Letter of Offer
Dated September 11, 2020
For Eligible Equity Shareholders only

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

Our Company was originally incorporated as 'Deepak Fertilisers and Petrochemicals Corporation Private Limited' at Mumbai pursuant to a certificate of incorporation dated May 31, 1979 issued by the Registrar of Companies, Maharashtra ("**RoC**") under the Companies Act, 1956. Subsequently, the name of our Company changed to 'Deepak Fertilisers and Petrochemicals Corporation Limited' and a fresh certificate of incorporation consequent on change of name dated June 14, 1979, was issued by the RoC. For further details regarding change in the registered and corporate office of our Company, please refer to "*History and Corporate Structure*" on page 65.

Registered and Corporate Office: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036 | **Contact person**: K Subharaman, Company Secretary and Compliance Officer | **Telephone**: +91 20 6645 8000 | **E-mail id:** investorgrievance@dfpcl.com | **Website**: www.dfpcl.com
Corporate Identity Number L24121MH1979PLC021360

PROMOTERS OF OUR COMPANY: CHIMANLAL KHIMCHAND MEHTA, SAILESH CHIMANLAL MEHTA, PARUL SAILESH MEHTA, NOVA SYNTHETICS LIMITED, ROBUST MARKETING SERVICES PRIVATE LIMITED AND SOFOTEL INFRA PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF 1,33,92,663 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF OUR COMPANY (THE "EQUITY SHARES ") FOR CASH AT A PRICE OF ₹ 133 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 123 PER EQUITY SHARE) AGGREGATING TO ₹ 17,812.24 LAKHS# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 3 EQUITY SHARE FOR EVERY 20 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS THURSDAY, SEPTEMBER 17, 2020 (THE "ISSUE"). FOR FURTHER DETAILS, SEE "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 185.

#*Assuming full subscription*

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 16 before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (collectively, the "**Stock Exchanges**"). Our Company has received "in-principle" approvals from BSE and NSE for listing the Equity Shares to be allotted pursuant to the Issue through their letters dated September 9, 2020 and September 8, 2020, respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
BOB Capital Markets Limited Parinee Crescenzo, 1704, B Wing, 17th Floor Plot no. C-38/39, G Block BKC Bandra East, Mumbai 400 051 **Telephone**: +91 (22) 6138 9300 **E-mail Id**: dfpcl.rights@bobcaps.in **Investor grievance e-mail Id**: investorgrievance@bobcaps.in **Contact person**: Nivedika Chavan/Disha Jugat **Website**: www.bobcaps.in **SEBI registration number**: INM000009926	**Kfin Technologies Private Limited** ***(formerly known as "Karvy Fintech Private Limited)*** Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032 Telangana, India. **Telephone**: +91 40 6716 2222 **Toll free number**: 18004258998, 18003454001 **E-mail Id**: deepakfertilisers.rights@kfintech.com **Investor grievance e-mail Id**: einward.ris@kfintech.com **Contact person**: M. Murali Krishna **Website**: www.kfintech.com **SEBI registration number**: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	ISSUE CLOSES ON#
Monday, September 28, 2020	Wednesday, October 7, 2020	Monday, October 12, 2020

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

 # Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits", "Financial Statements" and "Outstanding Litigation and Defaults" beginning on pages 62, 72 and 169, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
"Our Company" or "the Company" or "the Issuer"	Deepak Fertilisers and Petrochemicals Corporation Limited incorporated under the Companies Act 1956, with its registered and corporate office at Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036
"We", "us", "our", "DFPCL"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company together with our Subsidiaries and Associate on a consolidated basis
STL	Smartchem Technologies Limited, the wholly owned material subsidiary of the Company
PCL	Performance Chemiserve Limited, the step down material subsidiary of the Company

Company Related Terms

Term	Description
2018 Audited Financial Numbers	Audited Fiscal 2018 financial numbers referred to in this offer document represent the amounts appearing in the audited financial statements of the Group and its associates and joint operations as of and for the year ended March 31, 2018, not included or incorporated by reference in this Letter of Offer.
Audited Financial Statements	The audited consolidated financial statements of our Company together with our Subsidiaries, and Associate for the year ended March 31, 2020 which comprise of the consolidated balance sheet as at March 31, 2020, the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. Audited Fiscal 2019 financial numbers referred to in this offer document represent the corresponding numbers as reported in Audited Financial Statements for the year ended March 31, 2020.
Articles of Association or Articles	The Articles of Association of our Company, as amended from time to time
Associate	Entities categorised as an associate as per Ind AS 28, namely Ishanya Realty Corporation Limited
Board or Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Directors	Any or all the Directors on the Board, as may be appointed from time to time
Equity Shares	Equity shares of face value of ₹ 10 each of our Company
Group Companies	Group companies of our Company, in terms of the SEBI ICDR Regulations, means companies (other than our Promoters and Subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by our Board
Independent Director	Independent directors on the Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "*Our Management*" beginning on page 67
Interim Condensed Financial Statement	Unaudited interim condensed consolidated financial statements of our Company as at and for the three month period ended June 30, 2020
IPA	Isopropyl alcohol
Material Subsidiaries	Smartchem Technologies Limited and Performance Chemiserve Limited

Term	Description
Memorandum of Association or Memorandum	The Memorandum of Association of our Company, as amended from time to time
Promoters	The promoters of our Company, namely, Chimanlal Khimchand Mehta, Sailesh Chimanlal Mehta, Parul Sailesh Mehta, Nova Synthetics Limited, Robust Marketing Services Private Limited and Sofotel Infra Private Limited
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered and Corporate Office	Registered and corporate office of our Company situated at Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036
Rights Issue Committee	The committee of our Board constituted through the resolution dated May 25, 2020, for purposes of this Issue and incidental matters thereof, consisting Berjis Minoo Desai, Sujal Shah and Renu Challu
Statutory Auditors	B S R & Associates LLP, Chartered Accountants
Subsidiaries	Subsidiaries of our Company as defined under the Companies Act, 2013 and the applicable accounting standards, namely: 1. Smartchem Technologies Limited; 2. Platinum Blasting Services Pty Limited; 3. Australian Mining Explosives Pty Limited; 4. Performance Chemiserve Limited (formerly known as Performance Chemiserve Private Limited); 5. Deepak Mining Services Private Limited; 6. Complete Mining Solutions Private Limited (formerly known as Runge Pincock Minarco India Private Limited); 7. SCM Fertichem Limited; 8. Deepak Nitrochem Pty Limited; 9. Mahadhan Farm Technologies Private Limited; 10. Ishanya Brand Services Limited; and 11. Yerrowda Investments Limited
TAN	Technical Ammonium Nitrate

Issue Related Terms

Term	Description
Abridged Letter of Offer/ ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Allotment/ Allot/ Allotted	Allotment of Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to Allotment
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP (instituted only for resident Investors, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts), to subscribe to the Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application using the R-WAP or though the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Application Money	Aggregate amount payable in respect of the Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by an Investor to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB

Term	Description
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker to the Issue	HDFC Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "*Terms of the Issue*" beginning on page 185
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility
Escrow Collection Bank/Allotment Account Bank(s)/ Refund Bank	Banks which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being HDFC Bank Limited
FCNR Account	Foreign currency non-resident account
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, Thursday, September 17, 2020 and the Renouncee(s)
ISIN	International securities identification number
Issue	Issue of 1,33,92,663 Equity Shares of face value of ₹ 10 each of our Company (the "**Equity Shares**") for cash at a price of ₹ 133 per equity share (including a premium of ₹ 123 per Equity Share) aggregating to ₹ 17,812.24 lakhs# on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 3 Equity Share for every 20 fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date, that is Thursday, September 17, 2020 (the "**Issue**"). #*Assuming full subscription*
Issue Agreement	Issue agreement dated September 11, 2020 entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	Monday, October 12, 2020
Issue Opening Date	Monday, September 28, 2020
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ 133 per Equity Share
Issue Proceeds/ Gross Proceeds	Gross proceeds of the Issue
Issue Size	The issue of 1,33,92,663 Equity Shares aggregating to ₹ 17,812.24 lakhs# #*Assuming full subscription*
Lead Manager	BOB Capital Markets Limited
Letter of Offer or LOF	This letter of offer dated September 11, 2020 filed with the Stock Exchanges and SEBI
Listing Agreement	The uniform listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
MCA Circular	General Circular No. 21/2020 dated May 11, 2020 read with the General Circular No. 27/ 2020 dated August 3, 2020 issued by the Ministry of Corporate Affairs, Government of India.
Monitoring Agency	Axis Bank Limited
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see "*Objects of the Issue*" beginning on page 57
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights

Term	Description
	Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before Wednesday, October 7, 2020
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
R-WAP	Registrar's web based application platform accessible at www.kfintech.com, instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, for accessing/ submitting online Application Forms by resident Investors. This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being Thursday, September 17, 2020
Refund Bank	HDFC Bank Limited
Registrar to the Issue / Registrar	Kfin Technologies Private Limited *(formerly known as "Karvy Fintech Private Limited)*
Registrar Agreement	Agreement dated September 10, 2020 entered into among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Wednesday, October 7, 2020 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement	Number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 3 Equity Shares for every 20 Equity Shares held by an Eligible Equity Shareholder
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP and on the website of our Company
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
SEBI Relaxation Circulars	Together, the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with the SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
Transfer Date	The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such
Working Day(s)	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (b) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI

Conventional and General Terms/Abbreviations

Term	Description
₹ / Rs./ Rupees / INR	Indian Rupees
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited

Term	Description
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant's identification
DIN	Director Identification Number
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortisation expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEM Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year / Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI / Government/ Central Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
India	Republic of India
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share / NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of paid up share capital and other equity
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Maharashtra
RTGS	Real time gross settlement

Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities transaction tax
Supreme Court	Supreme Court of India
Total Borrowings	Aggregate of current borrowings, non-current borrowings and current maturities of long-term borrowings
UPI	Unified Payments Interface
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
USA / U.S. / United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of the Rights Entitlement and the Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may come, are required to be aware of and observe such restrictions. For details, see "*Restrictions on Purchases and Resales*" beginning on page 216.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials (a) only to the e-mail addresses of Eligible Equity Shareholders who have provided an Indian address to our Company; and (b) only to the Indian addresses of the Eligible Equity Shareholders whose email addresses are not available with the Company or the Eligible Equity Shareholders who have not provided the valid e-mail address to the Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to e-mail this Letter of Offer, the Abridged Letter of Offer, the Application Form and other applicable Issue materials shall not be sent this Letter of Offer, the Abridged Letter of Offer, the Application Form and other applicable Issue materials.

Further, this Letter of Offer will be provided, only through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges and on R-WAP.

Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and Stock Exchanges. Accordingly, the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer or the Application Form in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Other Regulatory and Statutory Disclosures – Selling Restrictions*" and "*Restrictions on Purchase and Resales*" on pages 181 and 216, respectively.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Equity Shares and/ or the Rights Entitlements under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares and/ or the Rights Entitlements in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale/ offer of Equity Shares and/ or the Rights Entitlements hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Equity Shares and/ or the Rights Entitlements regarding the legality of an investment in the Equity Shares and/ or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "**UNITED STATES**" OR "**U.S.**"), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE US SECURITIES ACT ("**REGULATION S**") TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME. THE EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS AND THE RIGHTS ENTITLEMENTS ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED IN THE SECTION ENTITLED "*RESTRICTIONS ON PURCHASES AND RESALES*" ON PAGE 216.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to the e-mail addresses of the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

Our Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Equity Shares or any other security with respect to this Issue in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**US SEC**")**,** any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants/Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or re.

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Letter of Offer, unless otherwise specified or context otherwise requires, references to 'US$', '$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to 'India' are to the Republic of India and its territories and possessions and the references herein to 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

Financial Data

Unless otherwise stated, references to "we", "us", "our" or "DFPCL" and similar terms are to Deepak Fertilisers and Petrochemicals Corporation Limited on a consolidated basis and references to "the Company" and "our Company" are to Deepak Fertilisers and Petrochemicals Corporation on a standalone basis.

Unless stated otherwise, financial data in this Letter of Offer is derived from the Audited Financial Statements which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in this Letter of Offer. Our Company publishes its financial statements in Indian Rupees in lakhs. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31.

In this Letter of Offer, any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Letter of Offer.

Currency Presentation

Unless otherwise specified or the context otherwise requires, all references to "Rupees", "Rs.", "INR", "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "USD", or "US$" or "$" are to United States Dollar, the official currency of the United States of America. The amounts derived from financial statements included herein are represented in ₹ lakhs, as presented in the Audited Financial Statements.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in lakhs.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by our Company or the Lead Manager or their respective affiliates and neither our Company nor the Lead Manager or their respective affiliates make any representation as to the accuracy of that information. Accordingly, Investors should not place undue reliance on this information.

Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Net Worth, return on Net Worth, Net Asset Value per Equity Share, ratio of non-current liabilities-borrowings (including current maturities) / total equity (excluding non-controlling interest), ratio of total borrowings/ total equity (excluding non-controlling interest) and EBITDA have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Conversion rates for foreign currency:

The conversion rate for the following foreign currency is as follows:

Sr. No.	Name of the Currency[(1)]	As of June 30, 2020 (in ₹)	As of March 31, 2020 (in ₹)	As of March 31, 2019 (in ₹)
1.	1 United States Dollar	75.52	75.39	69.17

(Source: www.fbil.org.in*.)*

(1) In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees (₹) at any particular rate, the rates stated above or at all.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements and any projections contained in this Letter of Offer (whether made by our Company or third parties) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

1. Our fertilizer business is dependent on the performance of the agricultural sector in which such products are used;
2. The agricultural industry is seasonal in our country, which may adversely affect the demand for our fertilizers. Any delays and/or defaults in payments from customers could affect the financial conditions of our business;
3. Our business could be materially and adversely affected by the outbreak of COVID-19 virus;
4. We source a significant proportion of our raw material requirement such as ammonia, phosphoric acid, ammonia sulphate from foreign suppliers. Any fluctuations in the price, availability and quality of raw materials could cause delay and increase our costs; and
5. We do not have long-term sale agreements for majority for our products. Any deterioration in demand of any of our key products could have an adverse effect on our business, results of operations, financial condition and cash flows.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under "*Risk Factors*" beginning on page 16.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our revenue could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer and neither our Company nor the Lead Manager undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, "*Objects of the Issue*", "*Outstanding Litigation and Defaults*" and "*Risk Factors*" beginning on pages 57, 169 and 16, respectively.

Summary of Business

We have a strong market position in the existing chemical business of ammonia nitrate ("**AN**"), nitric acid and IPA. We are one of the leading players of TAN in the domestic market supported by the superior quality product offering in the form of Low Density AN ("**LDAN**"), which commands a premium over AN-melt manufactured by domestic players and the imported fertiliser grade AN. The company is also the sole producer of IPA in the domestic market and caters to 75¬80% of the market demand through its manufacturing capacity as well as imports. Our Company is also the leading manufacturer of concentrated nitric acid ("**CNA**") in the domestic market.

Objects of the Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

Sr. No.	Particulars	Amount *(in ₹ lakhs)*
1.	Repayment or prepayment of inter corporate deposits	12,500.00
2.	Reduction of the consolidated borrowings of our Company by way of issuing an ICD to Smartchem Technologies Limited, for repayment / prepayment of portion of their outstanding indebtedness	1,500.00
3.	General corporate purposes*	3,605.41
Total**		**17,605.41**

* *Subject to finalisation of the Basis of Allotment and the Allotment of the Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. In case subscription received in the Issue is less than 100% of the Issue but equal to or more 90% of the Issue, the amounts to be utilized towards each of the objects above would be subject to proportionate reduction to the extent of the reduction in the Net Proceeds. However, in case, subscription received is less than 90% of the Issue but equal to or more than 75% of the Issue, then our Company shall utilize the amount allocated for repayment or prepayment of inter corporate deposits in its entirety and the remaining Net Proceeds, if any shall be utilised towards general corporate purposes.*

** *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.*

For further details, see *"Objects of the Issue"* beginning on page 57.

Intention and extent of participation by our Promoters and members of the Promoter Group in the Issue

Our Promoters and Promoter Group, by way of their letters dated September 1, 2020, have confirmed that they will fully subscribe to the extent of their respective Rights Entitlement and will subscribe to the extent of up to 75% of the Issue in case of undersubscription and reserve the right to subscribe to additional Equity Shares in the Issue, if any i.e. over and above 75%, subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations.

Summary of select financial information

A summary of our Company's audited financial information and other financial information derived from Audited Financial Statements of each of the respective years, is set out below:

(in ₹ lakhs, except per share data)

Particulars	As at and for the Fiscal		
	2020	2019	2018
Equity Share capital	8,928	8,820	8,820
Net Worth	2,18,078	2,09,785	2,04,617
Revenue from operations	4,68,538	6,74,206	6,06,154

Particulars	As at and for the Fiscal		
	2020	2019	2018
Profit/ (loss) after tax	8,901	7,347	16,410
Basic EPS (in ₹)	9.83	8.01	18.60
Diluted EPS (in ₹)	9.83	8.01	18.60
Net asset value per Equity Share (in ₹)	244	238	232
Total Borrowings	2,92,789	303,211	3,53,209

For details of our Audited Financial Statements, see "*Financial Information*" beginning on page 72.

Auditor Qualifications

There are no auditor qualifications which have not been given effect to in the Audited Financial Statements.

Summary of outstanding litigation and defaults

A summary of outstanding legal proceedings involving our Company, Directors and Subsidiaries as on the date of this Letter of Offer are set out below:

Litigation involving our Company

(in ₹ lakhs)

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable/ determinable
Material civil proceedings	9	76,662.41
Matters involving issues of moral turpitude or criminal liability	1	-*
Regulatory/ statutory proceedings	102	-*
Taxation proceedings	57	22,915.25

* *Not quantifiable/ determinable*

Litigation involving our Directors

(in ₹ lakhs)

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable/ determinable
Matters involving issues of moral turpitude or criminal liability	4	-*

******Not quantifiable/ determinable*

Litigation involving our Subsidiaries

(in ₹ lakhs)

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable/ determinable
Regulatory/ statutory proceedings	11	-*
Tax Proceedings	36	2582.42

**Not quantifiable/ determinable*

For further details, see "*Outstanding Litigation and Defaults*" beginning on page 169.

Risk Factors

For details, see "*Risk Factors*" beginning on page 16.

Contingent liabilities

A summary of our contingent liabilities not provided for, as at March 31, 2020 in accordance with Ind AS 37 and as disclosed in "*Financial Information*" beginning on page 72, is as follows:

(in ₹ lakhs)

Particulars	As at March 31, 2020
Excise/ Service tax/ Customs demands	4,798

Particulars	As at March 31, 2020
Commercial tax	10,316
Income tax demands(1)	7,244
Claims by suppliers not acknowledged as debts	37,645
Total	**60,003**

(1) A Search and Seizure Operation was conducted by the Income Tax Department during the period from November 15, 2018 to November 21, 2018 under section 132 and section 133A of the Income Tax Act, 1961. During the current year, the Holding Company and Subsidiary Company received notices under section 153A of the Income Tax Act, 1961 and have filed revised income tax returns for Assessment Years 2013-2014 to 2018-2019 in response to the notices. The Holding Company and Subsidiary Company have also not till date received any demand notices in relation to the Search and Seizure. The Group is on the view that the Operation will not have any significant impact on the Group's financial position and performance as at and for the year ended March 31, 2020 and hence no provision has been recognized as at March 31, 2020.

Related party transactions

For details regarding our related party transactions for Fiscal 2020, in accordance with Ind AS 24, see "*Financial Information*" beginning on page 72.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, directors of our Promoters, our Directors or their relatives have financed the purchase by any other person of securities of our Company, other than in their normal course of business of the financing entity, during the period of six months immediately preceding the date of this Letter of Offer.

Issuance of Equity Shares for consideration other than cash in the last one year

No Equity Shares have been issued by our Company in the last one year for consideration other than cash as on the date of filing of this Letter of Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations and cash flows. If any or some combination of the following risks, or other risks that we do not currently know about or believe to be material, actually occur, our business, financial condition and results of operations and cash flows could suffer, the trading price of, and the value of your investment in our equity shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Financial Information" beginning on page 72 financial, statistical and other information contained in this Letter of Offer. You should consult your tax, financial and legal advisors about the consequences to you of an investment in our Equity Shares.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless the context otherwise requires, references in this section "we", "us", "our" or "our Company" are to Deepak Fertilizers & Petrochemicals Corporation Limited on a consolidated basis.

A. INTERNAL RISK FACTORS

1. ***Our fertilizer business is dependent on the performance of the agricultural sector in which such products are used.***

   For Fiscal 2020 and Fiscal 2019, the total revenue (including other operating income) from our fertilizer business was ₹ 1,91,115 lakhs and ₹ 2,27,280 lakhs respectively. Our fertilizer business is dependent on the performance of the agricultural sector in which these products are used. The performance of the agricultural sector and consequently the demand for our fertilizers and other products, is dependent on area under cultivation, soil quality, climatic conditions including dispersal of rains and adequacy of monsoon, adequacy of water levels in reservoirs, crop prices, and availability of credit to farmers which are beyond our control. Further, the demand for our fertilizers is dependent on the cropping pattern which may vary year on year for the major crops. Any reduction in area under cultivation, adverse cropping pattern, climatic condition, erratic or inadequate monsoon and consequent scarcity of water or other developments affecting the performance of agricultural sector in which our products are used, may adversely affect our business, results of operations and financial condition. Further, global warming and other changes to the weather pattern are being witnessed globally which may make it difficult for us to place reliance on weather forecasts and growth opportunities.

2. ***The agricultural industry is seasonal in our country, which may adversely affect the demand for our fertilizers. Any delays and/or defaults in payments from customers could affect the financial conditions of our business.***

   Our fertilizer business is seasonal and we are strategically located to cater to the horticulture rich and cash crop capital states of Maharashtra, Karnataka and Gujarat. Farmers tend to apply fertilizer during two short application periods, the two major crop seasons in the country, i.e., rabi and kharif. The strongest demand for our products typically occurs during the planting season. In contrast, we generally produce our products throughout the year. As a result, we and our customers generally build inventories during the low demand periods of the year in order to ensure timely product availability during the peak sales seasons. The seasonality of fertilizer demand results in our sales volumes and net sales being highest during the agricultural seasons and our working capital requirements typically being highest just prior to the start of the agricultural season.

The degree of seasonality of our fertilizer business can change significantly from year to year due to conditions in the agricultural industry and other factors. As a consequence of our seasonality, we expect that our distributions will be volatile and will vary quarterly and annually.

If seasonal demand exceeds our projections, we will not have enough product and our customers may acquire products from our competitors, which would result in opportunity loss to the Company. If seasonal demand is less than we expect, we will be left with excess inventory that will have to be stored or liquidated, which may adversely affect our business, results of operations and financial condition. Further, any delays and/or defaults in payments from customers could affect the financial conditions of our business.

3. ***Our business could be materially and adversely affected by the outbreak of COVID-19 virus.***

Our business could be materially and adversely affected by the outbreak of COVID-19, commonly known as novel coronavirus in India. India has already confirmed several cases of COVID-19 virus. The World Health Organization has declared the COVID-19 outbreak a health emergency of international concern and has categorised the COVID-19 virus outbreak as a pandemic. In order to contain the spread of COVID-19 virus, the Government of India has declared a lockdown of the country, which includes severe travel and transport restriction and directive to all citizens to not move out of their respective houses unless essential. Although the unlocking process has gradually started, movement in the country remains largely restricted to only essentials. Whilst almost all the key products of the Company are essentials products, the lockdown has caused disruption in relation to availability, supply and transportation of our products and our raw materials and maintenance of demand-supply balance. Further, our employees including operations staff run the risk of getting affected by COVID-19. This in turn is likely to adversely affect our business, financial condition and results of operations.

The Company is not able to predict the duration and severity of the current economic conditions and as a consequence, its impact on our financial results for a particular period are difficult to predict, and, therefore, prior results including financial results for the quarter ended March 31, 2020, are not necessarily indicative of results to be expected in future periods.

Further, the lockdown has also led to companies like ours asking our employees to work from home. While every effort is being made to ensure normal operations of our Company, no assurance can be made that our technological systems will function smoothly while our employees work from home. If such a situation continues for an extended period, reduced physical contact with customers and/or inadequacy of technological systems to support all normal operations under work from situation may adversely impact our business operations. There is no assurance that the present lockdown will not be extended, which will further adversely affect our business, cash flows, financial condition and results of operations.

The COVID-19 outbreak is ongoing and the actual extent of the outbreak and its impact on the economy globally, in general and in India, in particular remains uncertain at this point in time and may turn severe in the future. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. If the outbreak of any of these epidemics or other severe epidemics, continues for an extended period, occur again and/or increases in severity, it could have an adverse effect on economic activity worldwide, including India, and could materially and adversely affect our business, cash flows, financial condition and results of operations and the trading price of the Equity Shares and other securities. Similarly, any other future public health epidemics or outbreak of avian or swine influenza or other contagious disease in India could also materially and adversely affect our business, cash flows, results of operations and financial condition

4. ***We source a significant proportion of our raw material requirement such as ammonia, phosphoric acid, ammonia sulphate from foreign suppliers. Any fluctuations in the price, availability and quality of raw materials could cause delay and increase our costs.***

We are heavily reliant on foreign third-party suppliers for raw materials. As of March 31, 2020 and March 31, 2019, we imported 67% and 73%, respectively of raw materials from other countries. Fluctuations in the price, availability and quality of the raw materials used by us in the manufacturing of our products could have a material adverse effect on our cost of sales. The prices for such product depend largely on the market prices for the raw materials used to produce them. The price and availability of such raw materials may fluctuate significantly, depending on many factors, including import policies of our Government. Any material shortage or interruption in the supply or decrease in the quality of these raw materials due to natural causes or other factors could result in increased production costs that we may not be able to pass on to our customers, which in turn, would have a material adverse effect on our margins and results of operations.

Our raw material suppliers may allocate their resources to service other clients ahead of us and we may also be adversely impacted by delays in arrival of shipments from foreign suppliers due to weather conditions at the loading or unloading port. While we believe that we can find additional vendors to supply raw materials, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality.

The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may continue to fluctuate in future. Depreciation of the rupee against foreign currencies may, thus, have an adverse effect on the Company's results of operations. We cannot assure that we will be able to mitigate fully the adverse impact of the fluctuations in exchange rates in terms of our cost of import and return on investment.

Importantly, any change in the policies by the countries, in terms of tariff and non-tariff barriers, from which our Company imports or intends importing raw materials will have an impact on the Company's profitability, which may adversely affect our business, results of operations and financial condition.

5. ***We do not have long-term sale agreements for majority for our products. Any deterioration in demand of any of our key products could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Considering the nature of our businesses, we do not typically enter into long term sale contracts with our customers for majority of our products and there can be no assurance that our existing customers will continue to purchase our products. Most of our arrangements with clients are through purchase orders and we have not entered into any contracts with such clients. Any termination of such purchase orders, loss or financial weakness of any of our large customers could adversely affect our financial results. Our customers place orders with us from time to time, on transaction basis, for the purchase of our products. The loss of any of our key customers or a significant decrease in orders received from such customers as a result of increased competition or other factors may adversely affect our results of operations and cash flows. In addition, certain of our products are commodity products in highly competitive, price sensitive markets, and a significant fluctuation in the price of such commodity products may result in a decrease in orders from or discontinuation of business from key customers. Any failure to continue these contracts or renegotiate these contracts at terms acceptable to us may have an adverse impact on our financial condition, results of operations and cash flows.

