully paid up equity shares of face value INR 10/- (Rupees Ten only) each held in the Demerged Company”
6.	Whether listing would be sought for the resulting entity	No.

**For Deepak Fertilisers
And Petrochemicals Corporation Limited**

**Ritesh Chaudhry
Company Secretary**