Further, our ability to pass on increases in the cost of raw materials and other inputs may be limited in the case of contracts with limited or no price escalation provisions and we cannot assure you that these variations in cost will not lead to financial losses to our Company. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Any increase in raw material prices may result in corresponding increases in our product costs. Our failure to maintain long-term relationship with our customers could adversely affect our ability to deliver our products to our partners in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

6. ***We are subjected to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances. Accidents could result in the slowdown or stoppage of our operations and could also cause damage to life and property.***

We endeavour to meet necessary safety standards in relation to our operations. However, certain accidents or mishaps may be unavoidable or may occur on account of negligence or human error in complying with the prescribed safety standards or for other reasons. Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances such as Nitric Acid, IPA and TAN etc. We are subject to operating risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage and environmental contamination**.** In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of our manufacturing facility and expose us to civil or criminal liability which could have an adverse effect on our results of operations and financial condition. Moreover, certain environmental laws impose strict liability for accident/damages resulting from hazardous substances and any failure to comply with such laws may lead to penalties, fines and imprisonment.

Although we take adequate steps to ensure safety, accidents, including human fatalities, may occur and there can be no assurance that our safety measures and the precautions undertaken will be completely effective or sufficient. Further, if we fail to maintain adequate insurance cover in relation to the foregoing, a claim filed by us with our insurer is rejected, a loss occurs, which does not fall under the insurance cover maintained by us, or our claim is subject to any deductible or delay in settlement, amongst other things, our liability will increase. Any accident may have an adverse impact on our business operations, cash flows, results of operation and financial condition.

7. ***The shutdown or slowdown of operations at any of our manufacturing facilities, underutilisation of our manufacturing capacities or ability to adapt to technological changes may have a material adverse effect on our results of operations.***

We manufacture our products at our three manufacturing facilities in India. Our manufacturing facilities are subject to various operating risks, including the breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. Recently, few of our manufacturing facilities were shut down on account of the COVID-19 induced lockdown. Although we take precautions to minimise the risk of any significant operational issues at our manufacturing facilities, the occurrence of any of these risks could adversely affect our operations by causing production at one or more of our facilities to cease or slow down. Capacity utilisation rates at our manufacturing facilities are subject to various factors including availability of raw materials, power, water, efficient working of machinery and equipment and optimal production planning. We cannot assure that we will successfully implement new technologies effectively or adapt its systems to emerging industry standards. Our revenue from manufacturing operations at all locations contributed 82% and 60% of our total revenue from operations (including other operating income) for Fiscal 2020 and Fiscal 2019. Any inability to utilise our manufacturing facilities, to their full or optimal capacity, non-utilisation of such capacities or inability to adapt to technological changes may adversely affect our results of operations and financial condition.

8. ***A shortage or non-availability of electricity, water or LNG may affect our manufacturing operations and have an adverse effect on our business, cash flows, results of operations and financial condition***

The production processes at our manufacturing facilities require a continued supply of electricity and water to ensure that the production process is not disrupted. For instance, in Fiscal 2016, due to unavailability of domestic gas, the Company was unable to manufacture its flagship product Mahadhan Mahapower 24:24:00 post which the Company switched to LNG to produce Mahadhan Mahapower to meet the continuous demand from farmers resulting in loss of revenue in the previous quarter. Further, during Fiscal 2019, there was water cut for in all for 42 days by MIDC resulting in partial loss of production. We rely on our own captive power plants and at times on state electricity boards for supply of power and rely on external sources for our water requirements. If there is any shortage in supply of electricity, water or LNG, we cannot assure you that our facilities will be operational which will disrupt our operations and increase our production costs. It will affect our ability to continue production operations smoothly at the affected plant and timely deliver our products to our customers, thereby affecting our customer’s confidence in us. This may cause loss of our existing customers or adversely affect our ability to attract new customers thereby affecting our business, cash flows, results of operations and financial conditions.

9. ***Our operations are subject to operational risks such as industrial accidents, breakdown of equipment and labour disputes. If any of these risks were to materialize, our business and results of operations could be adversely affected.***

As a manufacturing unit, our operations are subject to risks such as industrial accidents at our plants. Such accidents may adversely affect our business, our reputation and results of operations. For instance, there has been an industrial accident in Fiscal 2017 at Taloja which resulted in fatality of one of our workmen.

Our operations may also be affected by the malfunction or breakdown of our machinery. Any malfunction or break-down of our machinery or equipment could also adversely affect the quality of products and raw materials stored with us. Consequently, delays in manufacturing may result in the breach of our contractual obligations to our customers that may result in termination of our supply contracts, which could in turn have an adverse effect on our business, results of operations and financial condition.

Majority of our employees including factory workers and contract labourers are also members of trade unions. In the past, we have faced labour unrest including strikes. In the event that we are unable to manage any labour related issues or negotiate any settlement with our employees on acceptable terms, it could result in strikes, work stoppages and increased operating costs as a result of higher than anticipated wages or benefits. In addition, such industrial disruptions or work stoppages may result in production losses and delays in delivery of products, which may adversely affect our business prospects, reputation, and results of operations. We cannot assure you that we shall not experience any strikes or work stoppages in future. Such events could disrupt our operations and may have a material adverse effect on our business and results of operations.

10. ***Our Company and a subsidiary have been subject to search conducted by the Indian income tax authorities. Any adverse determination by the tax authorities in this matter could increase our tax liability and subject us to monetary penalties.***

Search proceedings were initiated by the Income Tax Department in November 2018 against our Company and a subsidiary (the "**Income Tax Search Proceedings**"). Pursuant to the Income Tax Search Proceedings, the Assistant Commissioner of Income Tax, Central Circle, Mumbai issued notices under Section 153A of the Income Tax Act, 1961 for assessment years 2013-2014 to 2018-2019 on January 1, 2020, against our Company. Our Company has filed revised tax returns for the assessment years 2013-2014 to 2018-2019. For details, see "*Financial Information*" beginning on page 72. In case of any adverse determination in the Income Tax Search Proceedings, may have a material adverse effect on our financial condition, cash flows, and results of operations.

11. ***The auditors' report on our Company's financial statements as at and for the year ended March 31, 2020 and the Interim Condensed Financial Statement for the three month period ended June 30, 2020 contain certain matters of emphasis/observations by the auditors. We cannot assure you that such matters of emphasis will not arise in the future.***

The auditors' report on our Company's financial statements as at and for the year ended March 31, 2020 contain certain matter of emphasis/observations relating to such financial statements, including:

(i) *"As per note No. 45 from consolidated financial statements, from the report of other auditor in relation to Smartchem Technologies Limited, which more explains that the Department of Fertilisers has released fertiliser subsidy of ₹31,052 lakhs on issue of bank guarantee of an equivalent amount;*

(ii) *Note No. 47 to the consolidated financial statements describes, search was carried out by the income tax department on the Holding and a subsidiary company in November 2018. Pursuant to notice received in the last quarter of FY 2019-20, the Holding and subsidiary company has filed revised returns for Assessment years 2013-14 to 2018-19. The Holding Company's management does not expect any additional liability to devolve on the Group and no provision has been recognised as at 31st March 2020. Though the Holding Company and the Subsidiary Company have not received any demand notices till date, the uncertainty in the matter remains till the proceedings are concluded;"*

The auditors' report on our Company's interim condensed consolidated financial statement as at and for the three month period ended June 30, 2020 contain certain matter of emphasis/observations relating to such financial statements, including:

(i) *"We draw attention to the Note 37 to the Interim Condensed Consolidated Financial Statements which describes that a Search Operation was carried out by the Income Tax Department on the Holding Company and a subsidiary in November 2018. Pursuant to notice received in the last quarter of the year 2019-20, the Holding Company and a subsidiary has filed revised tax returns for Assessment Years 2013- 2014 to 2018-2019. The Holding Company's Management does not expect any additional liability to devolve on the Group and no provision has been recognised as at 30 June 2020. Though the Holding Company and the subsidiary have not received any demand notices till date, the uncertainty in the matter remains till the proceedings are concluded. Our opinion is not modified in respect of this matter."*

For details, see "*Financial Information*" beginning on page 72. Investors should consider these matters in evaluating our financial position, cash flows and results of operations. While the opinion of the auditor is not modified in respect of this matter, there can be no assurance that any similar matters of emphasis, or any qualification or reservations will not form part of the consolidated financial statements of our Company for the future periods.

12. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.***

    Our Company proposes to utilize the Net Proceeds for repayment or prepayment of inter corporate deposits, reduction of the consolidated borrowings of our Company by way of issuing an ICD to our wholly owned Subsidiary, Smartchem Technologies Limited, for repayment / prepayment of portion of their outstanding indebtedness and general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section including inability to obtain necessary approvals for undertaking proposed activities, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

13. ***Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.***

    Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. dollars. For Fiscal 2020 and Fiscal 2019, our revenue from exports was ₹ 8,212 lakhs and ₹ 12,963 lakhs respectively and revenue from exports as a percentage of total revenue was 2.00% for the two preceding years. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. While we hedge a portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee and we cannot assure you whether hedging or other risk management strategies will be effective.

    In the Fiscal 2020 and Fiscal 2019, our Company had imported 67% and 73% respectively of the raw material, which is denominated in foreign currencies. Therefore, we have high exposure to foreign currency risks in respect of our non-Indian Rupee-denominated trade and other receivables, trade payables, and cash and cash equivalents. An appreciation of the Rupee decreases the Rupee amount of revenue from sales made in foreign currency. A depreciation of the Rupee would result in an increase in the prices of our imported raw materials. Depreciation of the Indian rupee against the U.S. dollar may increase the Indian rupee cost to us of servicing and repaying our foreign currency working capital borrowings and other payments, and any such increase may have an adverse effect on our financial condition, cash flows and results of operation.

    We have a Board approved Foreign Currency Hedging Policy and the same is followed for hedging our foreign currency exposure on account of our foreign currency transactions Fluctuations in the value of the Rupee against foreign currencies, to the extent that it is not hedged, would result in gains or losses, which in the case of losses could have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may adversely affect our reported revenues and financial results. We cannot guarantee that we will not experience foreign exchange losses going forward and that such losses will not adversely affect our business, financial condition, cash flows or results of operations

14. ***Environmental laws, health and safety regulations may have a significant adverse impact on our business.***

    Our operations are subject to a variety of national, and state regulations relating to the protection of the environment, including those governing the emission or discharge of pollutants into the environment, storage, transportation, disposal and remediation of solid and hazardous waste and materials. Violations of these laws and regulations or permit conditions can result in substantial penalties, injunctive orders compelling installation of additional controls, civil and criminal sanctions, permit revocations or facility shutdowns.

In addition, new environmental laws and regulations, new interpretations of existing laws and regulations, increased governmental enforcement of laws and regulations or other developments could require us to make additional unforeseen expenditures. Many of these laws and regulations are becoming increasingly stringent, and the cost of compliance with these requirements can be expected to increase over time. These expenditures or costs for environmental compliance could have a material adverse effect on our results of operations, financial condition and ability to make cash distributions.

Our business is subject to the occurrence of accidental spills, discharges or other releases of hazardous substances, such as ammonia, sulphuric acid or natural gas into the environment. Past or future spills from our manufacturing facilities or transportation of products or hazardous substances from our facility may give rise to liability (including strict liability, or absolute liability, and potential clean-up responsibility). For instance, we could be held strictly liable under the Public Liability Insurance Act, 1991, without regard to intent or whether our actions were in compliance with the law at the time of the spills. Any mishandling of hazardous substances by us could affect our business adversely and may impose liabilities on our Company. The potential penalties and clean-up costs for releases or spills, liability to third parties for damage to their property or exposure to hazardous substances, or the need to address newly discovered information or conditions that may require response actions could be significant and could have a material adverse effect on our results of operations, financial condition and ability to make cash distributions.

Significantly, environmental laws and regulations on fertilizer end-use and application and numeric nutrient water quality criteria could have a material adverse impact on fertilizer demand in the future. Future environmental laws and regulations on the end-use and application of fertilizers could cause changes in demand for our products. In addition, future environmental laws and regulations, or new interpretations of existing laws or regulations, could limit our ability to market and sell our products to end users and such laws, regulations or interpretations could have a material adverse effect on our results of operations, financial condition and ability to make cash distributions.

15. ***We are dependent upon the requirements and growth prospects of industries where end products are made by using our products such as agriculture, pharmaceuticals, infrastructure, dyes, rubber chemicals***

Our Company is primarily engaged in the business of manufacture, trading and sale of bulk chemicals and fertilizers. Our revenue from operations from sale of manufactured goods as of March 31, 2020 and March 31, 2019, was ₹ 384,753 lakhs and ₹ 407,552 lakhs respectively. Further, our revenue from operations from sale of traded goods for Fiscal 2020 and Fiscal 2019 was ₹ 81,387 lakhs and ₹ 264,201 lakhs respectively. We cater to fast growing core sectors of Indian economy such as infrastructure, mining, agriculture, pharmaceuticals, dyes, rubber chemicals, inks and coatings, etc. Consequently, our revenues are dependent on such industries. Factors affecting any of these industries in general, or any of our customers in particular, could have a significant effect on our business. Such factors include:

(a) seasonality of demand for our customers' products, which may cause our manufacturing capacities to be under-utilized during specific periods;
(b) failure of our customers to successfully market their products or to compete effectively;
(c) loss of market share of our customers, which may lead them to reduce or discontinue the purchase of our products;
(d) economic conditions of the markets in which our customers operate; and
(e) legislations and regulatory initiatives in such industries.

For any of the above reasons or for any other reason whatsoever, in the event sales to our customers were to substantially decrease, our business, results of operations and financial condition could be adversely affected.

16. ***Restrictions on import of raw materials may adversely impact our business and results of operations.***

Our raw material imports are regulated by the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 that, *inter alia,* allows the concerned authority to stop any import if it is deemed that the chemicals proposed to be imported may cause major accidents. We are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. We also cannot assure you that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favorable terms in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations.

17. ***Our failure to manage growth effectively may adversely impact our business, prospects, financial condition and results of operations.***

Our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to compete effectively, adhering to high quality and execution standards, our ability to expand our distribution network in India as well as globally, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel, etc. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, prospects, financial condition and results of operations.

18. ***We do not have any long-term relationship with majority of our suppliers for key raw materials such as ammonia and the loss of one or more such supplier could increase the price of the raw materials thereby adversely affecting our business, results of operations, financial condition and cash flows.***

The success of our operations depends on, among other things, our ability to source key raw materials such as ammonia, phosphoric acid, natural gas etc. at competitive prices. Raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in government policies and regulatory sanctions.

The success of our business is significantly dependent on maintaining good relationships with our suppliers. Short term supplier contracts subject us to risks such as price volatility, unavailability of certain raw materials in the short term and failure to source critical raw materials in time, which would result in a delay in manufacturing of the final product. Any delay in supplying products in accordance with the terms and conditions of the purchase orders, such as delivery within a specified time, could result in the customer refusing to accept our products, which could have an adverse effect on our business and reputation. Further, we cannot assure you that we will be able to enter into new or renew our existing arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may adversely affect our business, results of operations and financial condition.

19. ***Our Company, Directors and Subsidiaries are involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may adversely affect our business and results of operations.***

Our Company, Directors and Subsidiaries are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation as on date in relation to criminal matters, tax matters and actions by regulatory/ statutory authorities against our Company, Directors and Subsidiaries as applicable, have been set out below. Further, the summary also includes other outstanding legal proceedings based materiality threshold as determined by our Board.

Litigation involving our Company

(in ₹ lakhs)

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable/ determinable
Material civil proceedings	9	76,662.41
Matters involving issues of moral turpitude or criminal liability	1	-*
Regulatory/ statutory proceedings	102	-*
Taxation proceedings	57	22,915.25

** Not quantifiable/ determinable*

Litigation involving our Directors

(in ₹ lakhs)

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable/ determinable
Matters involving issues of moral turpitude or criminal liability	4	-*

***Not quantifiable/ determinable**

Litigation involving our Subsidiaries

(in ₹ lakhs)

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable/ determinable
Regulatory/ statutory proceedings	11	-*
Tax Proceedings	36	2,582.42

**Not quantifiable/ determinable*

In relation to the outstanding litigation matters mentioned above, while the amounts involved in these matters have been disclosed, the interest involved in such litigations, if any, may not be ascertainable or quantifiable at this stage and hence, the amounts mentioned in the tables above do not include interest, if any.

For further details, see "*Outstanding Litigation and Defaults"* beginning on page 169.

Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, cash flows, financial condition and/ or prospects. Further, such legal proceedings could divert management's time and attention and consume financial resources. If the courts or tribunals rule against us or our Company, Directors, Promoters and Subsidiaries, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

20. ***Delay in completion of the 1500 TPD ammonia Greenfield project, at Taloja may lead to time and cost overrun. Any further delay, in implementation of the same, may have a material adverse effect on results of operations and future growth prospects.***

One of our subsidiary company, PCL, is in the process of implementing greenfield Ammonia manufacturing unit at Taloja, Maharashtra. There has been a delay in implementation of the project and thereby expected increase in the project cost, mainly on account of delays in land acquisition, conversion of land into industrial land and delays in obtaining statutory approvals, which has been further worsened by lock downs due to the ongoing COVID 19 pandemic. Further, we may face risks relating to the commissioning and installation of these plant and machineries and equipment for reasons including delays to construction schedules, delays in obtaining statutory approvals, failure of our contractors and suppliers to adhere to our specifications and timelines, non-availability of skilled and unskilled manpower for construction activities due to COVID 19 conditions and changes in the general economic and financial conditions in India. Further as and when we commission our planned use of plant and machineries and equipment, our other requirements and costs as well as our staffing requirements and employee expenses may increase and we may face other challenges in extending our financial and other controls as well as in realigning our management and other resources and managing our consequent growth.

In the event that the risks and uncertainties discussed above or any other unanticipated risks, contingencies or other events or circumstances limit or delay our efforts to achieve the planned growth in our business, the proposed Ammonia production capabilities at Taloja, Maharashtra, for purposes identified by our management, the Company would continue its dependence on imported Ammonia which may not result in achieving planned growth of our business, increased profitability or an increase in the value of your investment in the Equity Shares of the Company.

21. ***There have been instances in the past of litigation due to perceived deficiency in the products we sell, and we may face potential liabilities in the future from lawsuits or claims from third parties, should they perceive any deficiency in our products, which may adversely impact our business and financial condition.***

We believe in providing quality products and due care is taken to mitigate the associated risks which may happen due to factors beyond our control. We may face the risk of legal proceedings and claims being brought against us by customers on account of sale of any product not meeting the quality parameters. Further, we could also face liabilities should our customers face any loss or damage due to any unforeseen incident or accident, in our stores, which could cause financial and other damage to them. This may result in lawsuits and /or claims against our Company, which may adversely affect the results of our operations and may also result in loss of business and reputation.

If a material product liability claim is successful, our Company's insurance may not be adequate to cover all liabilities it may incur, which may have adverse impact on our business, results of operation, cash flows and financial condition. Further, these actions could require us to expend considerable resources in correcting these problems and could adversely affect demand for our products and reputation. Management resources and significant time could also be diverted from our business towards defending such claims. Even if a product liability claim is not successful or is not fully pursued, the publicity surrounding any alleged contamination or deterioration of the products sold by our Company could have a material adverse effect on our Company's, goodwill, reputation, brand and image.

Although we have not been subject to any material product liability claims, we cannot assure you that we will not be subject to such claims in the future. Further, even if we successfully defend ourselves against a claim, or successfully claim back compensation from others, we may need to spend a substantial amount of money and time in defending such a claim and in seeking compensation.

22. ***Failure to estimate optimal manufacturing capacities and product demand could adversely affect our growth/profitability.***

Estimation of optimal manufacturing capacities for our products is critical to our operations. Should we for any reason not invest in expansion of our manufacturing capacity, the same could result in us not being able to meet additional demand for our products, stagnation in our sales and could impact our ability to maintain our market share and add new customers. Conversely, in the event we over- estimate the future demand, we may have excessive capacity, resulting in underutilization of assets or we may have to sell our surplus products at lower margins or losses, which would have a material adverse effect on our profitability and financial condition.

23. ***Certain of our intellectual property rights may not be adequately protected against third party infringement.***

We are the registered owners of certain trademarks including '*Mahadhan*' in various classes. We have also applied for registration of various trademarks in relation to our products, such as '*Cororid*' and '*Coroscope*' in multiple classes. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of these trademarks or logos and our other intellectual property rights. Further, there can be no assurance that we will be granted the registration for such trademarks and logos and until such time any infringement of such mark may adversely affect our business. Further, we may not be able to protect our intellectual property rights against third party infringement and unauthorised use of our intellectual property including our brand on products which are not manufactured by us and which are of inferior quality, and which may adversely affect our brand value and consequently our business. The use of trade names or trademarks by third parties which are similar to our trade names or trademarks may result in confusion among customers and loss of business. In addition, any adverse experience of customers of such third-party products, or negative publicity attracted by such third-party products could adversely affect our reputation and brand and business prospects.

We may also be susceptible to claims from third parties asserting infringement and other related claims relating to trademarks and brands under which we sell our products. Any such claim could adversely affect our relationship with existing or potential customers, result in costly litigation and divert management's attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages and could adversely affect our business, results of operations and financial condition.

24. ***We do not own the properties on which our Registered and Corporate Office and a few of our manufacturing facilities are located.***

We do not own the premises on which our Registered and Corporate Office is located and premises have been leased from third parties. If the owner of the premises does not renew the agreements under which we occupy the premises or renew such agreements on terms and on such conditions that are unfavorable to us, it could have an adverse effect on our business operations. Moreover, the lands on which our units at Dahej is located and that on which the units of our wholly owned subsidiary, STL at Taloja have been granted to us on long term leases by the respective State Governments. However, these leases may be terminated by the respective State Government on grounds of violation of the terms of the respective lease agreement. Such terminations may adversely impact our business and results of operations.

25. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. For further details, see *"Financial Information"* beginning on page 72. We cannot assure you that we will receive similar terms in our related party transactions in the future or that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

26. ***One of our Promoters has provided a non-disposal undertaking of certain Equity Shares of our Company as security in connection with compulsory convertible debentures issued by our subsidiary STL.***

One of our Promoters, Nova Synthetic Limited, has provided a non-disposal undertaking ("NDU") for 3,52,81,977 Equity Shares, representing 39.52% of our pre-issue share capital, in favor of IFC Limited in connection with compulsory convertible debentures issued by our subsidiary STL. The NDU would affect the Promoter's ability to dilute their holdings, in case of necessity.

Further there is an obligation in the put option agreement with IFC that, STL would purchase the put shares, as per the said agreement. In the event STL is unable to purchase the Put shares in terms of the said Agreement, entered into with IFC, then IFC has the option to dispose off the unpurchased and unpaid put shares in terms of the said agreement and such an event could result in dilution of our Company's shareholding in the Subsidiary Company STL.

27. ***An inability to expand or manage our distribution network for business or the loss of any significant dealer may adversely affect our business.***

We sell our products through a network of dealers and sub-dealers. For fertilizer business, as of March 31, 2020, we had a network of approximately 3,800 dealers and approximately 24,000 retailers, having access to approximately 8 million farmers across India. The competition for dealers and sub-dealers is intense in our industry and many of our competitors continue to expand their distribution networks. There can be no assurance that we will be able to successfully expand, maintain or manage our large distribution network and strengthen our relationship with our significant dealers in the future. If we lose any of our dealers or sub-dealers to competitors, we may lose some or all favourable arrangements with such dealers or sub-dealers and could result in weakening or termination of our relationships with other dealers and sub-dealers. Any loss of such significant dealer may adversely affect our business, results of operations and financial condition.

28. ***We rely on third-party providers of transportation services, which subjects us to risks and uncertainties beyond our control that may have a material adverse effect on our results of operations, financial condition and ability to make distributions.***

We regularly use third-party transportation providers for the supply of most of our raw materials and for deliveries of our finished products to our warehouses and dealers. For instance, we employ cost and freight shipping for the import of our raw materials and railways or road transport for transporting our finished goods. These transportation operations, equipment and services are subject to various hazards, including extreme weather conditions, work stoppages, delays, spills, derailments and other accidents and other operating hazards.

In the recent past, transportation costs have been steadily increasing with the rise in inflation. Continuing increases in transportation costs may have an adverse effect on our business and/or results of operations. Further, strikes by members of various transportation worker unions could have an adverse effect on our receipt of supplies and our ability to deliver our finished products. Any delay in our ability to transport our finished products as a result of these transportation companies' failure to operate properly, stringent regulatory requirements affecting such hazardous chemicals, or significant increases in the cost of these services or equipment could have a material adverse effect on our results of operations.

29. ***We are required to obtain and maintain certain regulatory approvals in respect of our operations. Our failure to obtain and renew compliance requirements and regulatory approvals required for our business may be detrimental for our business.***

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals, consents and permits at the local, state and central government levels for undertaking our business. Most governmental approvals required to run our manufacturing operations are valid for certain period and require regular renewals such as those required to be obtained under the Factories Act, 1948, the Water (Prevention and Control of Pollution) Act, 1974. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business. For further details, including details of pending material approvals, see "*Government and Other Approvals*" on beginning on page 174.

We cannot assure you that we will be able to timely apply for, whether fresh or renewal, all approvals, consents, permits, registrations and clearances required for undertaking our business from time to time. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, could result in cost and time overrun, imposition of penalties, or result in the interruption of our operations, which could adversely affect our related operations.

Furthermore, we cannot assure you that the approvals, licenses, registrations, consents and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action, and we may be subject to penalty and other statutory and regulatory actions, which may and may have a material adverse effect on our business and operations, financial condition, cash flows and results of operations. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may adversely affect our business and results of operations.

30. ***Our inability to meet the quality norms prescribed by the Government may be detrimental to our business.***

The Fertiliser (Control) Order, 1985, *inter alia*, regulates the quality of fertilizer products manufactured in India and such fertilizer products are subject to independent verification by Government agencies. Government agencies carry out surprise sample checking of fertilizers for their contents/nutrients. These samples are randomly selected at a manufacturer's warehouse, dealer's warehouse or retail outlets. In case, the content/nutrients in the sample does not comply with the quality norms prescribed by the Government, it could lead to issuance of show cause notices. For details of proceedings against our Company, please refer "*Outstanding Litigation and Defaults*" beginning on page 169. Any failure in relation to quality control could lead to the cancellation of registration granted to our Company for selling fertilizer products in one or more states.

31. ***Our inability to accurately forecast demand or price for our products and manage our inventory/working capital requirements may have an adverse effect on our business, results of operations and financial condition.***

Our business depends on our estimate of the demand for our products from customers. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. In case we overestimate demand, we may incur costs to build capacity or purchase more raw materials and manufacture more products than required. In addition, our products have a shelf life of a specified period and if not sold prior to expiry, may lead to losses or if consumed after expiry, may lead to health hazards. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

32. ***Majority of our sales are concentrated in India, any decrease in which will adversely affect our business, revenue, results of operations and cash flows.***

Our majority sales are in India. Approximately 98% of our total sales in Fiscal 2020 and 2019, were on account of our sales in India. Existing and potential competitors may increase their focus on India, which could reduce our market share. For example, our competitors may intensify their efforts to capture a larger market share in India by incurring higher promotional expenses and launching aggressive promotional campaigns. As a result, if we are unable to compete effectively against them, it could adversely affect our sales volumes in India, as well as erode our market share. In the event that we experience adverse effects on our sales volumes or loss of market share, due to increased competition or otherwise, it could adversely affect our business, revenue, results of operations and cash flows because of how concentrated our market is, in terms of geography.

33. ***If we are not able to compete successfully against existing and new competitors, we may lose customers and market share as well as reduce our margins.***

The product segments in which we operate are mature and highly competitive in India, as a limited number of large manufacturers compete for consumer acceptance, Competition is based upon brand perceptions, product performance and innovation, customer service and price.

Our ability to compete effectively may be affected by factors such as:

- our competitors may have substantially greater financial, marketing, research and development and other resources and greater market share in certain segments than we do, which could provide them with greater scale and negotiating leverage with distributors, and suppliers;

- our competitors may have lower manufacturing, sales and distribution costs, and higher profit margins, which may enable them to offer aggressive retail discounts and other promotional incentives.

Any failure by us to compete effectively, including in terms of pricing or providing quality products, could have a material adverse effect on our business, results of operations and financial condition. Our ability to compete successfully will depend, in significant part, on our ability to reduce costs by such means as leveraging global purchasing, improving productivity, elimination of redundancies and increasing manufacturing at low-cost supply sources. If we are unable to compete successfully, our market share may decline, which may have a material adverse effect on our results of operations and financial condition.

34. ***If we are unable to establish and maintain an effective system of internal controls and compliances our business and reputation could be adversely affected.***

We manage regulatory compliance by monitoring and evaluating our internal controls and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. Certain of our employees have committed, fraud in relation to certain insurance policies of our Company. For further details in relation to the action taken by our Company against the employees in relation to the aforesaid fraud in relation to certain insurance policies of our Company, see "*Outstanding Litigation and Defaults*" beginning on page 169. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

35. ***We face competition from both domestic as well as multinational corporations and our inability to compete effectively may have a material adverse impact on our business and results of operations.***

Competition in our business is based on pricing, relationships with customers, product quality, customisation and innovation. We face price pressures from foreign companies that are able to produce chemicals at competitive costs and consequently, supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such multinational competitors which would adversely affect our profitability.

Additionally, some of our competitors in the fine and specialty chemicals segment may have greater financial, research and technological resources, larger sales and marketing teams and more established reputation. They may also be in a better position to identify market trends, adapt to changes in industry, innovate new products, offer competitive prices due to economies of scale and also ensure product quality and compliance.

36. ***We rely on contractors for the recruitment of contract labourers for non-core tasks and are therefore exposed to execution risks and liability towards labourers under applicable Indian laws.***

We enter into arrangements with contractors for recruitment of contract labourers only for non-core tasks such as security services and house-keeping as per our requirements for a fixed period of time. There is no assurance that we may be able to renew these arrangements on a timely basis or at all. We do not have direct control over the timing or quality of the services and supplies provided by such third parties. Contractors hired by us may be unable to provide the requisite manpower on a timely basis or at all or may be subjected to disputes with their personnel, which, in turn, may affect production at our facilities and timely delivery of our products to our customers. Although we do not engage contract labourers directly, we may be held responsible under applicable Indian laws for wage payments to such labourers should our contractors' default on wage payments.

37. ***Our success depends on our senior management and skilled manpower and an inability to attract and retain key personnel may have an adverse effect on our business prospects.***

Our experienced senior management and executive director have made significant contribution to the growth of our business, and our future success is dependent on the continued service of our senior management team. An inability to retain any senior management personnel may have an adverse effect on our operations. Our ability to successfully grow depends on our ability to attract, train, motivate and retain highly skilled professionals. We cannot assure you that we will be able to retain these individuals or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. For further information, see "*Our Management*" beginning on page 67.

38. ***Our ability to pay dividends in the future will depend on a number of factors, including but not limited to our earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position.***

Our ability to pay dividends in the future will depend on number of factors, including but not limited to our earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements that we are currently availing or may enter into to finance out fund requirements for our business activities.

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. We cannot assure you that we will be able to pay dividends at any point and in the future.

39. ***Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business.***

We have obtained specialised insurance for manufacturing risks, statutory liabilities and third-party liabilities. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate for our business at reinstatement values. In addition, we maintain a standalone terrorism policy which covers all physical loss or damage caused to real and personal property of every kind due to an act of terrorism. We also maintain a liability insurance policy as mandated under the Public Liability Insurance Act, 1991 in order to indemnify us against statutory liability arising out of accidents occurring due to the handling of hazardous substances. While we believe that the amount of our insurance coverage is adequate based on management assessment, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and financial condition may be adversely affected.

40. ***Some of our loan agreements contain restrictive covenants. Inability to effectively service our borrowings, comply with or obtain waivers of applicable loan covenants, as the case may be, may adversely affect our business, results of operations, cash flows and financial conditions.***

We are subject to usual and customary restrictive covenants in agreements that we have executed with banks & financial institutions for short term loans and long-term borrowings. The restrictive covenants may require us to intimate or seek prior consent from the lenders for various activities, including amongst others to, effect any change in the capital structure, alter the constitutional documents, change the shareholding pattern of the Company or pre-pay outstanding loans.

We cannot assure you that we will be able to comply with all such restrictive covenants in the future. A failure to observe the covenants under the debt financing agreements or in the event of breach of the terms of the debt financing agreements including repayment obligations ("**Defaults**"), may lead to the termination of our credit facilities, levy of default/ penal interest, acceleration of all amounts due under the respective debt financing agreements and/ or the enforcement of any security provided in relation thereto. For instance, our Company is in breach of the current ratio requirement as specified in certain lending documents. Further, Smartchem Technologies Limited has delayed the loan perfection of security as specified in certain lending documents. Further, Performance Chemiserv Limited has delayed the security creation of land and execution of EPC contract as specified in certain lending documents. Any Defaults or acceleration of amounts due under such debt financing agreements may also trigger cross-default or cross-acceleration provisions under our other debt financing agreements. Inability to effectively service our borrowings, comply with or obtain waivers in respect of applicable covenants or breach of the terms of the debt financing agreement, as the case may be, may adversely affect our business, results of operations, cash flows and financial conditions.

If the obligations under any of our debt financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such debt financing agreements, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise further financing. In addition, in such eventuality, other third parties may have concerns over our financial position. Any of these circumstances could adversely affect our business, credit ratings, prospects, results of operations, cash flows and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

41. ***Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, cash flows and financial condition.***

The cost and availability of capital depends in part on our credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows. In addition, certain of our financing arrangements provide that if any downgrade in our credit ratings below certain thresholds at any time during the currency of borrowings availed by us, the lenders have a right call upon our Company to mandatorily prepay the loan. Further, any downgrade in our credit ratings may increase the effective yield and consequently the redemption amount may be reset and stepped up under certain of our financing arrangements. It could also increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations, cash flows and financial condition.

42. ***Our business relies on the performance of our information technology systems and any interruption in the future may have an adverse impact on our business operations and profitability.***

Our Company has Enterprise Resource Planning software which integrates and collates data of, inter alia, purchase, sales, reporting, accounting and inventory, project system and human resource management from all the manufacturing facilities. Our Company utilises its information technology systems to monitor all aspects of its businesses and relies to a significant extent on such systems for the efficient operation of its business,

Our Company's information technology systems may not always operate without interruption and may encounter temporary abnormality or become obsolete, which may affect its ability to maintain connectivity with our stores and distribution centres. We cannot assure that we will be successful in developing, installing, running and migrating to new and updated software systems or systems as required for its overall operations. Even if we are successful in this regard, significant capital expenditures may be required, and it may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our operations and profitability.

In addition, we cannot guarantee that the level of information security the software presently maintains is adequate or it can withstand intrusions from or prevent improper usage by third parties. Our failure to continue its operations without interruption due to any of these reasons may adversely affect our business, cash flows, financial condition and results of operations.

43. ***Certain of our Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors (including our individual Promoter) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. There can be no assurance that our Directors will exercise their rights as Shareholders to the benefit and best interest of our Company. For further details, see "*Related Party Transactions*" and "*Our Management*" beginning on pages 15 and 67, respectively.

44. ***Our Promoters and Promoter Group will continue to retain significant control in our Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.***

Our Promoters and Promoter Group, as of June 30, 2020 hold 52.20% of our paid-up equity share capital. As a result, our Promoter Group will continue to have the ability to exercise significant influence over the matters requiring shareholders' approval, including the election of Directors and approval of significant corporate transactions. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control and this could have an adverse effect on our operations and business conditions.

45. ***Any increase in or realisation of our contingent liabilities could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

As on March 31, 2020 and 2019, our aggregate contingent liabilities, were ₹ 60,003 lakhs and ₹ 39,166 lakhs, respectively. The details of our contingent liabilities, as per Ind AS 37, which have not been provided for by us as at March 31, 2020, as per our financial statements are as follows:

(in ₹ lakhs)

Particulars	**As at March 31, 2020**
Excise/Service Tax/Customs Demands	4,798
Commercial Tax	10,316
Income Tax Demands(1)	7,244
Claims by Suppliers not acknowledged as debts	37,645
Total	**60,003**

(1) A Search and Seizure Operation was conducted by the Income Tax Department during the period from November 15, 2018 to November 21, 2018 under section 132 and section 133A of the Income Tax Act, 1961. During the current year, the Holding Company and Subsidiary Company received notices under section 153A of the Income Tax Act, 1961 and have filed revised income tax returns for Assessment Years 2013-2014 to 2018-2019 in response to the notices. The Holding Company and Subsidiary Company have also not till date received any demand notices in relation to the Search and Seizure. The Group is on the view that the Operation will not have any significant impact on the Group's financial position and performance as at and for the year ended March 31, 2020 and hence no provision has been recognized as at March 31, 2020.

If, for any reason, these contingent liabilities materialize, it may adversely affect our financial condition, cash flows and results of operations.

For details of the contingent liabilities of the Company as per Ind AS 37, see *"Financial Information"* beginning on page 72. Additional tax liabilities may arise in the future as our Company is party to certain tax litigations pending before various appellate forums and our Company may also be subject to penalty, which may have a material adverse effect on our results of operations, cash flows and financial condition.

46. ***Our business is manpower intensive and a high proportion of our total staff comprises of employees on contract. Our business may be adversely affected if we are unable to obtain / retain employees on contract or at commercially attractive costs.***

Our business is manpower intensive and our continued growth depends in part on our ability to attract, hire and retain skilled / unskilled contract staffs. There can be no assurance that required number of contract manpower will be available at commercially attractive costs as and when required. Unavailability of manpower could also result in decreased operational efficiencies and productivity and an increase in recruitment and training costs, thereby adversely affecting our business results of operations. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate manufacturing facilities. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted and results of operations may be adversely affected.

Additionally, we have seen an increasing trend in manpower costs in India, which has had a direct impact on our employee costs and consequently, on our margins. Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states in which we currently operate or are planning to expand to. We may need to increase compensation and other benefits in order to attract and retain manpower in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase

47. ***We may be unable to enforce our rights under some of our agreements with counterparties on account of insufficient stamping and non-registration or other reasons.***

We enter into agreements with third parties, in relation to lease/ licensee of land or for transportation of goods or gas sale/ supply agreements or for our business purposes. Some of the agreements executed by us may be inadequately stamped or not registered or may not otherwise be enforceable. Inadequately stamped documents may be impounded by the appropriate authority. Such inadequately stamped or not registered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreements in a timely manner or at all. We cannot assure you that we would be able to enforce our rights under such agreements. This could impair our business operations and adversely affect our cash flows, results of operation and financial condition.

48. ***A portion of the Net Proceeds may be utilized for repayment or pre-payment of loans taken from a lender of our Company, which is an affiliate of the Lead Manager.***

We propose to repay certain loans obtained from Bank of Baroda ("**Lenders**"), from the Net Proceeds as disclosed in "*Objects of the Issue*" beginning on page 57. The Lender is an affiliate of the Lead Manager, namely BOB Capital Markets Limited. For further details, see "*Objects of the Issue*" beginning on page 57.

EXTERNAL RISK FACTORS

Risks Relating to India

1. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

   The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

2. ***Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects.***

   The Central Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Further, our business is also impacted by regulation and conditions in the various states in India where we operate. Our business, and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in central or state Government policies, taxation and other political, economic or other developments in or affecting India. Since 1991, successive Central Governments have pursued policies of economic liberalisation and financial sector reforms. Any slowdown in these demand drivers or change in Government policies may adversely impact our business and operations. Generally, a significant adverse change in the Central Government's policies could adversely affect our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline.

3. ***If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.***

   New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations. We cannot assure you as to what action current or future Governments will implement regarding tax incentives or excise duty benefits. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions.

4. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

   The Competition Act regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

   The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

5. ***It may not be possible for you to enforce any judgment obtained outside India against us, our management or any of our respective affiliates in India, except by way of a suit in India on such judgment.***

We are incorporated under the laws of India and a majority of our Directors and executive officers reside in India. A substantial majority of our assets, and the assets of our Directors and officers, are also located in India. As a result, you may be unable to:

- effect service of process outside of India upon us and such other persons or entities; or
- enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code, on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, United Arab Emirates, Republic of Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the USA has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

6. ***A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

7. ***Any downgrading of India's debt rating by an international rating agency could adversely affect our business and the price of our Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, our future financial performance, our shareholders' funds and the price of our Equity Shares.

Risks Relating to the Equity Shares and this Issue

8. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

9. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

10. ***The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.***

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with the SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, a separate web based application platform, i.e., the R-WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see “*Terms of the Issue – Making of an Application through the Registrar’s Web-based Application Platform (“**R-WAP**”) Process*” beginning on page 189. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the RWAP facility.

11. ***SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020 and July 24, 2020, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020 and July 24, 2020**,** and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see *"Terms of the Issue"* beginning on page 185.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) demat suspense escrow account (namely, "DFPCL RIGHTS ENTITLEMENT DEMAT SUSPENSE ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

12. ***The Eligible Equity Shareholders holding equity shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense escrow account thereafter.***

The Equity Shares will be credited to a demat suspense escrow account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding equity shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, among others, details of their demat accounts to our Company or the Registrar within six months from the Allotment Date. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense escrow account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares. For details, see "*Terms of the Issue*" beginning on page 185.

13. ***The Eligible Equity Shareholders holding Equity Shares in physical form and who do not provide details of their demat accounts within six months of Allotment Date, may suffer loss in case of sale of their Equity Shares by our Company at the prevailing market price***

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, among others, details of their demat accounts to our Company or the Registrar. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares Allotted in the Issue. For details, see *"Terms of the Issue"* beginning on page 185.

Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Equity Shares from the demat suspense escrow account to the demat accounts of such Eligible Equity Shareholders. In case of non-receipt of such details of demat account, our Company shall conduct a sale of such Equity Shares lying in the demat suspense escrow account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. Proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) may be higher or lower than the Application Money paid by such Eligible Equity Shareholders. We cannot assure you that such proceeds by way of sale of such Equity Shares will be higher than the Application Money paid by you, and that you shall not suffer a loss in this regard.

Further, in case, bank accounts of the aforesaid Eligible Equity Shareholders cannot be identified due to any reason or bounce back from such bank accounts, our Company may use payment mechanisms such as cheques, demand drafts etc. to remit the proceeds of sale of the Equity Shares to such Eligible Equity Shareholders. If such bank account from which Application Money was received is closed or non-operational, the sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law

14. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, unless specifically exempted capital gains arising from the sale of the Equity Shares are generally taxable in India. Any gain realized on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction (subject to section 112A of the Income Tax Act, 1961). The securities transaction tax will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realized on the sale of the Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of the Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹ 100,000, subject to certain exceptions in case of a resident individuals and HUF.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. These amendments have been notified on December 10, 2019, however these amendments came into effect from July 1, 2020.

15. Investors will not have the option of getting the allotment of Equity Shares in physical form.

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity

Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see "*Terms of the Issue"* beginning on page 185. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

16. We will not distribute the Letter of Offer, Abridged Letter of Offer and Application Form to overseas Shareholders who have not provided an address in India for service of documents.

We will dispatch the Letter of Offer, Abridged Letter of Offer and Application Form (the "**Issue Materials**") to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail.

Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties

17. Fluctuations in the exchange rate between the Rupee and the U.S. dollar could have an adverse effect on the value of our Equity Shares, independent of our operating results.

Our Equity Shares are quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Rupees and subsequently converted into U.S. dollars for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The exchange rate between the Rupee and the U.S. dollar has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares, independent of our operating results.

18. You may not receive the Equity Shares that you subscribe in the Issue until 15 days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you may be allotted in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

19. There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on a Stock Exchange.

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares may not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval would require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the NSE, BSE and CSE, which would adversely affect your ability to sell our Equity Shares.

20. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

21. ***Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.***

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

22. ***Your ability to acquire and sell the Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Letter of Offer.***

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction except India. As such, our Equity Shares have not and will not be registered under the US Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, your ability to acquire Equity Shares is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information, see "*Notice to Investors*" and "*Other Regulatory and Statutory Disclosures – Selling Restrictions*" and "*Restrictions on Purchases and Sales*" on pages 7, 181 and 216, respectively. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with applicable law.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on May 25, 2020, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in "*Terms of Issue*" beginning on page 185.

	Equity Shares
Equity Shares being offered by our Company	1,33,92,663 Equity Shares
Rights Entitlement	3 Equity Share for every 20 fully paid-up Equity Share(s) held on the Record Date
Record Date	Thursday, September 17, 2020
Face Value	₹ 10 each
Issue Price	₹ 133 per Equity Share (including premium of ₹ 123 per Equity Share)
Dividend	Such dividend as may be recommended by our Board and declared by our Equity Shareholders
Issue Size	Aggregating to ₹ 17,812.24 lakhs[#] [#]*Assuming full subscription*
Equity Shares subscribed, paid–up and outstanding prior to the Issue	8,92,84,425 Equity Shares. For details, see "*Capital Structure*" beginning on page 50
Equity Shares subscribed, paid–up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	10,26,77,088
Security Codes for the Equity Shares	ISIN: INE501A01019 BSE Code: 500645 NSE Code: DEEPAKFERT ISIN for Rights Entitlement: INE501A20019
Terms of the Issue	For details, see "*Terms of Issue*" beginning on page 185
Use of Issue Proceeds	For details, see "*Objects of the Issue*" beginning on page 57

Terms of Payment

Due Date	**Amount payable per Equity Shares (including premium)**
On the Issue application (i.e. along with the Application Form)	Full amount of the Issue Price of ₹ 133 per Equity Share

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Audited Financial Statements. Our summary financial information presented below, is in Rupees/ Rupees lakhs and should be read in conjunction with the financial statements and the notes thereto included in the section, "*Financial Information*" beginning on page 72.

Summary of Consolidated Balance sheet

(in ₹ lakhs)

Sr. No.	Particulars	March 31, 2020	March 31, 2019
A	**ASSETS**		
1	**Non-current assets**		
	(a) Property, plant and equipment	2,42,615	2,16,883
	(b) Capital work in progress	1,30,956	1,37,022
	(c) Investment property	3,607	511
	(d) Right of use assets	18,980	-
	(e) Goodwill	4,093	2,632
	(f) Other intangible assets	1,887	864
	(g) Investment in equity accounted investees	5	10
	(h) Financial assets		
	(i) Investments	72	72
	(ii) Loans	-	45
	(iii) Other financial assets	4,730	3,103
	(i) Deferred tax assets (net)	4,589	7,353
	(j) Income tax assets (net of provisions)	12,112	9,090
	(k) Other non-current assets	28,924	40,680
	Total non-current assets	**4,52,570**	**4,18,265**
2	**Current assets**		
	(a) Inventories	68,369	82,790
	(b) Assets classified as held for sale	149	614
	(c) Financial assets		
	(i) Investments	1,011	24,544
	(ii) Trade receivables	1,27,580	1,39,626
	(iii) Cash and cash equivalents	15,757	8,874
	(iv) Bank balances other than cash and cash equivalents	10,169	2,749
	(v) Loans	118	129
	(vi) Other financial assets	2,527	984
	(d) Other current assets	14,873	33,186
	Total current assets	**2,40,553**	**2,93,496**
	TOTAL ASSETS	**6,93,123**	**7,11,761**
B	**EQUITY & LIABILITIES**		
1	**Equity**		
	(a) Equity share capital	8,928	8,820
	(b) Other equity	2,09,150	2,00,965
	Equity attributable to owners of the Company	**2,18,078**	**2,09,785**
	(c) Non-controlling Interests	4,313	4,377
	Total equity	**2,22,391**	**2,14,162**
2	**Liabilities**		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,08,425	1,77,092
	(ii) Lease liabilities	6,784	-
	(ii) Other financial liabilities	170	-
	(b) Provisions	5,687	4,631
	Total non-current liabilities	**2,21,066**	**1,81,723**
	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	71,930	1,17,591
	(ii) Lease liabilities	1,944	-
	(iii) Trade payables		
	(a) total outstanding dues of micro and small enterprises	762	307
	(b) total outstanding dues of creditors other than micro and small enterprises	1,28,687	1,48,092

Sr. No.	Particulars	March 31, 2020	March 31, 2019
	(iv) Other financial liabilities	33,722	35,986
	(b) Other current liabilities	4,476	6,296
	(c) Provisions	7,421	6,932
	(d) Current tax liabilities (net of advance income taxes)	724	672
	Total current liabilities	**2,49,666**	**3,15,876**
	Total liabilities	**4,70,732**	**4,97,599**
	TOTAL EQUITY AND LIABILITIES	**6,93,123**	**7,11,761**

Summary of Consolidated Statement of Profit and Loss

(in ₹ lakhs)

Sr. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
1	Income		
	(a) Revenue from operations	4,68,538	6,74,206
	(b) Other income	9,545	5,430
	Total income	4,78,083	6,79,636
2	Expenses		
	(a) Cost of materials consumed	2,61,470	2,83,536
	(b) Purchases of stock-in-trade	55,471	2,51,930
	(c) Changes in inventories of finished goods and stock-in-trade	14,017	(6,403)
	(d) Employee benefits expense	30,617	27,766
	(e) Finance costs	24,293	22,933
	(f) Depreciation and amortisation expense	21,353	17,146
	(g) Other expenses (net)	60,537	71,444
	Total expenses	4,67,758	6,68,352
3	Profit before share of (loss) of equity accounted investees and income tax (1-2)	10,325	11,284
4	Share of (loss) of associates	(17)	(305)
5	**Profit before tax (3+4)**	**10,308**	**10,979**
6	(a) Current tax	381	1,351
	(b) Deferred tax	1,026	2,281
	Total tax expense	1,407	3,632
7	**Net profit after tax, non-controlling interest and share in (loss) of associates (5-6)**	**8,901**	**7,347**
8	Other comprehensive income (OCI)		
	Items that will not be reclassified to profit or loss		
	Remeasurement of defined employee benefit plans	(1,121)	(520)
	Income tax relating to this item	334	182
	Items that will be reclassified to profit or loss		
	Exchange difference on translation of financial statements of the foreign operations	(191)	(190)
	Changes in fair value of investments other than equity shares carried at fair value through OCI #	-	(51)
	Income tax relating to the above item #	-	18
	Total other comprehensive income, net of tax	(978)	(561)
9	Total comprehensive income (7+8)	7,923	6,786
10	Net profit attributable to:		
	- Owners of the Company	8,726	7,067
	- Non controlling interest	175	280
11	Other comprehensive income, net of tax attributable to:		
	- Owners of the Company	(911)	(519)
	- Non controlling interest	(67)	(42)
12	Total comprehensive income attributable to:		
	- Owners of the Company	7,815	6,548
	- Non controlling interest	108	238
13	Paid-up Equity Share Capital (Face Value of ₹10/- each)	8,928	8,820
14	Earnings per share (EPS)		
	(face value of ₹10 each)		
	(a) Basic (In ₹)	9.83	8.01
	(b) Diluted (In ₹)	9.83	8.01

Summary of Consolidated Statement of Cash Flows

(in ₹ lakhs)

Sr. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
I	**Cash flow from operating activities**		
	Profit before tax as per statement of profit and loss	10,308	10,979
	Adjustments for		
	Depreciation and amortisation expense	21,353	17,146
	(Profit)/Loss on sale of property, plant and equipment (net)	(3,516)	70
	Provision for doubtful trade receivables	801	175
	Gain on sale of investments	(2,907)	(2,121)
	Changes in fair value of financial assets at fair value through P/L	89	(145)
	Provision for stores and spares	303	-
	Provision for capital work in progress	575	-
	Unrealised loss on embedded derivative contracts	908	-
	Share of loss of associates	17	305
	Dividend income	-	(122)
	Interest income	(1,048)	(970)
	Finance costs	24,293	22,933
	Foreign exchange fluctuations loss (net)	1,504	134
	Cash generated from operations before WC changes	**52,680**	**48,384**
	Change in trade receivables	10,988	56,736
	Change in inventories	14,118	(5,941)
	Change in trade payables	(21,978)	57,501
	Change in other financial liabilities	1,310	(16,232)
	Change in other financial assets	(1,579)	(1,033)
	Change in other non-current assets	(12,918)	(1,653)
	Change in other current assets	18,313	(3,921)
	Change in provisions	424	72
	Change in other current liabilities	(1,820)	190
	Cash generated from operations	**59,538**	**1,34,103**
	Income taxes paid (net)	(1,711)	(3,102)
	Net cash generated from operating activities	**57,827**	**1,31,001**
II	**Cash flows from investing activities**		
	Payment for business acquisition, net of cash acquired	(1,396)	-
	Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(44,897)	(72,284)
	Proceeds from sale of property, plant and equipment	9,812	74
	Purchase of investments in mutual fund	(2,26,753)	(5,84,367)
	Proceeds from sale of investments in mutual fund	2,50,826	5,99,553
	Repayment of loans by employees and other loans given	30	279
	Proceeds from issue of shares to non-controlling interest	24	64
	Proceeds from sale of investment in associate	2,820	-
	Fixed deposit placed	(30,622)	(20,087)
	Fixed deposit matured	23,169	18,185
	Dividends received from Mutual Funds	-	122
	Interest received	1,409	894
	Net cash (used in) investing activities	**(15,578)**	**(57,567)**
III	**Cash flows from financing activities**		
	Proceeds from borrowings - non current	23,528	32,455
	Repayment of borrowings - non current	(8,239)	-
	Proceeds from issue of foreign currency convertible bonds	10,549	-
	Proceeds from issue of compulsory convertible debentures	10,500	
	Proceeds from borrowings - current	3,14,676	(82,453)
	Repayment of borrowings - current	(3,60,337)	-
	Share warrants Issued	-	5,000
	Repayment of lease payables	(1,900)	-
	Proceeds of call on Share capital	2,500	-
	Interest paid	(23,391)	(22,647)
	Dividends paid (including dividend distribution tax)	(3,157)	(6,099)
	Dividends paid to non-controlling interests	(108)	-
	Net cash (used in) financing activities	**(35,379)**	**(73,744)**
	Net increase / (decrease) in cash and cash equivalents	6,870	(310)

Sr. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
	Cash and cash equivalents pertaining to business combination	13	-
	Cash and cash equivalents at the beginning of the year	8,874	9,184
	Cash and cash equivalents at end of the year	**15,757**	**8,874**

GENERAL INFORMATION

Our Company was originally incorporated as 'Deepak Fertilisers and Petrochemicals Corporation Private Limited' at Mumbai pursuant to a certificate of incorporation dated May 31, 1979 issued by the RoC, under the Companies Act, 1956. Subsequently, the name of our Company changed to 'Deepak Fertilisers and Petrochemicals Corporation Limited' and a fresh certificate of incorporation consequent on change of name dated on June 14, 1979 was issued by the RoC, Maharashtra under the Companies Act, 1956.

For details regarding change in the Registered and Corporate Office of our Company, see "*History and Corporate Structure*" beginning on page 65.

Registered and Corporate Office, CIN and Registration Number of our Company

Sai Hira, Survey No. 93
Mundhwa, Pune - 411 036
Telephone: +91 20 6645 8000
Website: www.dfpcl.com
Corporate Identity Number: L24121MH1979PLC021360
Registration number: 021360
E-mail Id: k.subharaman@dfpcl.com

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies
PCNTDA Green Building
Block A, 1st and 2nd Floor
Near Akurdi Railway Station
Akurdi, Pune – 411 044

Board of Directors

The following table sets out the details of our Board as of the date of this Letter of Offer:

Name	Designation	DIN	Address
Sailesh Chimanlal Mehta	Chairman and Managing Director	00128204	93 SUM, South Main Road, Koregaon Park, Pune, Maharashtra 411 001
Parul Shailesh Mehta	Non-Executive Non-Independent Director	00196410	93 SUM, South Main Road, Koregaon Park, Pune, Maharashtra 411 001
Madhumilan P Shinde	Non-Executive Non-Independent Director	06533004	B-703, Swagat Apartment, Plot No-19, Opposite North Point School, Sector 3, Koparkhairne S.O, Thane, Maharashtra 400 709
Pranay Vakil	Non-Executive Independent Director	00433379	702, Shanudeep, 10A, Altamont Road, Mumbai, Maharashtra 400 026
Amit Biswas	Non-Executive Independent Director	08173442	Cedar 30102, Indu Fortune Field Towers, Kukatpally, Hyderabad, 500 085
Alok Perti	Non-Executive Independent Director	00475747	House Number 552, Shriniketan CGHS, Plot Number - 1, Sector - 07, Dwarka, South West Delhi, Delhi 110 075
Ashok Kumar Purwaha	Non-Executive Independent Director	00165092	Flat No - 901, The Gurgaon CGHS Ltd, Plot No -17, Sector 52, Gurgaon 122 003
Berjis Minoo Desai	Non-Executive Independent Director	00153675	Flat 801, 9a Residences, 12th Floor, Bomanji Petit Road, Cumballa Hill, Mumbai, 400 026
Partha Bhattacharyya	Non-Executive Independent Director	00329479	NA 15, Sanjeeva Town, Konchpur, New Town, Rajarhat, Kolkata, West Bengal 700 102
Bhuwan Chandra Tripathi	Additional Independent Director	01657366	A-2/27, 2nd Floor, Safdarjung Enclave, South West Delhi, Delhi 110 029
Renu Challu	Additional Independent Director	00157204	A34/1, AFOCHS, Laxmi Narayana Temple, Sainikpuri, Tirumalagiri, Hyderabad, Telangana 500 094

Name	Designation	DIN	Address
Sujal Anil Shah	Additional Independent Director	0058019	701, Mayfair Kumkum, Next to Bank of India, S V Road, Andheri West, Mumbai, Maharashtra 400 058

For further details of our Directors, see "*Our Management*" beginning on page 67.

Company Secretary and Compliance Officer

K Subharaman
Sai Hira, Survey No. 93
Mundhwa, Pune - 411 036
Telephone: +91 20 6645 8094
E-mail Id: investorgrievance@dfpcl.com

Lead Manager to the Issue

BOB Capital Markets Limited
Parinee Crescenzo, 1704, B Wing, 17th Floor
Plot no. C-38/39, G Block BKC
Bandra East, Mumbai 400 051
Telephone: +91 (22) 6138 9300
E-mail Id: dfpcl.rights@bobcaps.in
Investor grievance e-mail Id: investorgrievance@bobcaps.in
Contact person: Nivedika Chavan/Disha Jugat
Website: www.bobcaps.in
SEBI registration number: INM000009926

Legal Advisor to the Issue

Khaitan & Co
One World Centre
10th and 13th Floor, Tower 1C
841 Senapati Bapat Marg
Mumbai 400 013
Telephone: +91 (22) 6636 5000

Special Purpose International Legal Counsel to the Lead Manager

Squire Patton Boggs Singapore LLP
1 Marina Boulevard
#21-01 One Marina Boulevard
Singapore 018989
Republic of Singapore
Tel: +65 6922 8668

Statutory Auditors of our Company

B S R & Associates LLP, Chartered Accountants
8th Floor, Business Plaza
Westin Hotel Campus 36/3-B Koregaon Park Annex
Mundhwa Road, Pune 411 001
Telephone: +91 20 6747 7300
Firm registration number: 11623IW/W-100024
Peer review number: 011719

Registrar to the Issue

Kfin Technologies Private Limited ***(formerly known as "Karvy Fintech Private Limited)***
Selenium, Tower B,
Plot No- 31 and 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi 500 032
Telangana, India.
Telephone: +91 40 6716 2222
Toll free number: 18004258998, 18003454001
E-mail Id: deepakfertilisers.rights@kfintech.com
Investor grievance e-mail Id: einward.ris@kfintech.com
Contact person: M. Murali Krishna
Website: www.kfintech.com
SEBI registration number: INR000000221

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process or R-WAP may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, see "*Terms of the Issue*" beginning on page 185.

Experts

Our Company has received a written consent dated September 11, 2020 from our Statutory Auditors, B S R & Associates LLP, Chartered Accountants, to include their name in this Letter of Offer as an *"expert"*, as defined under applicable laws, to the extent and in their capacity as a statutory auditor, and in respect of the reports issued by them, included in this Letter of Offer. Such consent has not been withdrawn as on the date of this Letter of Offer. However, the term *"expert"* shall not be construed to mean an *"expert"* as defined under the U.S. Securities Act.

Banker to the Issue

HDFC Bank Limited
FIG Ops Department, Lodha I
Think Techno Campus
O-3 Level
Next to Kanjurmarg Railway Station
Kanjurmarg (East)
Mumbai 400 042
Telephone: +91 22 3075 2927/28/2914
E-mail Id: Vincent.Dsouza@hdfcbank.com/ Siddharth.Jadhav@hdfcbank.com/ Prasanna.Uchil@hdfcbank.com/ Neerav.Desai@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Vincent Dsouza/ Siddharth Jadhav/ Prasanna Uchil/ Neerav Desai
SEBI registration number: INBI00000063

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

Issue Schedule

Last Date for credit of Rights Entitlements$	Friday, September 25, 2020
Issue Opening Date	Monday, September 28, 2020
Last date for On Market Renunciation#	Wednesday, October 7, 2020
Issue Closing Date*	Monday, October 12, 2020
Finalization of Basis of Allotment (on or about)	Wednesday, October 21, 2020
Date of Allotment (on or about)	Wednesday, October 21, 2020
Date of credit (on or about)	Friday, October 23, 2020
Date of listing (on or about)	Monday, October 26, 2020

\# *Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

* *Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

$ *In accordance with the SEBI Relaxation Circulars for cases where the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the last date of credit of Rights Entitlements shall be Friday, October 9, 2020.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, Wednesday, October 7, 2020 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, Monday, October 12, 2020.

Further, in accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Equity Shares may also apply in this Issue during the Issue Period. For further details, see "*Making of an Application through the Registrar's Web-based Application Platform ("**R-WAP**") Process*" beginning on page 189.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see "*Making of an Application through the Registrar's Web-based Application Platform ("**R-WAP**") Process*" beginning on page 189.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.kfintech.com after keying in their respective details along with other security control measures implemented thereat. For further details, see "*Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" beginning on page 200.

Inter-se allocation of responsibilities

Since only one Lead Manager has been appointed for purposes of the Issue, there is no requirement of an inter-se allocation of responsibilities.

Credit Rating

As the Issue is of Equity Shares, there is no requirement of credit rating for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Appraising entity

None of the purposes for which the Net Proceeds are proposed to be utilised have been financially appraised by any banks or financial institution or any other independent agency.

Monitoring Agency

Our Company has appointed Axis Bank Limited as the Monitoring Agency, in accordance with Regulation 82 of the SEBI ICDR Regulations, to monitor the utilization of Net Proceeds.

Axis Bank Limited
The Ruby, 2nd Floor, SW, 29
Senapati Bapat Marg
Dadar west, Mumbai- 400 028
Telephone: +91 22 6230 0451
Email Id: pune.operationshead@axisbank.com
Website: www.axisbank.com

Minimum Subscription

Pursuant to the SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 granting relaxations from certain provisions of the SEBI ICDR Regulations, the requirement of minimum subscription in the right issues has been reduced from 90% to 75% of the issue size for rights issues that open on or before March 31, 2021. Accordingly, if our Company does not receive the minimum subscription of 75% of the Issue Size, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date.

In case subscription received in the Issue is less than 100% of the Issue but equal to or more 90% of the Issue, the amounts to be utilized towards each of the objects above would be subject to proportionate reduction to the extent of the reduction in the Net Proceeds. However, in case, subscription received is less than 90% of the Issue but equal to or more than 75% of the Issue, then our Company shall utilize the amount allocated for repayment or prepayment of inter corporate deposits in its entirety and the remaining Net Proceeds, if any shall be utilised towards general corporate purposes. For further details on utilisation of Net Proceeds, see "*Objects of the Issue*" beginning on page 57. If there is delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors who are "officers in default" will pay interest for the delayed period, as prescribed under applicable laws.

Further, our Promoters and Promoter Group, by way of their letters dated September 1, 2020, have confirmed that they will fully subscribe to the extent of their respective Rights Entitlement and will subscribe to the extent of up to 75% of the Issue in case of undersubscription and reserve the right to subscribe to additional Equity Shares in the Issue, if any i.e. over and above 75%, subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations.

Underwriting

The Issue is not underwritten.

Filing

This Letter of Offer is being filed with the Designated Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in terms of SEBI ICDR Regulations, our Company will simultaneously do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer is set forth below:

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Issue Price
A	**AUTHORIZED SHARE CAPITAL**		
	13,50,50,000 Equity Shares	1,35,05,00,000	Not applicable
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	8,92,84,425 Equity Shares	89,28,44,250	Not applicable
C	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER**(1)		
	1,33,92,663 Equity Shares	13,39,26,630	1,78,12,24,179
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**(2)		
	10,26,77,088 Equity Shares	1,02,67,70,880	
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	1,37,61,38,609	
	After the Issue	3,02,34,36,158(3)	

(1) The Issue has been approved by our Board of Directors vide its resolution dated May 25, 2020 pursuant to section 62(1)(a) and other applicable provisions of Companies Act, 2013.

(2) Assuming full subscription and Allotment of the Rights Entitlement.

(3) Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses

Notes to the Capital Structure

1. **Shareholding Pattern of our Company as per the last filing with the Stock Exchanges**

(i) The equity shareholding pattern of our Company as on June 30, 2020, is as follows:

Category of shareholder	**Nos. of shareholders**	**No. of fully paid up Equity Shares held**	**Total nos. shares held**	**Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)**	**No. of Voting Rights**	**Total as a % of Total Voting right**	**No. of Shares Underlying Outstanding convertible securities (including Warrants)**	**Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)As a % of (A+B+C2)**	**No. of Locked in shares**		**No. of Shares pledged or otherwise encumbered**		**Number of Equity Shares held in dematerialized form**
									No.(a)	**As a % of total Shares held(b)**	**No.(a)**	**As a % of total Shares held(b)**	
(A) Promoter and Promoter Group	7	4,66,02,521	4,66,02,521	52.20	4,66,02,521	52.20		49.81	10,97,482	2.35	3,52,81,977	75.71	4,66,02,521
(B) Public	1,08,382	4,26,81,904	4,26,81,904	47.80	4,26,81,904	47.80	42,77,100	50.19		0.00		0.00	3,80,82,688
(C) Non Promoter-Non Public				0.00		0.00		0.00		0.00		0.00	
(C1) Shares underlying DRs				0.00		0.00		0.00		0.00		0.00	
(C2) Shares held by Employee Trusts				0.00		0.00		0.00		0.00		0.00	
Grand Total	**1,08,389**	**8,92,84,425**	**8,92,84,425**	**100.00**	**8,92,84,425**	**100.00**	**42,77,100**	**100.00**	**10,97,482**	**1.23**	**3,52,81,977**	**39.52**	**8,46,85,209**

Source: www.bseindia.com

(ii) Statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” as on June 30, 2020, is as follows:

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
						No.(a)	As a % of total Shares held(b)	No.(a)	As a % of total Shares held(b)	
A1) Indian				0.00	0.00		0.00		0.00	
Individuals / Hindu Undivided Family	4	8,67,005	8,67,005	0.97	0.93		0.00		0.00	8,67,005
Chimanlal Khimchand Mehta	1	7,64,273	7,64,273	0.86	0.82		0.00		0.00	7,64,273
Sailesh Chimanlal Mehta	1	1,506	1,506	0.00	0.00		0.00		0.00	1,506
Parul Sailesh Mehta	1	1,226	1,226	0.00	0.00		0.00		0.00	1,226
Yeshil Sailesh Mehta	1	1,00,000	1,00,000	0.11	0.11		0.00		0.00	1,00,000
Rajvee Sailesh Mehta				0.00	0.00		0.00		0.00	
Any Other (Specify)	3	4,57,35,516	4,57,35,516	51.22	48.88	10,97,482	2.40	3,52,81,977	77.14	4,57,35,516
Nova Synthetic Limited	1	4,27,06,848	4,27,06,848	47.83	45.65		0.00	3,52,81,977	82.61	4,27,06,848
Sofotel Infra Private Limited	1	16,88,301	16,88,301	1.89	1.80		0.00		0.00	16,88,301
Robust Marketing Services Private Limited	1	13,40,367	13,40,367	1.50	1.43	10,97,482	81.88		0.00	13,40,367
Sub Total (A)(1)	7	4,66,02,521	4,66,02,521	52.20	49.81	10,97,482	2.35	3,52,81,977	75.71	4,66,02,521
A2) Foreign				0.00	0.00		0.00		0.00	
A=A1+A2	**7**	**4,66,02,521**	**4,66,02,521**	**52.20**	**49.81**	**10,97,482**	**2.35**	**3,52,81,977**	**75.71**	**4,66,02,521**

Source: www.bseindia.com

(iii) Statement showing shareholding pattern of the Public shareholder as on June 30, 2020, is as follows:

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up Equity Shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of Shares Underlying Outstanding convertible securities (including Warrants	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked in shares		Number of Equity Shares held in dematerialize d form (Not Applicable)
									No.(a)	As a % of total Shares held(b)	
B1) Institutions	0	0		0.00		0.00		0.00		0.00	
Mutual Funds/	3	1,07,573	1,07,573	0.12	1,07,573	0.12		0.11		0.00	1,07,573
Foreign Portfolio Investors	22	24,09,473	24,09,473	2.70	24,09,473	2.70		2.58		0.00	24,09,473
Fidelity Puritan Trust-Fidelity Low-Priced Stock F	1	11,50,000	11,50,000	1.29	11,50,000	1.29		1.23		0.00	11,50,000

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up Equity Shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of Shares Underlying Outstanding convertible securities (including Warrants	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked in shares		Number of Equity Shares held in dematerialized form (Not Applicable)
									No.(a)	As a % of total Shares held(b)	
Financial Institutions/ Banks	12	7,08,195	7,08,195	0.79	7,08,195	0.79	42,77,100	5.33		0.00	6,97,620
Insurance Companies	4	12,89,856	12,89,856	1.44	12,89,856	1.44		1.38		0.00	12,89,256
Any Other (specify)	2	350	350	0.00	350	0.00		0.00		0.00	350
Foreign Nationals	2	350	350	0.00	350	0.00		0.00		0.00	350
Sub Total B1	43	45,15,447	45,15,447	5.06	45,15,447	5.06	42,77,100	9.40		0.00	45,04,272
B2) Central Government/ State Government(s)/ President of India	0			0.00		0.00		0.00		0.00	
B3) Non-Institutions	0			0.00		0.00		0.00		0.00	
Individual share capital up to ₹ 2 Lacs	1,03,584	2,28,46,739	2,28,46,739	25.59	2,28,46,739	25.59		24.42		0.00	1,97,26,804
Individual share capital in excess of ₹ 2 Lacs	103	50,97,065	50,97,065	5.71	50,97,065	5.71		5.45		0.00	50,77,015
NBFCs registered with RBI	1	4,265	4,265	0.00	4,265	0.00		0.00		0.00	4,265
Any Other (specify)	4,651	1,02,18,388	1,02,18,388	11.44	1,02,18,388	11.44		10.92		0.00	87,70,332
Trusts	5	17,050	17,050	0.02	17,050	0.02		0.02		0.00	17,050
Alternative Investment Fund	1	2,14,966	2,14,966	0.24	2,14,966	0.24		0.23		0.00	2,14,966
Non-Resident Indian (NRI)	1,872	21,52,878	21,52,878	2.41	21,52,878	2.41		2.30		0.00	9,07,453
Clearing Members	198	6,28,813	6,28,813	0.70	6,28,813	0.70		0.67		0.00	6,28,813
Non Resident Companies	1	1,83,600	1,83,600	0.21	1,83,600	0.21		0.20		0.00	
Non Resident Indian Non Repatriable	586	3,84,388	3,84,388	0.43	3,84,388	0.43		0.41		0.00	3,84,388
Bodies Corporate	592	44,76,609	44,76,609	5.01	44,76,609	5.01		4.78		0.00	44,57,578
Investor Education and Protection Fund	1	9,44,600	9,44,600	1.06	9,44,600	1.06		1.01		0.00	9,44,600
HUF	1,395	12,15,484	12,15,484	1.36	12,15,484	1.36		1.30		0.00	12,15,484
Sub Total B3	1,08,339	3,81,66,457	3,81,66,457	42.75	3,81,66,457	42.75		40.79		0.00	3,35,78,416
B=B1+B2+B3	**1,08,382**	**4,26,81,904**	**4,26,81,904**	**47.80**	**4,26,81,904**	**47.80**	**42,77,100**	**50.19**		**0.00**	**3,80,82,688**

(iv) Statement showing shareholding pattern of the non-Promoter- non-public shareholder as on June 30, 2020, is as follows:

Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up Equity Shares held (IV)	Total No. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)(VIII)	No. of Shares Underlying Outstanding convertible securities (including Warrants)(X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)(XI)	Number of Locked in shares(XII)		Number of Equity Shares held in dematerialized form (XIV)(Not Applicable)
							No	As a % of total Shares held	
C1) Custodian/DR Holder	0	0		0.00				0.00	
C2) Employee Benefit Trust	0	0		0.00				0.00	

Source: www.bseindia.com

(v) Statement showing holding of Equity Shares of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2020, is as follows:

Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
Nil	Nil	Nil	Nil	Nil

Source: www.bseindia.com

(vi) Statement showing details of significant beneficial owners ("**SBOs**") as on June 30, 2020, is as follows:

Sr. No	Details of the SBO (I)		Details of the registered owner (II)		Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect*: (III) Whether by virtue of:					Date of creation / acquisition of significant beneficial interest# (IV)
	Name	Nationality	Name	Nationality	Shares	Voting rights	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
1	Sailesh Chimanlal Mehta	India	Nova Synthetic Limited	India	48			No	No	May 12, 2004

Source: www.bseindia.com

2. Other than 42,77,100* Equity Shares to be issued upon conversion of foreign currency convertible bonds issued in favour of International Finance Corporation, our Company does not have any outstanding instruments.

**Our Company is in the process of carrying out certain amendments in the foreign currency convertible bonds subscription agreement, inter alia, changing the conversion price from ₹ 250 per Equity Share to ₹195 per Equity Share. Accordingly, the number of equity shares to be issued upon conversion of foreign currency convertible bonds will be changed.*

3. Other than (i) 3,52,81,977 Equity Shares held by Nova Synthetic Limited, one of our Promoters, which constitutes 39.52% of our pre-Issue Equity Share capital which have been encumbered pursuant to a non-disposal undertaking dated October 16, 2019 in favour of International Finance Corporation; and (ii) 10,97,482* Equity Shares held by Robust Marketing Services Private Limited, one of the our Promoters, which constitutes 1.23% of our pre-Issue Equity Share capital which have been locked in for a period of three years from the date of conversion from convertible debentures into Equity Shares i.e. from October 1, 2019, none of the Equity Shares held by our Promoters or members of our Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.

**As on June 30, 2020, 10,97,482 Equity Shares were locked-in. Subsequently, from July 1, 2020, 10,79,482 Equity Shares were locked-in.*

4. **Intention and extent of participation by our Promoters and members of the Promoters Group in the Issue**

Our Promoters and Promoter Group, by way of their letters dated September 1, 2020, have confirmed that they will fully subscribe to the extent of their respective Rights Entitlement and will subscribe to the extent of up to 75% of the Issue in case of undersubscription and reserve the right to subscribe to additional Equity Shares in the Issue, if any i.e. over and above 75%, subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations.

5. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 145.17.

6. At any given time, there shall be only one denomination of the Equity Shares of our Company.

7. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up. For further details on the terms of the Issue, see "*Terms of the Issue*" beginning on page 185.

8. **Details of the Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital**

The table below sets forth details of shareholders of our Company holding more than 1% of the issued and paid-up Equity Share capital of our Company, as on September 4, 2020:

Sr. No.	Name of the Equity Shareholders	Number of Equity Shares held	Percentage of Equity Shares held (%)
1.	Nova Synthetic Limited	3,79,06,848	42.46
2.	Robust Marketing Services Private Limited	61,40,367	6.88
3.	Sofotel Infra Private Limited	16,88,301	1.89
4.	Fidelity Puritan Trust-Fidelity Low-Priced Stock F	11,50,000	1.29
5.	Investor Education and Protection Fund Authority M	9,44,500	1.06
Total		4,7830,016	53.57

9. **Details of acquisition of Equity Shares by our Promoters and members of the Promoter Group in the year immediately preceding the date of this Letter of Offer:**

No Equity Shares have been acquired by our Promoters or members of the Promoter Group in the year immediately preceding the date of this Letter of Offer except as disclosed below:

Name	Date of the transaction	Number of Equity Shares acquired
Robust Marketing Services Private Limited	October 1, 2019	10,79,482
Yeshil Sailesh Mehta	November 18, 2019	1,00,000
Robust Marketing Services Private Limited	August 12, 2020	48,00,000

OBJECTS OF THE ISSUE

The Net Proceeds from the Issue are proposed to be utilised by our Company for the following objects (collectively referred to as "**Objects**"):

1. Repayment or prepayment of inter corporate deposits ("**ICDs**")
2. Reduction of the consolidated borrowings of our Company by way of issuing an ICD to our wholly owned Subsidiary, Smartchem Technologies Limited ("**STL**"), for repayment / prepayment of portion of their outstanding indebtedness; and
3. General corporate purposes

The main objects clause and objects incidental or ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

Net Proceeds

The details of the proceeds of the Issue are summarised in the table below:

(in ₹ lakhs)

Particulars	Estimated amount
Gross Proceeds from the Issue*	17,812.24
(Less) Issue related expenses	206.83
Net Proceeds	**17,605.41**

**Assuming full subscription and Allotment of the Rights Entitlement*

Utilization of Net Proceeds and schedule of implementation and deployment

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(in ₹ lakhs)

Particulars	Total estimated cost	Amount already incurred as on July 31, 2020	Amount which will be financed from Net Proceeds	Estimated utilisation of Net Proceeds in Fiscal 2021
Repayment or prepayment of inter corporate deposits ("**ICDs**") #	12,500.00	-	12,500.00	12,500.00
Reduction of the consolidated borrowings of our Company by way of issuing an ICD to our wholly owned Subsidiary, STL, for repayment / prepayment of portion of their outstanding indebtedness	1,500.00	-	1,500.00	1,500.00
General corporate purpose *	3,605.41	-	3,605.41	3,605.41
Total	**17,605.41**	**-**	**17,605.41**	**17,605.41**

** The amount shall not exceed 25% of the Gross Proceeds.*

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment, interest or exchange rate fluctuations, taxes and duties, working capital margin and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards (a) Repayment or prepayment of ICDs or (b) reduction of the consolidated borrowings of our Company by way of issuing an ICD to our wholly owned Subsidiary, STL, for repayment / prepayment of portion of their outstanding indebtedness is lower than the proposed deployment, the balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned objects.

The funding requirements mentioned above and the estimated deployment schedule mentioned below, are based on our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, or interest rate fluctuations or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see "*Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.*" beginning on page 21. We intend to finance the Objects of the Issue from the Net Proceeds. Accordingly, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

Details of the Objects of the Issue

1. **Repayment or prepayment of ICDs**

Our Company has availed ICDs from our Promoter Group namely Nova Synthetics Limited and Robust Marketing Services Private Limited amounting to ₹ 7,500 lakhs and ₹ 5,000 lakhs respectively to meet our business needs from time to time. As on the date of this Letter of Offer, the total outstanding amount of the ICDs availed by our Company is ₹ 12,500 lakhs. The nature of such ICDs availed by our Company is of short term and are repayable on due date as per the tenure agreed between the parties. The rate of interest for the ICDs from Nova Synthetics Limited and Robust Marketing Services Private Limited is 9.11% each. The ICDs were availed by our Company for our business requirements**.**

As per the certificate dated September 11, 2020, issued by HMA and Associates, the ICDs taken by our Company have been utilised for the purposes for which it was availed.

Our Company proposes to repay or prepay ICDs up to ₹12,500 lakhs from the Net Proceeds.

Given the nature of these borrowing facilities and the terms of repayment, the aggregate ICDs amount may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements to avail ICDs. In such cases or in case any of the above ICDs are paid or further ICDs are availed prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards prepayment of such additional indebtedness.

Our Promoter Group namely Nova Synthetics Limited and Robust Marketing Services Private Limited have *vide* their respective letters dated September 1, 2020, have confirmed that the unsecured ICDs provided by it shall be adjusted towards subscription for their entitlement in this Issue and towards additional subscription, if any, to the aggregate amount of ₹12,500 lakhs.

2. **Reduction of the consolidated borrowings of our Company by way of issuing an ICD to our wholly owned Subsidiary, STL, for repayment / prepayment of portion of their outstanding indebtedness;**

Our Company and its Subsidiaries have availed loans in the ordinary course of business for the purposes including but not limited to meeting working capital requirements and financing capital expenditure.

Our Company intends to utilise ₹ 1,500 lakhs from the Net Proceeds by way of issuing an ICD to our wholly owned Subsidiary, STL, for repayment / prepayment of portion of their outstanding indebtedness. The Board of Directors vide their resolution dated May 8, 2017 has approved, the sanction of ICDs of up to ₹ 50,000 lakhs to our wholly owned Subsidiary, STL. The board of directors of STL vide its resolution dated May 8, 2017 has approved, the borrowing of ICDs of up to ₹ 50,000 lakhs from our Company.

The following table sets forth details of certain borrowings availed by STL, out of which STL may prepay or repay all or a portion of, any or all of the borrowings:

Sr. No	Name of the lender	Name of the borrower	Amount sanctioned as at July 31, 2020 (in ₹ lakhs)	Outstanding amount as at July 31, 2020 (in ₹ lakhs)	Repayment date / schedule	Interest rate as at July 31, 2020	Purpose of raising the loan
1.	Bank of Baroda[1]	STL	2,500	2,500	October 26, 2020	8.00%	Working Capital
2.	IndusInd Bank	STL	1,000	1,000	October 30, 2020	9.20%	Working Capital

[1]BOB Capital Markets Limited, is an affiliate of Bank of Baroda. However, on account of this relationship, BOB Capital Markets Limited does not qualify as an "associate" of our Company in terms of Regulations 21(A)(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and Regulation 69(3) of the SEBI ICDR Regulations. For details, see "Risk Factors- A portion of the Net Proceeds may be utilized for repayment or pre-payment of loans taken from a lender of our Company, which is an affiliate of the Lead Manager" beginning on page 32.

As per the certificate dated September 11, 2020, issued by HMA and Associates, the amounts drawn-down under the aforementioned borrowings have been utilized towards the purposes for which such borrowings have been availed.

The selection of borrowings proposed to be prepaid, repaid (earlier or scheduled) out of the borrowings provided above, shall be based on various factors including (i) repayment schedule of such borrowings, ii) cost of the borrowings to us, including applicable interest rates, (iii) levy of any prepayment penalties and the quantum thereof, (iv) provisions of any law, rules, regulations governing such borrowings, and (v) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

Given the nature of these borrowings and the terms of repayment/ pre-payment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are repaid/ pre-paid or further drawn-down prior to the completion of the Issue, we may utilize Net Proceeds towards repayment/ pre-payment of such additional indebtedness.

The repayment or pre-payment will help reduce our outstanding indebtedness and debt servicing costs on a consolidated basis, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, the debt to equity ratio of our Company on a consolidated basis will improve enabling us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

3. **General Corporate Purposes**

Our Company intends to deploy balance Net Proceeds, if any, towards general corporate purposes, not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

General corporate purposes may include, but are not restricted to, the following:

(a) strategic initiatives;
(b) funding growth opportunities;
(c) working capital requirements:
(d) part or full debt repayment or prepayment;
(e) strengthening marketing capabilities and brand building exercises;
(f) meeting ongoing general corporate contingencies;
(g) meeting fund requirements of our Company, in the ordinary course of its business;
(h) meeting expenses incurred in the ordinary course of business; and
(i) any other purpose, as may be approved by the Board, subject to applicable law.

Means of Finance

Paragraph 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance for the project proposed to be funded from issue proceeds, excluding the amount to be raised through the Issue), is not applicable.

Issue Related Expenses

The total expenses of the Issue are estimated to be ₹ 206.83 lakhs. The break-up for the Issue expenses is as follows:

Activity	Estimated amount (in ₹ lakhs) [(1)]	As a % of total estimated Issue expenses [(1)]	As a % of Issue size [(1)]
Fees payable to:			
Lead manager(s) fees	32.00	15.47	0.18
Fee to Legal counsel to the Issue and other professional service provider	75.45	36.48	0.42
Advertising and marketing expenses	6.80	3.29	0.04
Fee Payable to Regulators including Depositories, Stock Exchanges and SEBI	39.60	19.15	0.22
Printing and distribution	23.20	11.22	0.13
Registrar to the Issue	16.73	8.09	0.09
Brokerage, selling commission and upload fees	-	-	-
Miscellaneous	13.05	6.31	0.07
Total estimated Issue expenditure	**206.83**	**100.00**	**1.16**

[(1)] Assuming full subscription and Allotment of the Rights Entitlement. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

Interim use of Net Proceeds

Our Company, in accordance with the policies of established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration.

Bridge financing facilities and other financial arrangements

Our Company has not raised any bridge loans or entered into any other similar financial arrangements from/with any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

Our Company has appointed Axis Bank Limited as the Monitoring Agency for this Issue. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds and the Monitoring Agency will submit its report to our Board in terms of Regulation 82 of the SEBI ICDR Regulations. Our Company will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) along with relevant details for all the amounts that have not been utilized and will indicate instances, if any, of unutilized Net Proceeds in our balance sheet for the relevant Fiscals post receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 82(4) of the SEBI ICDR Regulations and Regulation 32 of the SEBI Listing Regulations, our Company shall, within 45 days from the end of each quarter, publicly disseminate the report of the Monitoring Agency on our website as well as submit the same to the Stock Exchanges, including the statement indicating deviations, if any, in the use of proceeds from the Objects of the Issue stated above. Such statement of deviation shall be placed before our Audit Committee for review before its submission to Stock Exchanges. The Monitoring Agency shall submit its report to our Company, on a quarterly basis, until at least 95% of the proceeds of this Issue, excluding the proceeds raised for general corporate purposes, have been utilized.

Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated above and place it before our Audit Committee, until such time the full money raised through this Issue has been fully utilized. The statement shall be certified by the Statutory Auditors of our Company. Our Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate.

Appraising Agency

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency in terms of applicable law.

Other Confirmations

Other than as disclosed above, no part of the Issue proceeds will be paid by our Company to our Promoter, our Promoter Group or our Directors.

STATEMENT OF SPECIAL TAX BENEFITS

To,

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

Statement of possible special Tax Benefits available to Deepak Fertilisers and Petrochemicals Corporation Limited ("the Company") and its shareholders and it's material subsidiaries, Smartchem Technologies Limited and Performance Chemiserve Limited ("Material Subsidiaries") in connection with the proposed rights issue of Equity Shares (No.) of face value of ₹ 10 each (the 'Issue')

This certificate is issued in accordance with the terms of our engagement letter 20th August 2020

We hereby confirm that the there is no special direct tax benefits available to the Company under the provisions of the Income-tax Act, 1961 ("the Act") as amended by the Finance Act 2020 read with Income-tax Rules, 1962.

The special direct tax benefits available to its Material Subsidiaries and its shareholders under the provisions of the Income-tax Act, 1961 ("**the Act**") as amended by the Finance Act 2020 read with the Income-tax Rules, 1962 is with respect to 150% deduction of capital expenditure made of Rs.53,664 lakhs for specified business (NPK plant - Fertiliser business) under section 35AD amounting to Rs.80,496 lakhs.

We also like to confirm that following are the indirect tax benefits available to the Company and it's Material Subsidiaries and its shareholders which are laid down below as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / relevant State Goods and Services Tax Act (SGST) read with rules, circulars, and notifications ("**GST law**"), the Customs Act, 1962, the Customs Tariff Act, 1975 ("**Customs law**") and Foreign Trade Policy 2015-2020 ("**FTP**") as amended by the Finance Act 2020, presently in force in India (together referred to as "**the Tax Laws**").

Indirect Tax Benefits to the Company & its shareholders –

- Duty drawback benefits on Import of Iso propyl Alcohol & Nitric Acid – Duty drawback depends on the value of import and export. For FY 2020-21 the application is under process, for FY 2019-20 1.5% of FOB value for Iso propyl Alcohol and 1.1% of FOB for Nitric Acid has been approved.
- State incentive for GST paid in Cash for Dahej plant – Provisional eligibility certificate received for Rs.38,599 Lakhs, actual claim may change based on revenue generated and GST paid in Cash.
- State incentive for electricity for Dahej plant – Initial application made for production capacity used, final claim to be filed.
- MEIS Licenses – MEIS licenses issued by DGFT are purchased upon export, these are transferable instruments.

Indirect Tax Benefits to the Material Subsidiaries & its shareholders –

- Duty drawback benefits on Import of Technical ammonium nitrate – Duty drawback depends on the value of import and export. For FY 2020-21 the application is under process, for FY 2019-20 brand rate of Rs.577 per MT has been approved.
- MEIS Licenses – MEIS licenses purchased.

Several of these benefits are dependent on the Company, its Material Subsidiaries or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its Material Subsidiaries and / or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company, its Material Subsidiaries faces in the future, the Company, its Material Subsidiaries or its shareholders may or may not choose to fulfil.

The benefits discussed above cover only special tax benefits available to the Company, its Material Subsidiaries and to the shareholders of the Company and do not cover any general tax benefits available to the Company, its Material Subsidiaries and its shareholders.

The benefits discussed above are not exhaustive and the preparation of the contents is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Tax Laws, each investor is advised to consult his or her tax consultant with respect to the specific tax implications arising out of their participation in the rights issue. We are neither suggesting nor advising the investors to invest in the rights issue relying on this statement.

Our views are based on the existing provisions of the tax laws and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update the tax benefits on any events subsequent to this date, which may have a material effect on the discussions herein.

We do not express any opinion or provide any assurance as to whether:

i) the Company, its Material Subsidiaries or its shareholders will obtain/ continue to obtain these special tax benefits in future; or
ii) the conditions prescribed for availing the special tax benefits have been / would be met with; or
iii) the revenue authorities/courts will concur with the views expressed herein.

The contents of the tax benefits are based on information, explanations and representations obtained from the Company and its Material Subsidiaries and on the basis of our understanding of the business activities and operations of the Company and its Material Subsidiaries.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

We will immediately communicate any changes to the above information to the Company and the Lead Manager, in writing, until the date when the Equity Shares issued through the Issue commence trading on the relevant stock exchanges ("**Stock Exchanges**"). In the absence of any such communication from us, the Lead Manager and the legal counsel to the Issue, can assume that there is no change to the above information.

We hereby consent to (a) this certificate, or its parts being used in the Letter of Offer of the Company or any other material in connection with the Issue; and/ or (b) submission of this certificate as may be necessary, to the Stock Exchanges, Securities and Exchange Board of India or to any regulatory authority; and/or (c) this certificate being used for the records maintained by the Lead Manager in connection with the Issue and in accordance with applicable law.

Unless the context requires otherwise, all capitalised terms used but not defined will have the same meaning assigned to them in the Letter of Offer.

This certificate may be relied on by the Lead Manager and the legal counsel to the Issue and for the purpose of any defence, the Lead Manager may wish to advance in any claim or actual/ potential proceeding before any statutory/ regulatory authority/ stock exchanges in connection with the contents of the Letter of Offer or actual/potential dispute relating to or connected with the Letter of Offer.

The certificate has been prepared on the specific request by the Company. Other than as mentioned in this certificate it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing other than as mentioned in the certificate.

Yours faithfully
For HMA and Associates
Chartered Accountants
Firm Registration No.: 100537W

CA Anand D. Joshi
Partner
Membership No.: 113805
UDIN: 20113805AAAADZ4997
Place: Pune
Date: September 11, 2020

SECTION IV: ABOUT OUR COMPANY

HISTORY AND CORPORATE STRUCTURE

Our Company was originally incorporated as 'Deepak Fertilisers and Petrochemicals Corporation Private Limited' at Mumbai pursuant to a certificate of incorporation dated May 31, 1979 issued by the RoC under the Companies Act, 1956. Subsequently, the name of our Company changed to 'Deepak Fertilisers and Petrochemicals Corporation Limited' and a fresh certificate of incorporation consequent on change of name dated on June 14, 1979 was issued by the RoC under the Companies Act, 1956.

Changes in the Registered and Corporate Office

The following table sets forth details of the changes in the Registered and Corporate Office of our Company since the date of its incorporation:

Date of change/ resolution for change	Details of change in the address of the Registered and Corporate Office	Reasons for change in the address of the Registered and Corporate Office
December 30, 1984	Change of registered office from 10-B, Bakhtawar, Nariman Point, Bombay – 400 021 to from Shivshakti, B. G. Kher Road, Worli, Mumbai – 400 018	Administrative convenience
May 5, 1995	Change of registered office from Shivshakti, B. G. Kher Road, Worli, Mumbai – 400 018 to Opposite Golf Course, Shastri Nagar, Yerawada, Pune, Maharashtra - 411006	Administrative convenience
March 28, 2019	Change of registered office from Opposite Golf Course, Shastri Nagar, Yerawada, Pune 411 006, Maharashtra to Sai Hira, Survey No. 93, Mundhwa, Pune 411 036, Maharashtra.	Administrative convenience

Key events and milestones

The table below sets forth the key events in the history of our Company:

Year	Particulars
1982	Initial public offering
1983	Commissioning of the ammonia plant
1991	Commencement of the dilute nitric acid and concentrated nitric acid plant
2001	Started the fertilisers business under brand name "Mahadhan"
2006	Commissioning of IPA Plant at Taloja
2007	Started operation of Creaticity (Ishanya Mall)
2010	Commissioning of TAN Project at Taloja
2017	Commencement of commercial production of new NPK grade fertilizers at a new plant in Taloja, Maharashtra
	Setting up of a brownfield IPA plant at Taloja, Maharashtra
	Commissioned a new fertiliser plant of 30,000 MTPY at Panipat, Haryana
2019	Commencement of commercial production of nitric at Dahej, Gujarat
2020	Foray into manufacturing of sanitisers

Main objects of our Company

The main objects contained in the Memorandum of Association are as follows:

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

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

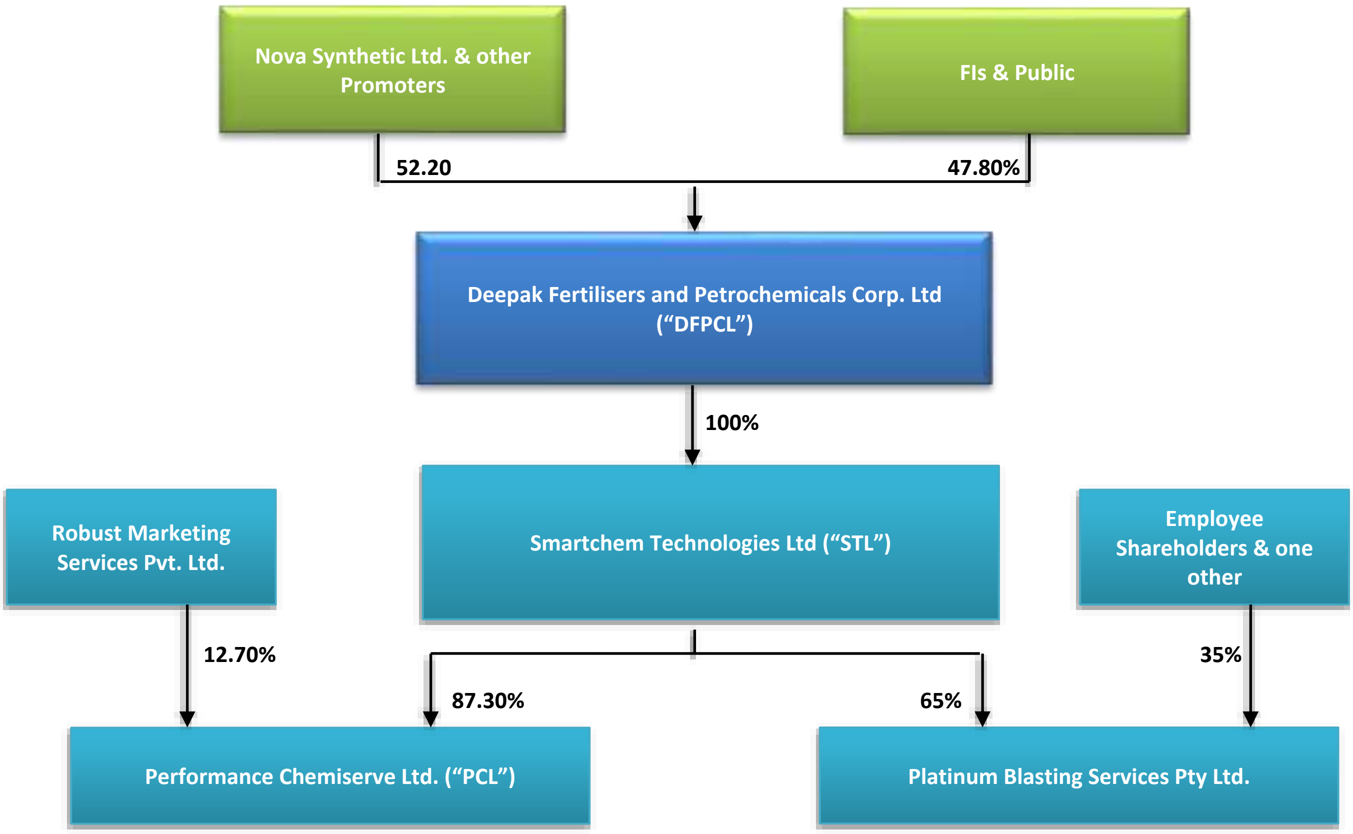
3. *To carry on business of manufacturing, buying, selling, acquiring, refining, treating, distilling, blending, purifying, pumping, storing, holding, transporting, experimenting with market, distributing, exchanging, supplying, importing, exporting, trading, disposing of, or otherwise dealing in any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

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

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

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on.

Corporate Structure



OUR MANAGEMENT

Board of Directors

The Articles of Association provide that our Company shall not have less than three Directors and not more than 15 Directors. As on the date of this Letter of Offer, our Board of Directors consists of 12 Directors including one Chairperson and Managing Director, two Non-Executive Non-Independent Directors and nine Independent Directors (including a woman Independent Director). The composition of the Board and the various committees of the Board are in conformity with Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

The following table sets forth details regarding our Board of Directors as of the date of this Letter of Offer:

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other directorships
1.	**Sailesh Chimanlal Mehta** *Designation:* Chairperson and Managing Director *Address*: 93 SUM, South Main Road, Koregaon Park, Pune, Maharashtra 411 001 *DIN*: 00128204 *Date of birth:* April 11, 1961 *Term*: Five years with effect from August 1, 2018 *Period of directorship:* September 4, 1991 *Occupation*: Industrialist	59	**Indian companies** 1. Smartchem Technologies Limited; 2. Priyank Mercantile Limited; 3. SCM Fertichem Limited; 4. The Lakaki Works Private Limited; 5. Nova Synthetic Limited; 6. Hightide Investments Private Limited; 7. Robust Marketing Services Private Limited; 8. Performance Chemiserve Limited; 9. Ishanya Realty Corporation Limited; 10. Ishanya Brand Services Limited; 11. Deepak Mining Services Private Limited; 12. Complete Mining Solutions Private Limited; and 13. Mahadhan Farm Technologies Private Limited **Foreign companies** 1. Deepak Nitrochem Pty Limited; 2. Deepak Fertichem Company Limited; and 3. Platinum Blasting Services Pty Limited
2.	**Parul Sailesh Mehta** *Designation:* Non-Executive Non-Independent Director *Address*: 93 SUM, South Main Road, Koregaon Park, Pune, Maharashtra 411 001 *DIN*: 00196410 *Date of birth:* March 17, 1965 *Term*: July 17, 2006 *Period of directorship:* October 20, 2005 *Occupation*: Social Service Advisor	55	**Indian companies** 1. Smartchem Technologies Limited; 2. Nova Synthetic Limited; 3. SCM Fertichem Limited; 4. Sofotel Infra Private Limited; 5. Robust Marketing Services Private Limited; 6. Hightide Investments Private Limited; 7. Performance Chemiserve Limited; 8. Ishanya Realty Corporation Limited; and 9. Ishanya Brand Services Limited

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other directorships
3.	**Madhumilan P Shinde** *Designation:* Non-Executive Non-Independent Director *Address*: B-703, Swagat Apartment, Plot No-19, Opposite North Point School, Sector 3, Koparkhairne S.O, Thane, Maharashtra 400 709 *DIN*: 06533004 *Date of birth:* December 14, 1954 *Term*: Liable to retire by rotation *Period of directorship:* Since February 10, 2017 *Occupation*: Consultant	65	**Indian companies** 1. Smartchem Technologies Limited
4.	**Pranay Vakil** ***Designation**:* Non-Executive Independent Directors ***Address***: 702, Shanudeep, 10A, Altamont Road, Mumbai, Maharashtra 400 026 ***DIN***: 00433379 ***Date of birth**:* January 13, 1947 ***Term***: Three years with effect from July 31, 2017 ***Period of directorship:*** Since July 22, 2010 ***Occupation***: Lawyer	73	**Indian companies** 1. Godrej Properties Limited; 2. Onward Technologies Limited; 3. Praron Consultancy (India) Private Limited; and 4. Rutley Real Estate Investment Management (India) Private Limited
5.	**Amit Biswas** *Designation:* Non-Executive Independent Director *Address*: Cedar 30102, Indu Fortune Field Towers, Kukatpally, Hyderabad, 500 085 *DIN*: 08173442 *Date of birth:* June 10, 1960 *Term*: Three years with effect from April 22, 2019 *Period of directorship:* Since April 22, 2019 *Occupation*: Advisor	60	**Indian companies** 1. Vivaan Assisted Living Private Limited
6.	**Alok Perti** *Designation:* Non-Executive Independent Director	68	**Indian companies** 1. Shalimar Paints Limited; 2. NITCON Limited; and

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other directorships
	Address: House Number 552, Shriniketan CGHS, Plot Number - 1, Sector - 07, Dwarka, South West Delhi, Delhi 110 075 *DIN*: 00475747 *Date of birth:* May 15, 1952 *Term*: Three years with effect from April 22, 2019 *Period of directorship:* Since April 22, 2019 *Occupation*: Retired Government Servant		3. DSWA
7.	**Ashok Kumar Purwaha** *Designation:* Non-Executive Independent Director *Address*: Flat No - 901, The Gurgaon CGHS Ltd, Plot No -17, Sector 52, Gurgaon 122 003 *DIN*: 00165092 *Date of birth:* May 8, 1955 *Term*: Five years with effect from July 7, 2017 *Period of directorship:* Since July 7, 2017 *Occupation*: Consultant	65	**Indian companies** 1. Smartchem Technologies Limited **Foreign companies** 1. Larsen & Toubro's (L&T) Heavy Engineering Independent Company
8.	**Berjis Minoo Desai** *Designation:* Non-Executive Independent Director *Address*: Flat 801, 9a Residences, 12th Floor, Bomanji Petit Road, Cumballa Hill, Mumbai, 400 026 *DIN*: 00153675 *Date of birth:* August 2, 1956 *Term*: Five years with effect from July 7, 2017 *Period of directorship:* Since July 7, 2017 *Occupation*: Practicing Lawyer	64	**Indian companies** 1. Praj Industries Limited; 2. Emcure Pharmaceuticals Limited; 3. The Great Eastern Shipping Company Limited; 4. Edelweiss Financial Services Limited; 5. Man Infraconstruction Limited; 6. Nuvoco Vistas Corporation Limited; 7. Inventurus Knowledge Solutions Private Limited; 8. Vista Intelligence Private Limited; 9. Star Health and Allied Insurance Company Limited; and 10. Jubliant Foodworks Limited
9.	**Partha Bhattacharyya** *Designation:* Non-Executive Independent Director *Address*: NA 15, Sanjeeva Town, Konchpur, New Town, Rajarhat, Kolkata, West Bengal 700 102 *DIN*: 00329479	69	**Indian companies** 1. Ramkrishna Forgings Limited; 2. Haldia Petrochemicals Limited; 3. Performance Chemiserve Limited; 4. Tide Water Oil Co India Limited; 5. Smartchem Technologies Limited; 6. Nis Management Limited; 7. Advanced Performance Materials Private Limited; and

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other directorships
	Date of birth: February 27, 1951 *Term*: Five years with effect from April 1, 2019 *Period of directorship:* Since April 1, 2019 *Occupation*: Consultant		8. Karam Chand Thapar and Bros (Coal Sales) Limited **Foreign companies** 1. Colonial Coal International Corp
10.	**Bhuwan Chandra Tripathi** *Designation:* Additional Non-Executive Independent Director(1) *Address*: A-2/27, 2nd Floor, Safdarjung Enclave, South West Delhi, Delhi 110 029 *DIN*: 01657366 *Date of birth:* January 12, 1960 *Term*: Three years with effect from February 13, 2020 *Period of directorship:* Since February 13, 2020 *Occupation*: Independent Director	60	**Indian companies** Nil **Foreign companies** 1. Essar Exploration and Production Limited Mauritius; 2. Essar Oil, United Kingdom
11.	**Renu Challu** *Designation:* Additional Non-Executive Independent Director(2) *Address*: A34/1, AFOCHS, Laxmi Narayana Temple, Sainikpuri, Tirumalagiri, Hyderabad, Telangana 500 094 *DIN*: 00157204 *Date of birth:* January 30, 1952 *Term*: Three years with effect from May 13, 2020 *Period of directorship:* Since May 13, 2020 *Occupation*: Retired Banker	68	**Indian companies** 1. Ceinsys Tech Limited; 2. Schaeffler India Limited; and 3. NCC Limited
12.	**Sujal Anil Shah** *Designation:* Additional Non-Executive Independent Director(3) *Address*: 701, 7th Floor, Mayfair Kumkum, S V Road, Next to Bank of India, Andheri West, Mumbai, Maharashtra 400 058 *DIN*: 0058019 *Date of birth:* September 23, 1968	51	**Indian companies** 1. Amrit Corp. Limited; 2. Amal Limited; 3. SSPA Consultants Private Limited; 4. Bhishma Realty Limited; 5. Raiji and Horwath Consultancy Services Private Limited; 6. Mafatlal Industries Limited; 7. Hindoostan Mills Limited; 8. Greycells Education Limited; 9. Convergence Chemicals Private Limited; 10. Rudolf Atul Chemicals Limited; and 11. Capricorn Realty Limited

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other directorships
	Term: Five years with effect from June 30, 2020 *Period of directorship:* Since June 30, 2020 *Occupation*: Chartered Accountant		

(1) He was appointed as additional Independent Director with effect from February 13, 2020, subject to approval of our Equity Shareholders at the ensuing annual general meeting.
(2) She was appointed as additional Independent Director with effect from May 13, 2020, subject to approval of our Equity Shareholders at the ensuing annual general meeting.
(3) He was appointed as additional Independent Director with effect from June 30, 2020, subject to approval of our Equity Shareholders at the ensuing annual general meeting.

Relationship with other Directors

Except Sailesh Chimanlal Mehta and Parul Sailesh Mehta who are spouses, none of the Directors are related to each other.

Confirmations

None of our Directors is or was a director of any listed company during the five years preceding the date of filing of this Letter of Offer, whose equity shares have been or were suspended from being traded on BSE or NSE, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer.

Service contracts with Directors for Benefits upon termination

No service agreements have been entered into by the Directors with our Company providing for benefits upon termination of employment as of the date of this Letter of Offer.

Arrangement or understanding with major shareholders, customers, suppliers or others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which our Company has appointed a Director as of the date of this Letter of Offer.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

B S R & Associates LLP

Chartered Accountants

7th & 8th floor, Business Plaza,
Westin Hotel Campus,
36/3-B, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Telephone +91 (20) 6747 7300
Fax +91 (20) 6747 7310

Independent Auditors' Report

To the Members of Deepak Fertilisers and Petrochemicals Corporation Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Deepak Fertilisers and Petrochemicals Corporation Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint operations, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive loss), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint operations as at 31 March 2020, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its associates and joint operations in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to the following:

- note 45 to the consolidated financial statements, from the report of the other auditor in relation to Smartchem Technologies Limited, which more fully explains that the Department of Fertilisers has released the fertiliser subsidy of Rs. 31,052 Lakhs on issue of bank guarantee of an equivalent amount; and

B S R & Associates LLP
8th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi, Pune-411001 India
Chartered Accountants

Deepak Fertilisers and Petrochemicals Corporation Limited
Independent Auditors' Report – 31 March 2020

Emphasis of matter *(continued)*

- note 47 to the consolidated financial statements which describes that a Search was carried out by the Income Tax Department on the Holding Company and a Subsidiary Company in November 2018. Pursuant to notice received in the last quarter of the year 2019-20, the Holding Company and a Subsidiary Company has filed revised tax returns for Assessment Years 2013-2014 to 2018-2019. The Holding Company's Management does not expect any additional liability to devolve on the Group and no provision has been recognised as at 31 March 2020. Though the Holding Company and the Subsidiary Company have not received any demand notices till date, the uncertainty in the matter remains till the proceedings are concluded.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Useful lives of Property, Plant and Equipment ("PPE")
(refer note 2.3(c) and note 3 to the consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
During FY 2020, the Dahej Nitric Acid Project was commissioned and property, plant and equipment additions amounting to Rs. 46,527 Lakhs were capitalized. The PPE additions above included used PPE items on which significant refurbishment costs were incurred prior to installation. The carrying value of such used PPE assets as at 31 March 2020 was Rs. 19,672 Lakhs. Evaluation of the useful life of used PPE assets is a complex matter which involved technical assessment and was subject to significant estimation uncertainty. Accordingly, we identified determination of the useful life of used PPE assets as a key audit matter. The Holding Company has appointed an external expert to assess the useful lives of used PPE assets.	Our audit procedures included the following: ➢ Evaluated the design and operating effectiveness of key internal financial controls over estimation of useful lives of used PPE assets; ➢ Compared the list of used PPE assets capitalized during FY 2020 with the assessment shared as per the Holding Company's external expert's report and the PPE additions listing; ➢ Assessed the competence, capabilities and objectivity of external expert engaged by the Holding Company; ➢ Gained an understanding of the work of the expert by evaluating their report; ➢ Used our internal specialist to evaluate the technical assessment and useful life estimation performed by the Holding Company's expert; ➢ Compared the useful lives of used PPE assets to similar used assets which were capitalized in the previous accounting periods; and ➢ Assessed the adequacy of the disclosures made by the Group relating to useful life of the used PPE assets in the consolidated financial statements.

B S R & Associates LLP Chartered Accountants 7th, 8th Floor, [illegible] Plaza, Westin Hotel Campus 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi Pune-411001 India

Deepak Fertilisers and Petrochemicals Corporation Limited
Independent Auditors' Report – 31 March 2020

Key Audit Matters ***(continued)***

Contingencies and Provisions
(refer note 42 and note 47 to the consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
The Group operates in various states within India, exposing it to a variety of different Central and State laws and regulations and interpretations thereof. In this complex regulatory environment, there is a high risk of litigations and claims. The Group's tax positions have been challenged by the authorities on a range of matters. Moreover, resolution of tax and legal proceedings may span over multiple years and may involve protracted negotiations or litigation. The Group applies significant judgment in estimating the likelihood of the outcome of each case and consequently its impact on the consolidated financial statements. These estimates could change over time as new facts emerge and as each matter progresses. Accordingly, we identified Contingencies and Provisions as a key audit matter.	Our audit procedures included the following: ➢ Obtained an understanding of key internal financial controls in respect of assessment of litigations and claims relating to the relevant laws and regulations; ➢ Obtained the Group's assessment of the pending disputes including where applicable, external legal counsel opinions, developments during FY 2020 and post year-end status of litigations; ➢ Inquired with the Group's external legal counsels, where applicable, to understand the Group's assessment of the litigations and claims; ➢ Evaluated the Group's assessments by understanding precedents set in similar cases and assessed the reliability of the Group's past estimates/judgements; ➢ Performed test checks on the provision made/ contingent liabilities/ other significant litigations /disclosures made in the consolidated financial statements; ➢ Involved our experts to gain an understanding and to evaluate disputed direct and indirect tax matters and evaluate positions taken by the Group; and ➢ Assessed the adequacy of the disclosures made by the Group relating to contingencies and provisions in the consolidated financial statements.

B S R & Associates LLP
5th Floor, Business Plaza, Westin Hotel Campus 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi Pune-411001 India
Chartered Accountants

Deepak Fertilisers and Petrochemicals Corporation Limited
Independent Auditors' Report – 31 March 2020

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint operations in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint operations are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint operations is responsible for overseeing the financial reporting process of each company.

B S R & Associates LLP * Chartered Accountants * 5th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi, Pune-411001, India

Deepak Fertilisers and Petrochemicals Corporation Limited
Independent Auditors' Report – 31 March 2020

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint operations to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint operations to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

B S R & Associates LLP Chartered Accountants

Deepak Fertilisers and Petrochemicals Corporation Limited
Independent Auditors' Report – 31 March 2020

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 669,815 Lakhs as at 31 March 2020, total revenues (before consolidation adjustments) of Rs. 315,309 Lakhs and net cash flows amounting to Rs. 2,597 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

(b) The financial statements of 8 subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of Rs. 14,995 Lakhs as at 31 March 2020, total revenues (before consolidation adjustments) of Rs. 24,805 Lakhs and net cash outflows amounting to Rs. 670 Lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. 17 Lakhs for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of two associates whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Holding Company's Management.

B S R & Associates LLP
8th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi Pune-411001 India
Chartered Accountants

Deepak Fertilisers and Petrochemicals Corporation Limited
Independent Auditors' Report – 31 March 2020

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive loss), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint operations incorporated in India, none of the directors of the Group companies, its associate companies, and joint operations incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint operations incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associates, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group, its associates and joint operations. Refer Note 42 and 47 to the consolidated financial statements.

ii. The Group, its associates and joint operations did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

B S R & Associates LLP
7th 8th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi Pune-411001 India
Chartered Accountants

Deepak Fertilisers and Petrochemicals Corporation Limited
Independent Auditors' Report – 31 March 2020

Report on Other Legal and Regulatory Requirements *(continued)*

iii. The following are the instances of delay in transferring amounts, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2020:

Year	Type of dividend	Dividend unpaid (INR in Lacs)	Status
1997-1998	Final	0.37	Not yet transferred to Investor Education and Protection Fund due to legal dispute with regards ownership of shares which remains unresolved

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

We draw attention to note 46 to the consolidated financial statements for the year ended 31 March 2020 according to which the managerial remuneration paid/ accrued to the Managing Director of the Holding Company (amounting to Rs. 389.21 Lakhs) exceeds the prescribed limits under section 197 read with Schedule V of the Companies Act, 2013 by Rs. 264.77 Lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Holding Company proposes to obtain in the forthcoming Annual General Meeting.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish

Raajnish Desai
Partner
Membership No.: 101190
UDIN: 20101190AAAABB3064

Place: Pune
Date: 30 June 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of Deepak Fertilisers and Petrochemicals Corporation Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Deepak Fertilisers and Petrochemicals Corporation Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its associate companies and joint operations, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint operations, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

B S R & Associates LLP Chartered Accountants
8th Floor, Business Plaza, Westin Hotel Campus 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi Pune-411001 India

Annexure A to the Independent Auditors' report on the consolidated financial statements of Deepak Fertilisers and Petrochemicals Corporation Limited - 31 March 2020 *(continued)*

Auditors' Responsibility *(continued)*

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

B S R & Associates LLP
5th Floor, Business Plaza, Westin Hotel Campus 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi Pune-411001 India
Chartered Accountants

Annexure A to the Independent Auditors' report on the consolidated financial statements of Deepak Fertilisers and Petrochemicals Corporation Limited - 31 March 2020 *(continued)*

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to seven subsidiary companies, two associate companies and one joint operations which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For B S R Associates LLP
Chartered Accountants
Firm's Registration No.: 116231W/W-100024

Raajnish

Raajnish Desai
Partner
Membership No. 101190
UDIN: 20101190AAAABB3064

Place: Pune
Date: 30 June 2020

Deepak Fertilisers and Petrochemicals Corporation Limited
Consolidated Balance Sheet as at 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,42,615	2,16,883
Capital work-in-progress	4	1,30,956	1,37,022
Investment property	5	3,607	511
Right of use of assets	5(a)	18,980	-
Goodwill on consolidation	5(b)	4,093	2,632
Other intangible assets	6	1,887	864
Investment in equity accounted investees	7	5	10
Financial assets			
i. Investments	8	72	72
ii. Loans	12	-	45
iii. Other financial assets	15	4,730	3,103
Deferred tax assets (net)	26	4,589	7,353
Income tax assets (net)		12,112	9,090
Other non-current assets	16	28,924	40,680
Total non-current assets		**4,52,570**	**4,18,265**
Current assets			
Inventories	17	68,369	82,790
Investment in equity shares (held-for-sale)	9	149	614
Financial assets			
i. Investments	10	1,011	24,544
ii. Trade receivables	11	1,27,580	1,39,626
iii. Cash and cash equivalents	13	15,757	8,874
iv. Bank balances other than cash and cash equivalents	14	10,169	2,749
v. Loans	12	118	129
vi. Other financial assets	15	2,527	984
Other current assets	18	14,873	33,186
Total current assets		**2,40,553**	**2,93,496**
Total assets		**6,93,123**	**7,11,761**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	8,928	8,820
Other equity	20	2,09,150	2,00,965
Equity attributable to owners of the Company		**2,18,078**	**2,09,785**
Non controlling interest		4,313	4,377
Total equity		**2,22,391**	**2,14,162**
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	21	2,08,425	1,77,092
ii. Lease liabilities	5(a)	6,784	-
iii. Other financial liabilities	23	170	-
Provisions	24	5,687	4,631
Total non-current liabilities		**2,21,066**	**1,81,723**
Current liabilities			
Financial liabilities			
i. Borrowings	22	71,930	1,17,591
ii. Lease liabilities	5(a)	1,944	-
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises	25	762	307
(b) total outstanding dues of creditors other than micro and small enterprises		1,28,687	1,48,092
iv. Other financial liabilities	23	33,722	35,986
Other current liabilities	27	4,476	6,296
Provisions	24	7,421	6,932
Current tax liabilities (net)		724	672
Total current liabilities		**2,49,666**	**3,15,876**
Total liabilities		**4,70,732**	**4,97,599**
Total equity and liabilities		**6,93,123**	**7,11,761**

Significant accounting policies	1 - 2
The accompanying notes form an integral part of the consolidated financial statements	3 - 50

As per our report of even date attached

For and on behalf of Board of Directors of Deepak Fertilisers and Petrochemicals Corporation Limited

SAILESH CHIMANLAL MEHTA Digitally signed by SAILESH CHIMANLAL MEHTA Date: 2020.06.30 21:35:30 +05'30'

AMITABH BHARGAVA Digitally signed by AMITABH BHARGAVA Date: 2020.06.30 21:21:35 +05'30'

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

S. C. Mehta
Chairman and Managing Director
DIN:00128204

Amitabh Bhargava
President & CFO

MAHESH RAMCHAND CHHABRIA Digitally signed by MAHESH RAMCHAND CHHABRIA Date: 2020.06.30 22:03:55 +05'30'

KRISHNAN SUBHARAMAN Digitally signed by KRISHNAN SUBHARAMAN Date: 2020.06.30 21:06:23 +05'30'

Rajnish

Raajnish Desai
Partner
Membership No.: 101190

Mahesh R Chhabria
Director
DIN : 00166049

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 30 June 2020

Place: Pune
Date: 30 June 2020

Deepak Fertilisers and Petrochemicals Corporation Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	28	4,68,538	6,74,206
Other income	29	9,545	5,430
Total income		**4,78,083**	**6,79,636**
Expenses			
Cost of materials consumed	30	2,61,470	2,83,536
Purchases of stock-in- trade	31	55,471	2,51,930
Changes in inventories of finished goods and stock-in-trade	32	14,017	(6,403)
Employee benefits expense	33	30,617	27,766
Finance costs	34	24,293	22,933
Depreciation and amortisation expense	35	21,353	17,146
Other expenses (net)	36	60,537	71,444
Total expenses		**4,67,758**	**6,68,352**
Profit before share of (loss) of equity accounted investees and income tax		**10,325**	**11,284**
Share of (loss) of equity accounted investees		(17)	(305)
Profit before tax		**10,308**	**10,979**
Tax expense			
Current tax		381	1,351
Deferred tax		1,026	2,281
Total tax expense		**1,407**	**3,632**
Profit for the year		**8,901**	**7,347**
Other comprehensive income ('OCI')			
(A) *Items that will not be reclassified to profit or loss*			
Remeasurement of defined benefit obligations		(1,121)	(520)
Income tax relating to this item		334	182
Total (A)		**(787)**	**(338)**
(B) *Items that will be reclassified subsequently to profit or loss*			
Exchange differences on translation of foreign operations		(191)	(190)
Changes in fair value of investment through OCI		-	(51)
Income tax relating to this item		-	18
Total (B)		**(191)**	**(223)**
Other comprehensive loss for the year (A+B), net of tax liability		**(978)**	**(561)**
Total comprehensive income for the year		**7,923**	**6,786**
Profit for the year attributable to:			
-Owners of the Company		8,726	7,067
-Non controlling interests		175	280
Other comprehensive loss (net of tax) attributable to:			
-Owners of the Company		(911)	(519)
-Non controlling interests		(67)	(42)
Total comprehensive income for the year attributable to:			
-Owners of the Company		7,815	6,548
-Non controlling interests		108	238

Earnings per equity share of Rs.10 each			
i) Basic (in Rs.)		9.83	8.01
ii) Diluted (in Rs.)		9.83	8.01
Weighted average number of equity shares of Rs. 10 each		8,87,41,735	8,82,04,943
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the consolidated financial statements	3 - 50		

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
Date: 30 June 2020

For and on behalf of Board of Directors of Deepak Fertilisers and Petrochemicals Corporation Limited

SAILESH CHIMANLAL MEHTA Digitally signed by SAILESH CHIMANLAL MEHTA Date: 2020.06.30 21:35:48 +05'30'

S. C. Mehta
Chairman and Managing Director
DIN:00128204

AMITABH BHARGAVA Digitally signed by AMITABH BHARGAVA Date: 2020.06.30 21:21:55 +05'30'

Amitabh Bhargava
President & CFO

MAHESH RAMCHAND CHHABRIA Digitally signed by MAHESH RAMCHAND CHHABRIA Date: 2020.06.30 22:04:36 +05'30'

Mahesh R Chhabria
Director
DIN : 00166049

KRISHNAN SUBHARAMAN Digitally signed by KRISHNAN SUBHARAMAN Date: 2020.06.30 21:06:06 +05'30'

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 30 June 2020

Deepak Fertilisers and Petrochemicals Corporation Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	31 March 2020	31 March 2019
Balance at the beginning of the year	8,820	8,820
Changes in equity share capital during the year	108	-
Balance as at the end of the year	**8,928**	**8,820**

B. Other Equity

	Share warrants, reserves and surplus						Items of Other Comprehensive Income				
	Securities premium	Capital redemption reserve	Share warrants	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Fair value through OCI	Other Items of Comprehensive Income	Total attributable to Owners of the Company	Non Controlling Interest	Total
Balance as at 1 April 2018	**10,536**	**1,950**	-	-	**17,922**	**1,65,864**	**(12)**	**(463)**	**1,95,797**	**4,033**	**1,99,830**
Profit for the year	-	-	-	-	-	7,067	-	-	7,067	280	7,347
Other comprehensive income	-	-	-	-	-	-	(33)	(528)	(561)	(42)	(603)
Exchange difference on account of issue of share	-	-	-	-	-	-	-	-	-	106	106
Total comprehensive income for the year	-	-	-	-	-	**7,067**	**(33)**	**(528)**	**6,506**	**344**	**6,850**
Issue of Share warrants	-	-	5,000	-	-	-	-	-	5,000	-	5,000
Dividend paid	-	-	-	-	-	(6,338)	-	-	(6,338)	-	(6,338)
Balance as at 1 April 2019	**10,536**	**1,950**	**5,000**	-	**17,922**	**1,66,593**	**(45)**	**(991)**	**2,00,965**	**4,377**	**2,05,342**
Profit for the year	-	-	-	-	-	8,726	-	-	8,726	175	8,901
Other comprehensive income	-	-	-	-	-	-	-	(911)	(911)	(67)	(978)
Total comprehensive income for the year	-	-	-		-	**8,726**	-	**(911)**	**7,815**	**108**	**7,923**
Issue of share capital	-	-	-	-	-	-	-	-	-	24	24
Adjustment from adoption of Ind AS 116	-	-	-	-	-	(134)	-	-	(134)	(72)	(206)
Conversion of share warrants to equity shares	3,225	-	(833)	-	-	-	-	-	2,392	-	2,392
Movement of NCI on account additional share purchase of Complete Mining Solution Private Limited	-	-	-	-	-	16	-	-	16	(16)	-
Equity portion of foreign currency convertible bonds	-	-	-	1,286	-	-	-	-	1,286	-	1,286
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	(108)	(108)
Dividend paid including tax on dividend	-	-	-	-	-	(3,190)	-	-	(3,190)	-	(3,190)
Balance as at 31 March 2020	**13,761**	**1,950**	**4,167**	**1,286**	**17,922**	**1,72,011**	**(45)**	**(1,902)**	**2,09,150**	**4,313**	**2,13,463**

Note: Refer note 20 for nature and purpose of other equity.

Movement in non controlling interest	31 March 2020	31 March 2019
Balance at the beginning of the year	4,377	4,033
Add: profit for the year	108	238
Add: issue of shares during the year	24	-
Add: exchange difference on account of issue of shares	-	106
Less: adjustment from adoption of Ind AS 116	(72)	-
Less: minority movement	(16)	-
Less: dividend paid	(108)	-
Balance as at the end of the year	**4,313**	**4,377**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
Date: 30 June 2020

For and on behalf of Board of Directors Deepak Fertilisers and Petrochemicals Corporation Limited.

SAILESH CHIMANLAL MEHTA
Digitally signed by SAILESH CHIMANLAL MEHTA Date: 2020.06.30 21:36:01 +05'30'

S. C. Mehta
Chairman and Managing Director
DIN:00128204

MAHESH RAMCHAND CHHABRIA
Digitally signed by MAHESH RAMCHAND CHHABRIA Date: 2020.06.30 22:05:00 +05'30'

Mahesh R Chhabria
Director
DIN : 00166049

Place: Pune
Date: 30 June 2020

AMITABH BHARGAVA
Digitally signed by AMITABH BHARGAVA Date: 2020.06.30 21:22:15 +05'30'

Amitabh Bhargava
President & CFO

KRISHNAN SUBHARAMAN
Digitally signed by KRISHNAN SUBHARAMAN Date: 2020.06.30 21:05:51 +05'30'

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Deepak Fertilisers and Petrochemicals Corporation Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	10,308	10,979
Adjustments for		
Depreciation and amortisation expense	21,353	17,146
(Profit)/Loss on sale of property, plant and equipment (net)	(3,516)	70
Provision for doubtful trade receivables	801	175
Gain on sale of investments	(2,907)	(2,121)
Changes in fair value of financial assets at fair value through profit or loss	89	(145)
Provision for stores and spares	303	-
Provision for capital work in progress	575	-
Unrealised loss on embedded derivative contracts	908	-
Share of loss of associates	17	305
Dividend income	-	(122)
Interest income	(1,048)	(970)
Finance costs	24,293	22,933
Foreign exchange fluctuations loss (net)	1,504	134
Cash generated from operations before working capital changes	**52,680**	**48,384**
Change in trade receivables	10,988	56,736
Change in inventories	14,118	(5,941)
Change in trade payables	(21,978)	57,501
Change in other financial liabilities	1,310	(16,232)
Change in other financial assets	(1,579)	(1,033)
Change in other non-current assets	(12,918)	(1,653)
Change in other current assets	18,313	(3,921)
Change in provisions	424	72
Change in other current liabilities	(1,820)	190
Cash generated from operations	**59,538**	**1,34,103**
Income taxes paid (net)	(1,711)	(3,102)
Net cash generated from operating activities	**57,827**	**1,31,001**
Cash flows from investing activities		
Payment for acquisition of subsidiary, net of cash acquired	(1,396)	-
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(44,897)	(72,284)
Proceeds from sale of property, plant and equipment	9,812	74
Purchase of investments in mutual funds	(2,26,753)	(5,84,367)
Proceeds from sale of investments in mutual funds	2,50,826	5,99,553
Repayment of loans by employees and other loans given	30	279
Proceeds from issue of shares to non controlling interest	24	64
Proceeds from sale of investment in associate	2,820	-
Fixed deposits placed	(30,622)	(20,087)
Fixed deposits matured	23,169	18,185
Dividends received from Mutual Funds	-	122
Interest received	1,409	894
Net cash (used in) investing activities	**(15,578)**	**(57,567)**
Cash flows from financing activities		
Proceeds from borrowings - non current	23,528	32,455
Repayment of borrowings - non current	(8,239)	-
Proceeds from issue of foreign currency convertible bonds	10,549	-
Proceeds from issue of compulsory convertible debentures	10,500	
Proceeds from borrowings - current	3,14,676	(82,453)
Repayment of borrowings - current	(3,60,337)	-
Share warrants issued	-	5,000
Payment of lease payables	(1,900)	-
Proceeds of call on share capital	2,500	-
Interest paid	(23,391)	(22,647)
Dividends paid (including dividend distribution tax)	(3,157)	(6,099)
Dividends paid to non-controlling interests	(108)	-
Net cash (used in) from financing activities	**(35,379)**	**(73,744)**
Net increase / (decrease) in cash and cash equivalents	6,870	(310)
Cash and cash equivalents acquired on business combinations	13	-
Cash and cash equivalents at the beginning of the year (refer note 13)	8,874	9,184
Cash and cash equivalents at end of the year (refer note 13)	**15,757**	**8,874**

The accompanying notes form an integral part of the consolidated financial statements.

The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows"

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
Date: 30 June 2020

For and on behalf of Board of Directors Deepak Fertilisers and Petrochemicals Corporation Limited

SAILESH CHIMANLAL MEHTA Digitally signed by SAILESH CHIMANLAL MEHTA Date: 2020.06.30 21:36:16 +05'30'
S. C. Mehta
Chairman and Managing Director
DIN:00128204

AMITABH BHARGAVA Digitally signed by AMITABH BHARGAVA Date: 2020.06.30 21:22:38 +05'30'
Amitabh Bhargava
President & CFO

MAHESH RAMCHAND CHHABRIA Digitally signed by MAHESH RAMCHAND CHHABRIA Date: 2020.06.30 22:05:30 +05'30'
Mahesh R Chhabria
Director
DIN : 00166049

KRISHNAN SUBHARAMAN Digitally signed by KRISHNAN SUBHARAMAN Date: 2020.06.30 21:05:25 +05'30'
K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 30 June 2020

Deepak Fertilisers and Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020

1. Corporate Information

Deepak Fertlisers and Petrochemicals Corporation Limited ("the Holding Company or the Parent Company") is a public limited company domiciled in India, with its registered office at Pune, Maharashtra, India. The Holding Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange ("BSE") in India.

The Group is engaged in the business of fertlisers, agri services, bulk chemicals, mining chemicals and value added real estate.

These consolidated financial statements of the Group as at and for the year ended on 31 March 2020 comprise the Holding Company and its subsidiaries (together referred to as "the Group") were approved for issue in accordance with the resolution of the Board of Directors on June 30, 2020.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 notified, as amended thereafter and other relevant provisions of the Act.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and
- Employee defined benefits plans – plan assets are measured at fair value

The consolidated financial statements are presented in Indian Rupees ("INR"), which is also the Group functional currency and all values are rounded off to the nearest Lakhs, except when otherwise indicated. Wherever, an amount is presented as INR '0' (zero) it construes value less than Rs 50,000.

2.2A Significant accounting estimates, assumptions and judgements

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

S R B & Associates LLP
Chartered Accountants
7th, 8th Floor, Business Plaza, Westin Hotel Campus 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi Pune-411001 India

2.2A Significant accounting estimates, assumptions and judgements (continued)

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes
There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Useful lives of Property, plant and equipment ('PPE')
The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. Factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of PPE, consequently leading to a change in the future depreciation charge.

Defined benefit plans
Employee benefit obligations are determined using independent actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual results in the future. These include the determination of the discount rate, future salary increases, experience of employee departures and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provisions for Litigations and claims
From time to time, the Group is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the charge/ expense can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcomes and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions are made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the consolidated financial statements. Contingent assets are not disclosed in the consolidated financial statements unless an inflow of economic benefits is probable.

S R B C & Associates LLP * Chartered Accountants *

2.2A Significant accounting estimates, assumptions and judgements (continued)

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

Impairment of financial assets

The Group assesses impairment based on the expected credit loss ("ECL") model on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

Impairment of non-financial assets (including PPE, CWIP and intangible assets)

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates that the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

2.2B Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

B S R & Associates LLP
Chartered Accountants

2.2B Principles of consolidation and equity accounting (continued)

(ii) Associates
Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint Arrangements
Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint Ventures
Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity Method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment.

(v) Changes in ownership interests:
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2B Principles of consolidation and equity accounting (continued)

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The details of consolidated entities are as follows:

Name of the Companies		Country of incorporation	Percentage of ownership interest
1	Smartchem Technologies Limited (STL)	India	100.00%
2	Deepak Nitrochem Pty Limited	Australia	100.00%
3	Deepak Mining Services Private Limited (DMSPL)	India	100.00%
4	Complete Mining Solution Private Limited (formerly known as Runge PincockMinarco India Private Limited) (Subsidiary of DMSPL)	India	100.00%
5	SCM Fertichem Limited	India	100.00%
6	Platinum Blasting Services Pty Limited (PBS)[Subsidiary of STL]	Australia	65.00%
7	Australian Mining Explosives Pty Limited (AME)[Subsidiary of PBS]	Australia	65.00%
8	Performance Chemiserve Limited (formerly known as Performance Chemiserve Private Limited) [Subsidiary of STL]	India	84.64%
9	Ishanya Brand Services Limited (with effect from 23 March 2020)	India	74.99% (49.99% till 22nd March 2020)
10	Mahadhan Farm Technologies Private Limited (with effect from 1 October 2019) (Subsidiary of STL)	India	100.00%

Goodwill on consolidation is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree, and the fair value of the acquiror's previously held equity instruments in the acquiree (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Profit or loss and each component of Other comprehensive income (OCI) are attributed to the equity holders of the Holding Company and to the NCI, even if this results in the NCI having a deficit balance.

The results of subsidiaries acquired or disposed off during the year are included in the consolidated financial statements from the effective date of acquisition and upto the effective date of disposal, as appropriate.

Non-controlling interests (NCI) in the net assets of the subsidiaries that are consolidated consist of the amount of equity attributable to non-controlling shareholders at the date of acquisition.

B S R & Associates LLP
Chartered Accountants

Deepak Fertilisers and Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020

2.3 Summary of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.
An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as noncurrent.
A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

(a) Current versus non-current classification (continued)

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

(b) Revenue recognition

Sale of Goods:
Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Sale of Services:
Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

2.3 Summary of significant accounting policies (continued)

(c) Property, plant and equipment

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any and also to the costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset. All other repair and maintenance costs, including regular servicing, are recognised in the consolidated Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning. Depreciation on PPE (except leasehold improvements) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated. Schedule II to the Act prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the periods over which these assets are expected to be used. Accordingly, for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

Name of assets	Estimated useful life (in years)
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Vehicles	4 – 7
Buildings (other than factory buildings) with RCC frame structure	61
Plant and equipment	Various estimated lives upto 25 years. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40

2.3 Summary of significant accounting policies (continued)

Capital work in progress (CWIP)

Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Group and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(d) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated Statement of Profit and Loss when the asset is derecognized.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Name of intangible assets	Estimated useful life (in years)
Computer software	3 to 4
License fees	3 to 4
Technical knowhow/ engineering fees	3 to 4

(e) Bearer plant

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer plants mainly include mature and immature pomegranate plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, and an allocation of other indirect costs based on planted hectares.

2.3 Summary of significant accounting policies (continued)

(e) Bearer plant (continued)

Mature plantations are stated at acquisition cost less accumulated depreciation and impairment. Mature plantations are depreciated on a straight-line basis and over its estimated useful life of 6 years, upon commencement of commercial production.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits. A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the income statement in the year the bearer plant is derecognized.

(f) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

(g) Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives as specified in note (c) above. The residual values estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the consolidated Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated Statement of Profit and Loss in the period of de-recognition.

(h) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the consolidated balance sheet.

S R B C & Associates LLP * Chartered Accountants *

2.3 Summary of significant accounting policies (continued)

(i) Foreign currency transactions and balances

The functional currency of the Group (i.e. the currency of the primary economic environment in which the Group operates) is the Indian Rupee (Rs.). On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the consolidated Statement of Profit and Loss.

Foreign operations

Assets and liabilities of entities with functional currencies other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the Balance Sheet date. The Statement of Profit and Loss has been translated using the average exchange rates. The net impact of such translation are recognised in OCI and held in foreign currency translation reserve ('FCTR'), a component of Equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control, over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

In case of a partial disposal of interests in a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to NCI and are not recognised in the consolidated Statement of Profit and Loss. For all other partial disposal (i.e. partial disposals of joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated Statement of Profit and Loss.

(j) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets: Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

2.3 Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to the consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the consolidated Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the consolidated Statement of Profit and Loss.

B S R & Associates LLP * Chartered Accountants *

2.3 Summary of significant accounting policies (continued)
(j) Financial instruments (continued)

Impairment of financial assets
The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the consolidated Statement of Profit and Loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group balance sheet) when:
• The rights to receive cash flows from the asset have expired, or
• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities
Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in consolidated Statement of Profit and Loss.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

B S R & Associates LLP Chartered Accountants

2.3 Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated Statement of Profit and Loss.

Derivative financial instruments
The Group uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts
Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair value and is subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

Fair value of financial instruments
In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

(k) Leases

The Group has adopted Ind AS 116 effective from 1 April 2019 using the modified retrospective approach. For the purpose of preparation of consolidated financial statements, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended 31 March 2020. Accordingly, the Group has not restated comparative information and there is no adjustment to opening retained earnings as at 1 April 2019, except overseas subsidiary wherein cumulative impact of applying Ind AS 116 has been recognized in equity as an adjustment to the opening balance of retained earnings for the current period.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

B S R & Associates LLP
7th, 8th Floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi Pune-411001 India
Chartered Accountants

2.3 Summary of significant accounting policies (continued)

(k) Leases (continued)

As a lessee, the Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(l) Inventories

- Raw materials, packing materials and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on the basis of moving weighted average method. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.
- Finished goods and by-products including those held for captive consumption are valued at the lower of cost and net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes taxes and duties, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory. Stock-in-trade is valued at lower of cost and net realisable value.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.3 Summary of significant accounting policies (continued)

(m) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Group estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated Statement of Profit and Loss.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated Statement of Profit and Loss. net of any reimbursements.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

2.3 Summary of significant accounting policies (continued)

(o) Employee benefits

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post-retirement medical benefits, directors' retirement obligations and family benefit scheme.

Post-employment benefit plans

Defined contribution plans
Payments to a defined contribution retirement benefit scheme for eligible employees in the form of provident fund and superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

Defined benefit plans
For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability. The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability is recognised in the consolidated Statement of Profit and Loss. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the consolidated Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the consolidated Statement of Profit and Loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated Statement of Profit and Loss as past service cost.

Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:
(a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and
(b) In case of non - accumulating compensated absence, when the absences occur.

2.3 Summary of significant accounting policies (continued)

(o) Employee benefits (continued)

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the consolidated Statement of Profit and Loss.

(p) Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship which is designated.

Cash flow hedges that qualify for hedge accounting: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in 'other comprehensive income' in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the consolidated Statement of Profit and Loss in the periods in which the hedged item affects the profit or loss.

Derivatives that are not designated as hedges: The Group enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges. Such derivative contracts are accounted for at each reporting date at fair value through the consolidated Statement of Profit and Loss.

(q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(r) Cash dividend

The Group recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the Group.

B S R & Associates LLP
Chartered Accountants

2.3 Summary of significant accounting policies (continued)

(s) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonably certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become reasonably certain that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Minimum Alternate Tax (MAT).

B S R & Associates LLP Chartered Accountants

2.3 Summary of significant accounting policies (continued)

(s) Income taxes (continued)

Minimum Alternate Tax paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credits which can be carried forward and utilized when the Group will pay normal income tax during the specified period. Deferred tax asset on such tax credit is recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

Based on the "Management approach" as defined in Ind AS 108: Operating Segments, the Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Inter-segment sales and transfers are reflected at market prices.

Segment policies
The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/expenses/ assets/ liabilities", as the case may be.

(v) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss, as incurred. The acquiree's indentifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12 Income taxes and Ind AS 19 Employee benefits.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree and the fair value of acquirer's previously held equity instrument in the acquire (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Where the fair values of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

B S R & Associates LLP * Chartered Accountants *

2.3 Summary of significant accounting policies (continued)

(v) Business combinations (continued)

The interest of non-controlling shareholders is initially measured either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting in a contingent consideration arrangement, such contingent consideration, on the acquisition date is measured at fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be. Measurement period adjustments are adjustments that arise from additional information during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as the measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

Changes in the proportion of the equity held by NCI are accounted for as equity transactions. The carrying amount of the controlling interests and NCI are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

The Group accounts for the common control transactions in accordance with the 'pooling of interests' method prescribed under Ind AS 103 – Business Combinations for common control transactions where all the assets and liabilities of transferor companies would be recorded at the book value as at the Appointed date.

2.3 Summary of significant accounting policies (continued)

(w) Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of economic resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(x) Changes in significant accounting policies

There have been no changes in accounting policies during the Financial year 2019-20, except for implementation of Ind AS 116 as described in point 2.3 (k) of accounting policies.

(y) Recent Indian Accounting Standard (Ind AS) and note on COVID-19

i) Recent accounting pronouncements which are not yet effective

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notifications which would be applicable from 1 April 2020.

ii) Note on COVID-19

In view of the lockdown across the country due to the outbreak of COVID pandemic, operations in many of the Group's locations (manufacturing, warehouses, offices, etc.) are scaled down or shut down in compliance with the directives/ orders issued by the local Panchayat/Municipal Corporation/State/Central Government authorities. International businesses are operating under local guidelines for social distancing and high hygiene standards.

As per management's current assessment, no significant impact on carrying amounts of inventories, intangible assets, trade receivables, investments and other financial assets is expected, and management will continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these consolidated financial statements.

Deepak Fertilisers & Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note 3: PROPERTY, PLANT & EQUIPMENT

	Free-hold Land	Lease-hold Land	Lease-hold Improvements	Buildings	Plant and Equipment	Bearer plants	Electric Installation	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
Gross carrying amount												
as at 1 April 2018	18,581	16,513	-	40,028	1,67,266	-	4,691	1,098	2,065	454	2,189	2,52,885
Additions	6,061	135	-	2,736	7,482	258	142	76	868	180	1,227	19,165
Disposals	-	-	-	(21)	(189)	-	-	(6)	(60)	-	(417)	(693)
Gross carrying amount as at 31 March 2019	**24,642**	**16,648**	-	**42,743**	**1,74,559**	**258**	**4,833**	**1,168**	**2,873**	**634**	**2,999**	**2,71,357**
Accumulated depreciation												
Opening accumulated depreciation	-	(330)	-	(2,898)	(31,072)	-	(1,515)	(426)	(952)	(208)	(1,101)	(38,502)
Depreciation charge for the year	-	(224)	-	(1,711)	(12,631)	(24)	(426)	(146)	(717)	(58)	(586)	(16,523)
On disposals	-	-	-	20	152	-	-	6	58	-	315	551
Accumulated depreciation as at 31 March 2019	-	(554)	-	(4,589)	(43,551)	(24)	(1,941)	(566)	(1,611)	(266)	(1,372)	(54,474)
Net carrying amount as on 31 March 2019	**24,642**	**16,094**	-	**38,154**	**1,31,008**	**234**	**2,892**	**602**	**1,262**	**368**	**1,627**	**2,16,883**
Gross carrying amount												
As at 1 April 2019	24,642	16,648	-	42,743	1,74,559	258	4,833	1,168	2,873	634	2,999	2,71,357
Additions	5,574	-	101	11,106	46,014	210	169	221	366	38	475	64,274
Disposals	-	-	(10)	-	(3,274)	(258)	-	-	(227)	(41)	(397)	(4,207)
Reclassified on account of adoption of Ind AS 116	-	(16,554)	-	-	-	-	-	-	-	-	-	(16,554)
Adjustment (Transfer to Investment property)*	(3,096)	-	-	-	-	-	-	-	-	-	-	(3,096)
Gross carrying amount as at 31 March 2020	**27,120**	**94**	**91**	**53,849**	**2,17,299**	**210**	**5,002**	**1,389**	**3,012**	**631**	**3,077**	**3,11,774**
Accumulated depreciation												
Opening accumulated depreciation	-	(554)	-	(4,589)	(43,551)	(24)	(1,941)	(566)	(1,611)	(266)	(1,372)	(54,474)
Depreciation charge for the year	-	-	(14)	(2,361)	(14,557)	(45)	(434)	(154)	(583)	(72)	(672)	(18,892)
On disposals	-	-	3	-	3,184	52	-	-	213	39	192	3,683
Reclassified on account of adoption of Ind AS 116	-	521	-	-	-	-	-	-	-	-	-	521
Exchange differences	-	-	-	-	(4)	-	-	-	7	-	-	3
Accumulated depreciation as at 31 March 2020	-	(33)	(11)	(6,950)	(54,928)	(17)	(2,375)	(720)	(1,974)	(299)	(1,852)	(69,159)
Net carrying amount as on 31 March 2020	**27,120**	**61**	**80**	**46,899**	**1,62,371**	**193**	**2,627**	**669**	**1,038**	**332**	**1,225**	**2,42,615**

* Freehold vacant land parcel located at Yerwada, Pune has been categorized as Investment property as per Ind AS 40, based on Management re-assessment of use of vacant land parcel as at 31 March 2020.
Refer Note 21 foot note for information on Property, plant and equipment provided as security by the Group.
Refer Note 34 for finance cost capitalized.
Refer Note 33 for salary cost capitalized.

Deepak Fertilisers & Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note 5 (a): Leases

A. Right of use assets

Particulars	Land and Building	Furniture & fixtures	Leasehold Land	Other Equipment	Total
Gross carrying amount					
Balance as at 1 April 2019	5,351	-	-	3,966	9,317
Add: Reclassification on account of adoption of Ind AS 116	-	-	16,033	-	16,033
Add: Additions during the year	-	302	168	-	470
Less: Disposals	-	-	(5,115)	-	(5,115)
Gross carrying amount as at 31 March 2020	5,351	302	11,086	3,966	20,705
Accumulated amortization					
Balance as at 1 April 2019	-	-	-	-	-
Amortization for the year	(952)	(32)	(176)	(565)	(1,725)
Accumulated depreciation as at 31 March 2020	(952)	(32)	(176)	(565)	(1,725)
Balance as at 31 March 2020	**4,399**	**270**	**10,910**	**3,401**	**18,980**

B. Lease liabilities

Particulars	31 March 2020
Current	1,944
Non Current	6,784
Total	**8,728**

C. Interest expenses on lease liabilities

Particulars	31 March 2020
Interest on lease liabilities	793

D. Expenses on short term leases / low value assets

Particulars	31 March 2020
Short term lease	2,731
Low value assets	-

E. Amounts recognised in the statement of cash

Particulars	31 March 2020
Total cash outflow for leases	1,900

F. Maturity analysis – contractual undiscounted cash flows

Particulars	31 March 2020
Less than one year	1,991
One to five years	8,440
More than five years	1,025
Total undiscounted lease liabilities at March 31, 2020	**11,455**

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.
The Group does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The incremental borrowing rate from 9.55% p.a. to 9.65% p.a. has been applied to lease liabilities recognised in the Balance Sheet.

Operating Leases
For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

B S R & Associates LLP 7th, 8th Floor, Business Plaza, Westin Hotel Campus 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi Pune-411001 India * Chartered Accountants *

Note 4: CAPITAL WORK-IN-PROGRESS

	31 March 2020	31 March 2019
Projects (Mainly comprising of building and plant and machinery)* #	1,27,196	1,30,371
Others	3,760	6,651
Total	**1,30,956**	**1,37,022**

* Includes salary cost of Rs. 533 Lakhs.
# Includes borrowing cost of Rs. 9,562 Lakhs (31st March 2019 Rs. 11,576 Lakhs)

Note 5: INVESTMENT PROPERTY

	31 March 2020	31 March 2019
Gross carrying amount		
Opening gross carrying amount	511	511
Reclassified from property, plant and equipment	3,096	-
Closing gross carrying amount	**3,607**	**511**
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Closing accumulated depreciation	-	-
Net carrying amount	**3,607**	**511**

(i) Fair value

	31 March 2020	31 March 2019
Investment property	9,484	1,154

a) Disclosures relating to fair valuation of investment property
Fair value of the above investment property is Rs. 9,484 Lakhs (31 March 2019: Rs. 1,154 Lakhs) based on external valuation.

Fair value Hierarchy
The fair values of investment properties have been determined by an external, independent property valuer, having appropriate recognised professional qualifications and relevant experience in the category of the land parcel being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The investment property constitute of land parcels at Panchagini, Khamgaon, Solapur, Nashik and vacant land at Yerwada, Pune.

Description of valuation technique used
The Group obtains independent valuations of its investment property after every three years as per requirement of Ind AS 40. The fair value of the investment property has been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length transaction or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

b) The Group has not earned any rental income on the above properties.

Note 5(b): GOODWILL ON CONSOLIDATION

	31 March 2020	31 March 2019
Opening balance	2,632	2,666
Goodwill on acquisition of Mahadhan Farm Technologies Private Limited	1,541	-
Adjustment for foreign exchange (Platinum blasting services pty limited)	(80)	(34)
Total	**4,093**	**2,632**

Note 6: OTHER INTANGIBLE ASSETS

	Computer Software	Technical Know How/Engineering fees	License Fees	Total
Cost as on 1 April 2018	727	332	1,317	2,376
Additions during the year	156	-	9	165
Gross carrying amount as on 31 March 2019	**883**	**332**	**1,326**	**2,541**
Additions during the year	1,480	-	316	**1,796**
Disposals/ Adjustments	(37)	(4)	-	**(41)**
Gross carrying amount as on 31 March 2020	**2,326**	**328**	**1,642**	**4,296**
Accumulated Amortisation				
Opening as on 1 April 2018	**174**	**96**	**784**	**1,054**
Amortisation charge for the year	107	32	484	**623**
Closing accumulated amortisation as at 31 March 2019	**281**	**128**	**1,268**	**1,677**
Amortisation charge for the year	602	34	100	**736**
Disposals	(4)	-	-	**(4)**
Closing accumulated amortisation as at 31 March 2020	**879**	**162**	**1,368**	**2,409**
Net Block as at 31 March 2019	**602**	**204**	**58**	**864**
Net Block as at 31 March 2020	**1,447**	**166**	**274**	**1,887**

Deepak Fertilisers and Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note 7: INVESTMENT IN EQUITY ACCOUNTED INVESTEES

	31 March 2020	31 March 2019
Investments in equity shares (unquoted) of Associates (fully paid up)		
49,994 (31 March 2019: 49,994) equity shares of Ishanya Realty Corporation Limited of Rs 10 each	5	5
74,995 (31 March 2019: 49,994) equity shares of Ishanya Brand Services Limited of Rs 10 each*	-	5
4,000 (31 March 2019: 4,000) equity shares of Mumbai Modern Terminal Market Complex Private Limited of Rs 10 each #	0	0
Total (equity instruments)	5	10

*with effect from 23rd March 2020 Ishanya Brand Services Limited is a subsidiary.
less than Rs. 50,000/-

Note 8 : INVESTMENTS

	31 March 2020	31 March 2019
Investments in equity shares of (quoted) (fully paid up)		
4,715 (31 March 2019: 4,715) Equity shares of Punjab National Bank Limited of Rs. 2/- each fully paid up	3	3
Investments in equity shares of (unquoted) (fully paid up)		
88,448 (31 March 2019: 88,448) equity shares of Deepak International Limited of AUD 1 each	69	69
Total	**72**	**72**
Aggregate amount of quoted investments and market value thereof	3	3
Aggregate amount of unquoted investments	69	69

Note 9 : INVESTMENT IN ASSOCIATE (HELD-FOR-SALE)

	31 March 2020	31 March 2019
Investment in equity shares (unquoted) of Associates (fully paid up) carried at lower of cost or net realisable value		
12,70,341 (31 March 2019: 50,81,363) equity shares of Desai Fruit and Vegetables Private Limited of Rs 10 each	149	614
Total	**149**	**614**

The Company has signed Share purchase agreement with Contract Farming India A.G.(CFI) on 6 April 2019 to sell shares at Rs. 74 per share for a total consideration of Rs. 3,760 Lakhs.
During the year, the Company has transferred 38,11,022 shares to Contract Farming India A.G. (CFI) at consideration of Rs.74 per share for total consideration of Rs. 2,820 Lakhs.

Note 10: CURRENT INVESTMENTS

	31 March 2020	31 March 2019
Quoted		
Investment in Government Securities (carried at fair value through OCI)	-	291
Unquoted		
Investment in mutual funds (carried at fair value through profit and loss)	1,011	24,253
Total	**1,011**	**24,544**

Note 11: TRADE RECEIVABLES

	31 March 2020	31 March 2019
Trade Receivables		
Unsecured, considered good	1,27,580	1,39,626
Unsecured, credit Impaired	2,310	1,509
Less: Impairment loss allowance	(2,310)	(1,509)
Total	**1,27,580**	**1,39,626**

Movement in allowance for expected credit loss:

	31 March 2020	31 March 2019
Balance at beginning of the year	1,509	1,344
Add: Allowance for expected credit loss	1,192	175
Less: Reversed / utilized during the year	(391)	(10)
Balance as at the end of the year	**2,310**	**1,509**

Trade receivables have been offered as security against the working capital facilities provided by the banks (Refer note 22).

Note 12: LOANS

	31 March 2020		31 March 2019	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Loan to employees	98	-	34	-
Other loans	20	-	95	45
Unsecured and considered doubtful				
Other loans	26	-	60	-
Less: Provision for doubtful loans	(26)	-	(60)	-
Total	**118**	-	**129**	**45**

B S R & Associates LLP Chartered Accountants

Deepak Fertilisers and Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note 13: CASH & CASH EQUIVALENTS

	31 March 2020	31 March 2019
Balances with banks		
- in current accounts	12,415	6,778
- in EEFC accounts	12	49
Deposits with original maturity upto three months	3,316	552
Cash on hand	14	12
Cheques in hand	-	1,483
Total	**15,757**	**8,874**

Note 14: OTHER BANK BALANCES

	31 March 2020	31 March 2019
Earmarked balances with banks		
Unclaimed dividend	767	800
Deposits with maturity upto 12 months from the reporting date	9,402	1,949
Total	**10,169**	**2,749**

Note 15: OTHER FINANCIAL ASSETS

	31 March 2020		31 March 2019	
	Current	Non Current	Current	Non Current
(i) Derivatives not designated as hedges				
Foreign-exchange forward contracts	29	-	-	
Foreign currency options	2,016	-	8	-
(ii) Others				
Interest receivable	406	-	766	-
Deposit with banks with maturity after 12 months from the reporting date	-	76	-	76
Security deposits	26	3,140	-	2,966
Amount paid under protest for claims from supplier*	-	1,507	-	-
Others	50	7	210	61
Total	**2,527**	**4,730**	**984**	**3,103**

* Included in supplier claim (Refer note 42)

Note 16: OTHER NON-CURRENT ASSETS

	31 March 2020	31 March 2019
Capital advances	7,202	31,876
Balance with government authorities	21,707	8,764
Prepaid Expenses	15	40
Total	**28,924**	**40,680**

Note 17: INVENTORIES

	31 March 2020	31 March 2019
Raw materials ((includes Rs.6,094 Lakhs in transit) (31 March 2019 Rs. 1,948 Lakhs))	22,861	25,895
Finished goods	21,650	29,842
Stock-in-trade ((includes Rs. Nil in transit) (31 March 2019 Rs. 1,741 Lakhs))	7,739	13,564
Stores and spares ((includes Rs.16 Lakhs in transit) (31 March 2019 Rs. 178 Lakhs))	14,224	11,595
Packing material	1,895	1,894
Total	**68,369**	**82,790**

Inventories have been offered as security against the working capital facilities provided by the banks (Refer note 22).

Note 18: OTHER CURRENT ASSETS

	31 March 2020	31 March 2019
Advances for supply of goods and services	1,696	4,159
Balances with government authorities	10,467	25,110
Prepaid expenses	2,582	2,041
Other receivables	128	1,876
Total	**14,873**	**33,186**

Note 19: SHARE CAPITAL

	31 March 2020	31 March 2019
Authorised		
13,50,50,000 equity shares of Rs. 10/- each. (31 March 2019: 13,50,50,000 equity shares of Rs 10/- each)	13,505	13,505
	13,505	**13,505**
Issued, subscribed and fully paid-up share capital		
8,92,84,425 equity shares of Rs. 10/- each. (31 March 2019: 8,82,04,943 equity shares of Rs 10/- each)	8,928	8,820
Fully paid-up share capital as at year end	**8,928**	**8,820**

S R B & Associates LLP
Chartered Accountants

(All amounts in ₹ Lakhs unless otherwise stated)

(i) Reconciliation of the number of Equity Shares

	31 March 2020		31 March 2019	
Equity Shares	**No of Shares**	**Amount**	**No of Shares**	**Amount**
Balance as at the beginning and at the end of the year	8,82,04,943	8,820	8,82,04,943	8,820
Add: Issued during the year (Refer note 20(c))	10,79,482	108	-	-
	8,92,84,425	**8,928**	**8,82,04,943**	**8,820**

Terms and rights attached to equity shares

The Company has only one class of equity shares having at par value of Rs. 10 per share. Holder of each equity share is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees except in the case of overseas shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

In the event of liquidation of the Company the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

(ii) Details of shareholders holding more than 5% shares in the company

	31 March 2020		31 March 2019	
	Number of shares	**% Holding**	**Number of shares**	**% Holding**
Nova Synthetic Limited	4,27,06,848	47.83%	4,27,06,848	48.42%

Note 20: OTHER EQUITY

(ii) Nature and purpose of other equity

(a) Securities premium: Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the 2013 Act.

(b) Capital redemption reserve: The Group had issued redeemable preference shares and as per the provisions of the Act where preference shares are redeemed out of divisible profits, an amount equal to the nominal value of shares so redeemed must be transferred to capital redemption reserve, out of divisible profits.

(c) Share Warrants : During the year, the Parent Company has issued 64,76,893 convertible warrants at an issue price of Rs. 308 per warrant each to a promoter group company. These warrants are convertible into equal number of fully paid equity shares of Rs. 10 each upon exercise of the option of conversion of warrants held by the holders within a period of 18 months from the date of allotment of warrants. Out of 64,76,893 warrants issued, 10,79,482 are converted in equity shares during the year.

(d) Equity portion of non-current borrowings (FCCB): During the year, the Holding Company has received tranche 1 subscription amount $15,000,000 during this financial year. Foreign Currency Convertible Bonds ("FCCBs") issued by the Holding Company to International Finance Corporations ("IFC") have been bifurcated into equity and liability components as per the principles of the Indian Accounting Standards.

(e) General reserve: This represents appropriation of profits by the Group to General Reserve and is available for distribution of dividend.

(f) Retained earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

After the reporting date, the following dividend (excluding dividend distribution tax) was proposed by the Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as a liability. Dividends would attract dividend distribution tax when declared or paid.

	31 March 2020	31 March 2019
Rs 3 per equity share (31 March 2019 : Rs 3 per equity share)	2,679	2,646

(f) Other comprehensive income : This represents equity instruments carried at fair value through OCI and remeasurement of employee benefits (gratuity & post retirement benefit).

(All amounts in ₹ Lakhs unless otherwise stated)

Note 21: NON-CURRENT BORROWINGS

	Terms of repayment	Coupon/ Interest rate	31 March 2020	31 March 2019
Secured - at amortized cost				
Term loans				
(i) State Bank of India (refer note 1)	Repayable in 28 quarterly instalments starting from Jun 2017 onwards.	10.25% per annum	25,405	32,111
(ii) Export Import Bank Of India (Loan 1) (refer note 1)		9.60% to 9.80% per annum	5,716	7,144
(iii) Export Import Bank Of India (Loan 2) (refer note 2)	Repayable in 28 quarterly instalments starting from Jun 2020 onwards.	9.55% to 9.75% per annum	28,662	28,767
(iv) Bank of Baroda (refer note 3)	Repayable in quarterly instalment starting from March 2023	10.27% per annum	66,735	74,733
(iv) Export Import Bank Of India (Loan 3) (refer note 3)	Repayable in quarterly instalment starting from March 2023	9.97% per annum	18,346	-
(v) Bank of Baroda (refer note 4)	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	9.05% to 9.40% per annum	19,350	18,122
(vi) Export Import Bank Of India (Loan 4) (refer note 4)	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	9.35% to 9.55% per annum	22,186	21,991
(vii) Bank of Baroda (refer note 5)	Repayable in quarterly instalments starting from October 2020 and end date of April 2022	9.85% per annum	9,904	-
(ix) Term Loan - State Bank of India, Sydney (refer note 6)	Repayable from calendar year 2018 to 2022	4.55% per annum	4,605	2,752
Unsecured				
(iv) Foreign currency convertible bonds - International Finance Corporation (IFC), USA (refer note 7)		5% simple interest per annum and 1.75% compound interest per annum	9,312	-
(iv) Compulsory convertible debentures - International Finance Corporation (IFC), USA (refer note 8)		8% interest per annum (IRR - 15.25%)	10,638	-
Total			**2,20,859**	**1,85,620**
Less: Current maturities of long-term debt (included in note 23)			12,434	8,528
Total			**2,08,425**	**1,77,092**

1) The term loans from State Bank of India and Export Import Bank of India (Loan 1) have been availed for financing NPK project. The term loans are secured by pari passu first charge to be created on the entire property, plant and equipment pertaining to Nitro phosphate plant (NPK project), being all present and future immovable and movable property, plant and equipment pertaining to NPK project from Plot K1 to Plot K5., MIDC Industrial Area, Taloja, Dist. Raigad.

2) The term loan from Export Import Bank of India (Loan 2) is secured by hypothecation of movable property, plant and equipment i.e Plant and machinery located at Plot no 7 Haryana Industrial development corporation Panipat and original title deeds of Panipat land given to Export Import Bank of India. Further term loan is secured by pari passu charge to be created on the property, plant and equipment located at Plot K7, K8 MIDC Taloja.

3) The term loan from Bank of Baroda and Export Import Bank of India (Loan 3) has been availed for financing of Ammonia Project at Taloja. The term loan is secured by - first charge by way of hypothecation in favour of lenders' of all borrowers movable assets, immovable properties, and all the intangible assets in relation to the project, both present and future.

4) The term loans from Bank of Baroda (Dahej) and Export Import Bank of India (Dahej) have been availed for financing of Nitric Acid project at Dahej. The term loans are secured by pari passu charge on the land & building and hypothecation of all the present & future immovable property, plant and equipment and intangible assets pertaining to Nitric Acid project at Dahej.

5) The term loan has been availed to shore up the net working capital of the Group. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, M/s Yerrowda Investments Limited (YIL). Corporate Guarantee of M/s Yerrowda Investments Limited (YIL) to the extent of the value of Immovable property is offered to Bank of Baroda.

6) The term loan availed from State Bank of India, Sydney is secured by pari passu first charge on the movable and immovable property, plant and equipment of the subsidiary, second charge on current assets of subsidiary. This loan is in foreign currency.

B S R & Associates LLP Chartered Accountants 7th, 8th Floor, Business Plaza, Westin Hotel Campus 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi Pune 411001 India

7) The FCCB's will be pari-passu with the senior unsecured creditors of the Holding Company. The Holding Company has received tranche 1 subscription amount $15,000,000 during this financial year. Foreign Currency Convertible Bonds ("FCCBs") issued by the Holding Company to International Finance Corporations ("IFC") have been bifurcated into equity and liability components as per the principles of the Indian Accounting Standards. The financial liability component has been measured at amortized cost in the financial statements as per Ind AS 109, Financial Instruments. The FCCBs are convertible into equity shares of the Holding Company at a predetermined price of INR 250 per share at the option of IFC and carry several rights and obligations including adherence to specific financial covenants. The shares issued upon conversion of the FCCB's will rank paripassu in all respects with the existing shares of the Holding Company. In the event of non-conversion till the end of the stipulated period, the amount raised through the issue of FCCBs is repayable in full to IFC. The FCCBs carry a coupon rate of 5% simple interest p.a., payable semi annually and 1.75% compound interest p.a., payable on redemption.

8) The Subsidiary Company (Smartchem technologies limited) has received tranche 1 subscription amount of INR 1,050,000,000 during this financial year. Compulsory Convertible Debentures ("CCD's") issued by the Subsidiary Company to International Finance Corporations ("IFC") have been shown as liability as per the principles of the Indian Accounting Standards. The financial liability component has been measured at amortized cost in the financial statements as per Ind AS 109, Financial Instruments. IFC have the right to voluntary convert the CCD's, Also, the IFC CCDs shall compulsorily convert into common equity shares at the end of 10 years from the date of investment, IFC shall be entitled to receive such number of common equity shares as per conversion formula, the fair value of which will provide IFC with an IRR of [15] % on its investment, the IFC investment carry several rights and obligations including adherence to specific financial covenants. The shares issued upon conversion of the CCD's will rank paripassu in all respects with the existing shares of the Subsidiary Company.The CCD's carry a coupon rate of 8% simple interest p.a., payable semi annually and XIRR of 15.25%.

B S R & Associates LLP
Chartered Accountants

Deepak Fertilisers and Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note 22: CURRENT BORROWINGS

	31 March 2020	31 March 2019
Loans repayable on demand - at amortized cost		
Secured		
-Buyer's credit	-	1,609
-Short term loan	70,255	1,10,816
-Cash credit facilities	1,410	4,793
-Bill discounting	-	373
Unsecured		
-From related parties	265	-
Total	**71,930**	**1,17,591**

RECONCILIATION OF BORROWINGS

	31 March 2020	31 March 2019
Non-current borrowings	2,20,859	1,85,620
Current borrowings	71,930	1,17,591
	2,92,789	**3,03,211**
Equity portion of non-current borrowings	(1,286)	-
Deferred tax on equity portion of non-current borrowings	(432)	-
Unrealized forex Loss	481	-
Interest accrued on Compulsory convertible debentures	138	-
Proceeds from borrowings	3,59,253	1,56,968
Repayment of borrowings	(3,68,576)	(2,06,966)
Movement of borrowings (net)	**(10,422)**	**(49,998)**

i) Buyer's credits are generally due within 180 days and carry variable rate of interest (Average Interest rate for the year was NIL (31 March 2019 - 3.46 %) and are secured by a first charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.

ii) Short term loan from bank is repayable on demand, carries average interest rate of 9.19 % (31 March 2019 - 8.93%) and is secured by a first charge by way of hypothecation of stock of raw materials, finished goods and consumable stores and book debts.

iii) Cash credit is repayable on demand and carries variable rate of interest. Average interest rate for the year is 9.50 % (31 March 2019 - 8.89%). Cash credit facilities sanctioned by banks including working capital demand loans are secured by a first charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.

iv) Debtors bill discounting is availed at interest rates ranging between NIL (31 March 2019 - 8.50% to 14.00%) and is secured by hypothecation of debtors and stocks.

v) Commercial paper borrowings carries variable interest rate. Average rate for the year is NIL (31 March 2019 - 7.94%).

vi) Unsecured loan is availed from related party Deepak Agro Solutions Ltd and is repayable on demand.

Note 23: OTHER FINANCIAL LIABILITIES

	31 March 2020	31 March 2019
Non-current		
Derivative not designated as hedge	170	-
Total	**170**	**-**
Current		
Current maturities of non-current borrowings	12,434	8,528
Interest accrued	2,004	879
Security deposits	5,872	5,308
Capital creditors	8,141	17,506
Due to related parties	19	-
Derivative not designated as hedge	-	-
Foreign-exchange forward contracts payables(net)	22	1,356
Salary payables	3,978	2,183
Others	1,252	226
Total	**33,722**	**35,986**

Note 24: PROVISIONS

	31 March 2020		31 March 2019	
	Current	Non - Current	Current	Non - Current
Provision for employee benefits				
Gratuity	1,017	3,200	858	2,219
Compensated absences	986	2,028	760	1,869
Defined pension benefits	242	32	138	89
Total (A)	**2,245**	**5,260**	**1,756**	**4,177**
Provision for tax contingencies (refer note below)	5,176	-	5,176	-
Provision for site restoration (refer note below)	-	427	-	454
Total (B)	**5,176**	**427**	**5,176**	**454**
Total (A+B)	**7,421**	**5,687**	**6,932**	**4,631**

Movement in Provisions for tax contingencies	
As at 1 April 2018	5,854
Additional provisions recognised	-
Excess amounts reversed	(678)
As at 1 April 2019	**5,176**
Additional provisions recognised	-
Excess amounts reversed	-
As at 31 March 2020	**5,176**

The provision is mainly on account of entry tax and MVAT applicable on purchase of natural gas.

Movement in provision for site restoration	
As at 1 April 2018	**373**
Additional provisions recognised	81
As at 1 April 2019	**454**
Additional provisions recognised	41
Unused amounts reversed	(68)
As at 31 March 2020	**427**

The site restoration expense and decommissioning charges outflow is expected to be within a period of one to five years from date of balance sheet.

Deepak Fertilisers and Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)
(A) Defined Contribution Plans

The Group has certain defined contribution plans such as provident fund, employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Group has contributed following amounts to:

Particulars	31 March 2020	31 March 2019
Employer's contribution to provident fund	773	690
Employer's contribution to employee's pension scheme	233	235
Employer's contribution to superannuation fund	1,057	554
Employer's contribution to employee state insurance	8	13

(B) Defined Benefit Plans
i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 6.40% p.a. (31 March 2019: 7.50% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2019: 60 years) and mortality table is as per IALM (2012-14) (31 March 2019: IALM (2012-14)).

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (31 March 2019: 6% p.a.), taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets are maintained with Life Insurance Corporation of India and India First Life Insurance in respect of gratuity scheme of the Group. The details of investment maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 7.50% p.a. (31 March 2019: 7.50% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2020	31 March 2019
Present value of obligation at the beginning of the year	7,309	6,399
Current service cost	528	515
Interest cost	521	449
Actuarial loss	1,154	612
Benefits paid	(716)	(666)
Present value of obligation at the end of the year	8,796	7,309

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	31 March 2020	31 March 2019
Present value of obligation at the end of the year	8,796	7,309
Fair value of plan assets at the end of the year	4,579	4,232
Net liabilities recognised in the balance sheet	4,217	3,077

Fair value of Plan assets :

Particulars	31 March 2020	31 March 2019
Plan assets at the beginning of the year	4,232	3,820
Interest income	33	-
Expected return on plan assets	274	229
Contribution by employer	669	684
Actual benefits paid	(685)	(501)
Actuarial gain	56	-
Plan assets at the end of the year	4,579	4,232

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2020	31 March 2019
Current service cost	528	515
Interest cost	489	449
Expense recognised in the Statement of Profit and Loss	1,017	964

Amount recognised in the other comprehensive income:

Particulars	31 March 2020	31 March 2019
Actuarial loss on defined benefit obligation	1,154	612
Actuarial (gain)/loss on plan assets	(47)	62
Amount recognised in the Other Comprehensive Income	1,107	674

Remeasurements for the year (Actuarial (Gain) / Loss)

Particulars	31 March 2020	31 March 2019
Experience Loss on plan liabilities	231	167
Demographic Loss on plan liabilities	74	195
Financial Loss on plan liabilities	848	252
Experience (Gain) / Loss on plan assets	(47)	62

Categories of the fair value of total plan assets:

Particulars	31 March 2020	31 March 2019
Funds managed by insurer	4,579	4,232

S R B C & Associates LLP Chartered Accountants Pune

(All amounts in ₹ Lakhs unless otherwise stated)

Sensitivity analysis :

Particulars	31 March 2020		31 March 2020	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation (decrease)/increase	(343)	372	283	(266)

Particulars	31 March 2019		31 March 2019	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(308)	334	268	(252)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Maturity profile of defined benefit obligation (Gratuity) is as follows:

Particulars	31 March 2020	31 March 2019
Within the next 12 months (next annual reporting period)	2,539	1,459
Later than 1 year and not later than 5 years	5,155	4,943
Later than 5 year and not later than 9 years	5,349	5,047
Total expected payments	**13,043**	**11,449**

ii. Defined pension benefits

The Group has a Post Retirement Benefit plan, which is a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel expenses, telephone reimbursement, club membership etc. for specified number of years. The liability is provided for on the basis of an independent actuarial valuation.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 6.40% p.a (31 March 2019: 7.50% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2019: 60 years) and mortality table is as per IALM (2012-14) (31 March 2019: IALM (2012-14)).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2020	31 March 2019
Present value of obligation at the beginning of the year	228	288
Current service cost	57	90
Interest cost	15	21
Actuarial loss	13	(154)
Benefits paid	(39)	(17)
Present value of obligation at the end of the year	274	228

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2020	31 March 2019
Current service cost	57	90
Interest cost	15	21
Expense recognised in the Statement of Profit and Loss	72	111

Amount recognised in the other comprehensive income:

Particulars	31 March 2020	31 March 2019
Remeasurements Cost / (Credit)	14	(154)
Amount recognised in the Other Comprehensive Income	14	(154)

Sensitivity analysis :

Particulars	31 March 2020		31 March 2019	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(58)	79	(48)	65

Note 25: TRADE PAYABLES

	31 March 2020	31 March 2019
Trade payables		
(a) total outstanding dues of micro and small enterprises	762	307
(b) total outstanding dues of creditors other than micro and small enterprises	1,28,687	1,48,092
Total	**1,29,449**	**1,48,399**

B S R & Associates LLP * Chartered Accountants *

The amount of principal and interest outstanding during the year of micro and small enterprise is given below :

	31 March 2020	31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount outstanding (whether due or not) to micro and small enterprises	762	307
- Interest due thereon	7	4
The amount of interest paid by the Group in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	2,441	1,843
Amount of interest due and payable on delayed payments	53	38
Amount of interest accrued and remaining unpaid as at year end	98	38
The amount of further interest remaining due and payable even in the succeeding year	-	-

Details of Micro and Small Enterprises as define under MSMED ACT, 2006

To comply with the requirement of The Micro, Small And Medium Enterprises Development Act, 2006, the Group requested its suppliers to confirm whether they are covered as Micro, Small or Medium enterprise as is defined in the said Act. Based on the communications received from such suppliers confirming their coverage as such enterprise, the Group has recognised them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations.

Note 26: DEFERRED TAX ASSETS (NET)

The balance comprises temporary differences attributable to:	31 March 2020	31 March 2019
(a) Deferred tax assets	(58,954)	(59,103)
(b) Deferred tax liabilities	54,365	51,750
Net deferred tax assets	**(4,589)**	**(7,353)**

Movements during the year ended 31 March 2020:

	1 April 2019	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2020
Property, plant and equipment, investment property and intangibles assets	51,750	2,615	-	54,365
Financial assets at fair value through profit or loss	(308)	(26)	(334)	(668)
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(2,221)	(79)	-	(2,300)
MAT credit	(4,979)	1,553	-	(3,426)
Unabsorbed depreciation loss	(30,505)	(2,249)	-	(32,754)
Deferred tax on consolidation adjustment	(20,728)	1,644	-	(19,084)
Others	(362)	(360)	-	(722)
Net deferred tax assets	**(7,353)**	**3,098**	**(334)**	**(4,589)**

Movements during the year ended 31 March 2019:

	1 April 2018	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2019
Property, plant and equipment, investment property and intangibles assets	47,717	4,033	-	51,750
Financial assets at fair value through profit or loss	(100)	(8)	(200)	(308)
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(2,711)	490	-	(2,221)
MAT credit	(4,392)	(587)	-	(4,979)
Unabsorbed depreciation loss	(26,936)	(3,569)	-	(30,505)
Deferred tax on consolidation adjustment	(22,650)	1,922	-	(20,728)
Others	(362)	-	-	(362)
Net deferred tax assets	**(9,434)**	**2,281**	(200)	(7,353)

Note 27: OTHER CURRENT LIABILITIES

	31 March 2020	31 March 2019
Advances from customers	1,582	821
Unclaimed dividend (#)	767	800
Statutory dues payable	2,113	4,413
Other payables	14	262
Total	**4,476**	**6,296**

(#) Rs.90 Lakhs (31 March 2019 Rs. 71 Lakhs) transferred to the Investor Education and Protection Fund during the year. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for Rs. 0.37 Lakhs (31 March 2019 Rs. 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

B S R & Associates LLP * Chartered Accountants *

(All amounts in ₹ Lakhs unless otherwise stated)

Note 28: REVENUE FROM OPERATIONS

	31 March 2020	31 March 2019
Sale of products		
- Finished goods	3,84,753	4,07,552
- Traded goods	81,387	2,64,201
Power generated from windmills	745	818
Revenue from realty operation	1,396	971
Other operating revenues	257	664
Total	**4,68,538**	**6,74,206**

Contracts with customers

Particulars	31 March 2020	31 March 2019
Revenue recognised from contracts with customers	4,68,538	6,74,206
Disaggregation of revenue		
Based on type of goods		
Sale of finished goods -		
(i) Sale of chemicals	2,26,200	2,54,647
(ii) Sale of fertilisers	1,58,553	1,52,905
Sale of traded goods -		
(i) Industrial Chemicals	48,155	1,88,642
(ii) Fertilisers	32,467	74,375
(iii) Value added real estate (VARE) - Sale of furniture	765	1,184
- Revenue from power generated from windmills	745	818
- Income from realty operation	1,396	971
- Other operating revenues	257	664
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers as at 31 March 2019	2,310	1,509

Details of contract balances:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance of receivables	1,39,626	1,96,537
Closing balance of receivables	1,27,580	1,39,626

Significant changes in the contract liability balances during the year ended are as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Contract liabilities at the beginning of the year	821	2,896
Revenue recognised that was included in the contract liability balance at the beginning of the year	821	2,896
Increase due to cash received, excluding amounts recognised as revenue during the year	1,582	821
Contract liabilities at the end of the year	1,582	821

There is no significant change in the contract asset and contract liabilities.

Performance obligations

The Group satisfies its performance obligations pertaining to the sale of products at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to shortages and discounts during the mode of transportation and do not contain any financing component. The payment is generally due within 30-90 days.
The Group is obliged for refunds due to shortages and discounts. There are no other significant obligations attached in the contract with customer.

Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Group has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Group do not have any performance obligations that has an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

B S R & Associates LLP * Chartered Accountants *

Determining the timing of satisfaction of performance obligations

There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Group (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages and discounts which is adjusted with revenue.

Reconciliation of contract price with revenue recognised in statement of profit and loss:

Particulars	**31 March 2020**	**31 March 2019**
Contract price	4,97,709	7,00,259
Less:		
Amount recognised as Discounts / shortages	29,171	26,053
Revenue recognised in statement of profit and loss	**4,68,538**	**6,74,206**

Cost to obtain contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

Note 29: OTHER INCOME

	31 March 2020	**31 March 2019**
Dividend income from Mutual Fund	-	122
Interest income	1,048	970
Fair value gain on financial assets mandatorily measured at fair value through profit or loss	-	145
Net gain on sale of investments #	2,907	2,121
Gain on on disposal of property, plant and equipment #	3,566	-
Other non-operating income	2,024	2,072
Total	**9,545**	**5,430**

Other income includes profit on sale of plot of industrial leasehold land at Dahej, Gujarat as part of the strategy to divest non-core assets amounting to Rs. 3,544 lakhs and profit on sale of investment in an associate amounting to Rs. 2,372 lakhs.

Note 30: COST OF MATERIALS CONSUMED

	31 March 2020	**31 March 2019**
Raw materials as at the beginning of the year	25,895	25,895
Add: Purchases during the year	2,58,436	2,83,536
Less: Raw material as at the end of the year	22,861	25,895
Total	2,61,470	2,83,536

Note 31: PURCHASE OF STOCK-IN-TRADE

	31 March 2020	**31 March 2019**
Purchases of stock-in- trade	55,471	2,51,930
Total	55,471	2,51,930

Note 32: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

	31 March 2020	**31 March 2019**
Opening balance		
Finished goods	29,842	16,356
Stock-in-trade	13,564	20,647
Total opening balance	**43,406**	**37,003**
Closing balance		
Finished goods	21,650	29,842
Stock-in-trade	7,739	13,564
Total closing balance	**29,389**	**43,406**
(Increase)/ decrease in excise duty on stock of finished goods	14,017	(6,403)
Cost of Trial Run	-	-
Total changes in inventories of stock-in-trade and finished goods	**14,017**	**(6,403)**

B S R & Associates LLP * Chartered Accountants *

Deepak Fertilisers and Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note 33: EMPLOYEE BENEFITS EXPENSES

	31 March 2020	31 March 2019
Salaries, wages and bonus * #	26,473	24,151
Contribution to provident fund & other funds	3,092	2,476
Staff welfare expenses	1,052	1,139
Total	**30,617**	**27,766**

(#) Salary of Rs. 163 Lakhs (31 March 2019: Rs. Nil) capitalised in property, plant and equipment during the year.

Note 34: FINANCE COSTS

	31 March 2020	31 March 2019
Interest and finance charges * #	33,967	34,509
Less: Interest capitalised	(9,674)	(11,576)
Total	**24,293**	**22,933**

(*) Includes exchange differences to the extent considered as an adjustment to borrowing cost Rs. Nil (31 March 2019 Rs 792 Lakhs).

Note 35: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2020	31 March 2019
Depreciation on property, plant and equipment	18,891	16,523
Amortisation on right of use asset	1,725	-
Amortisation on intangible assets	737	623
Total	**21,353**	**17,146**

S R B C & CO LLP Chartered Accountants

Deepak Fertilisers and Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note 36: OTHER EXPENSES (NET)

	31 March 2020	31 March 2019
Consumption of stores and spares	7,274	6,340
Power, fuel and water*	6,188	5,805
Repairs to :		
- Building	670	937
- Plant and machinery	5,960	6,608
- Others	1,309	1,037
Rent	1,922	2,500
Insurance	1,748	1,097
Rates, taxes and duties #	1,658	1,139
Travelling and conveyance	1,128	1,194
Legal and professional fees	3,390	6,444
Payments to auditors (note 37(a) below)	81	82
Directors' sitting fees	69	87
Carriage outward (net)	16,736	24,807
Loss on disposal of property, plant and equipment	50	70
Commission on sales	381	537
Sales and promotion expenses	1,386	1,656
Donations	-	250
Utility services	1,294	1,076
Communication expenses	307	285
Corporate social responsibility expenditure (note 37(b) below)	67	103
Foreign exchange fluctuations loss (net)	4,270	2,628
Miscellaneous expenses @	4,649	6,762
Total	**60,537**	**71,444**

* net of reversal of MSEB electricity duty provision of Rs. 2,552 Lakhs (31 March 2019 : 2,061 Lakhs)
# net of reversal of provision of local body tax Rs.949 Lakhs (net of reversal of provision for penalty on entry tax 31 March 2019 : 1,063 Lakhs)
@ Miscellaneous expenses include Rs. 575 Lakhs of Provision for capital work in progress.

Note 37(a): DETAILS OF PAYMENTS TO AUDITORS

	31 March 2020	31 March 2019
Payment to auditors		
As auditor:		
Audit fee	59	61
Tax audit fee	6	3
Certification fees in the capacity of statutory auditors	11	10
In other capacities		
Taxation matters	1	1
Re-imbursement of expenses	4	7
Total	**81**	**82**

Note 37(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	31 March 2020	31 March 2019
Contributions to Ishanya Foundation	40	61
Others	27	42
Total	**67**	**103**
Amount required to be spent as per Section 135 of the Act	289	388
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	67	103

S R B C & Associates LLP Chartered Accountants

(All amounts in ₹ Lakhs unless otherwise stated)

Note 38: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	31 March 2020			31 March 2019		
	Fair value through P&L	**Fair value through OCI**	**Amortised cost**	**Fair value through P&L**	**Fair value through OCI**	**Amortised cost**
Financial assets						
Investments						
- Investments in equity shares	3	69	-	3	69	-
- Mutual funds	1,011	-	-	24,253	-	-
- Debt and Government securities	-	-	-	-	291	-
Trade receivables	-	-	1,27,580	-	-	1,39,626
Cash and cash equivalents	-	-	15,757	-	-	8,874
Other bank balances	-	-	10,169	-	-	2,749
Loans	-	-	118	-	-	174
Other financial assets						
- Derivative financial assets, not designated as hedges	2,045	-	-	8	-	-
- Security deposits	-	-	3,166	-	-	2,966
- Interest receivable	-	-	406	-	-	766
- Others	-	-	1,641	-	-	347
Total financial assets	**3,059**	**69**	**1,58,837**	**24,264**	**360**	**1,55,502**
Financial liabilities						
Borrowings	-	-	2,92,789		-	3,03,211
Lease Liabilities	-	-	8,728			
Trade payables	-	-	1,29,449	-	-	1,48,399
Other financial liabilities						
- Derivative financial liabilities, not designated as hedges	22	-	-	1,356	-	-
- Capital creditors	-	-	8,141	-	-	17,506
- Security deposits	-	-	5,872	-	-	5,308
- Interest accrued	-	-	2,004	-	-	879
- Derivative not designated as hedge	908	-	-	-	-	-
- Others	-	-	4,511	-	-	2,409
Total financial liabilities	**930**	**-**	**4,51,494**	**1,356**	**-**	**4,77,712**

(ii) Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

The different levels have been defined as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial assets and liabilities measured at fair value	31 March 2020				31 March 2019			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Investments at FVPL								
Equity instruments	3	-	69	72	3	-	69	72
Mutual funds	1,011	-	-	1,011	24,253	-	-	24,253
Financial Investments at FVOCI								
Debts & Government Securities	-	-	-	-	291	-	-	291
Derivatives not designated as hedges								
Foreign exchange forward contracts/options	-	2,045	-	2,045	-	8	-	8
Total financial assets	**1,014**	**2,045**	**69**	**3,128**	**24,547**	**8**	**69**	**24,624**
Financial liabilities								
Derivatives								
Foreign exchange forward contracts/option contracts	-	22	-	22	-	1,356	-	1,356
Embedded derivative	-	908	-	908	-	-	-	-
Total financial liabilities	**-**	**930**	**-**	**930**	**-**	**1,356**	**-**	**1,356**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2020 and 31 March 2019

(iii) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

a) The Group assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The investments measured at fair value and falling under fair value hierarchy Level 3 are valued on basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair values within that ranges.

c) The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date, NAV represents the price at which the issuers will issue further units of mutual fund and the price at which issuers will redeem such units from investors.

d) The Group enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instrument is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.

Note 39: FINANCIAL RISK MANAGEMENT

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group, through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risk are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

The Group has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk.

i. Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans, investments and balances with banks.
The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables and other financial assets

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.
In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.
There is no substantial concentration of credit risk as the revenue and trade receivables from any of the single customer do not exceed 10% of Group revenue.

Expected credit loss for trade receivables:

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), Rs.1,009 Lakhs (31 March 2019: Rs.4,770 Lakhs). There is no concentration of credit risk in trade receivables either at 31 March 2020 or 31 March 2019.

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2020	31 March 2019
Balance at the beginning of the year	1,509	1,334
Add: Provided during the year (net of reversal)	1,192	175
Less: Amount written off	(391)	-
Balance at the end of the year	2,310	1,509

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, Group believes these to be high quality assets with negligible credit risk. The Group believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly there are no significant provisions for expected credit loss on these balance financial assets.

(All amounts in ₹ Lakhs unless otherwise stated)

ii. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

31 March 2020	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	2,92,789	87,422	1,19,270	86,097	2,92,789
Lease Liabilities	8,728	1,944	6,784	-	8,728
Trade payables	72,101	72,101	-	-	72,101
Interest accrued	1,883	1,883	-	-	1,883
Security deposits	5,872	5,872	-	-	5,872
Embedded derivative	360	190	170	-	360
Capital creditors	5,266	5,266	-	-	5,266
Foreign exchange forward contracts	22	22	-	-	22
Other financial liabilities	5,059	5,059	-	-	5,059
Total non-derivative liabilities	**3,92,080**	**1,79,759**	**1,26,224**	**86,097**	**3,92,080**
Derivatives financial liabilities					
Interest accrued	121	121	-	-	121
Capital creditors	2,875	2,875	-	-	2,875
Trade payables	57,348	57,348	-	-	57,348
Total derivative liabilities	**60,344**	**60,344**	**-**	**-**	**60,344**

31 March 2019	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	3,01,602	1,22,561	58,941	1,20,100	3,01,602
Trade payables	87,633	87,633	-	-	87,633
Other financial liabilities	26,102	26,102	-	-	26,102
Total non-derivative liabilities	**4,15,337**	**2,36,296**	**58,941**	**1,20,100**	**4,15,337**
Derivatives financial liabilities					
Foreign exchange contract used for hedging					
- Borrowings	1,356	1,356	-	-	1,356
- Trade payables	1,609	1,609	-	-	1,609
	60,766	60,766	-	-	60,766
Total derivative liabilities	**63,731**	**63,731**	**-**	**-**	**63,731**

Deepak Fertilisers And Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Group. The currencies in which the Group is exposed to risk are USD, AED and EUR.

The Group follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contracts.

Exposure to currency risk

(i) The Group's exposure to foreign currency risk at the end of the reporting period is presented in Note no 43.

FOREIGN CURRENCY BALANCES OUTSTANDING

	AED in Lakhs	USD in Lakhs	EUR in Lakhs
Assets			
Exports Receivable			
31 March 2020	-	12	-
31 March 2019	-	17	-
Liabilities			
Trade Payable			
31 March 2020	-	984	1
31 March 2019	270	985	6
Net (payable)/receivable in Foreign Currency Lakhs			
31 March 2020	**-**	**(973)**	**(1)**
31 March 2019	**(270)**	**(968)**	**(6)**

(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.

	Impact on profit after tax	
	31 March 2020	31 March 2019
USD sensitivity		
Rs/USD -appreciated by 1% (31 March 2019-1%)	736	669
Rs/USD -depreciated by 1% (31 March 2019-1%)	(736)	(669)
AED sensitivity		
Rs/AED -appreciated by 1% (31 March 2019-1%)	-	51
Rs/AED -depreciated by 1% (31 March 2019-1%)	-	(51)
EUR sensitivity		
Rs/EUR-appreciated by 1% (31 March 2019-1%)	1	5
Rs/EUR-appreciated by 1% (31 March 2019-1%)	(1)	(5)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The following table provides a break-up of the Group's fixed and floating rate borrowings:

	31 March 2020	31 March 2019
Variable rate borrowings	1,25,158	1,15,296
Fixed rate borrowings	1,67,631	1,87,915
Total borrowings	**2,92,789**	**3,03,211**

The Company has not obtained Interest Rate Swaps (IRS) for variable rate borrowings.

(ii) Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended 31 March 2020 would decrease / increase by Rs. 626 Lakhs (for the year ended 31 March 2019: decrease / increase by Rs. 576 Lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Note 40 : Capital Management

(a) Risk Management

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

The gearing ratios were as follows:

	31 March 2020	31 March 2019
Net debt	2,66,863	2,91,588
Total equity	2,22,391	2,14,162
Net debt to equity ratio	**1.20**	**1.36**

(b) Dividends

Particulars	31 March 2020	31 March 2019
(i) Equity shares		
Final dividend for the year ended 31 March 2019 of Rs.3 per fully paid equity share (31 March 2018 of Rs. 6 per fully paid equity share)	2,646	5,292
(ii) Dividend not recognised at the end of the reporting period	**2,646**	**5,292**
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs.3 per fully paid equity share (31 March 2019 : Rs.3 per fully paid equity share). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	2,679	2,646

Note 41 (a) : Names Of The Related Parties And Relationships

A Significant influence over the entity

1 Nova Synthetic Limited

B Entity with joint control

1 Yerrowda Investments Limited

C Associates

1 Ishanya Brand Services Limited (for the period upto 22nd March 2020)
2 Ishanya Realty Corporation Limited
3 Mumbai Modern Terminal Complex Private Limited
4 Desai Fruits Venture Private Limited (formerly known as Desai Fruits and Vegetables Private Limited) (for the period upto 18th July 2019)

D Key management personnel

(a) **Executive directors**
Mr. Sailesh Mehta
Mr. Yeshil Mehta

(b) **Non-executive directors**
Ms. Parul Mehta
Mr. Madhumilan Shinde
Dr. Tapan Chatterjee
Mr. Ashok Shah
Mr. Rahgunath Kelkar
Mr. Amitabh Bhargava
Mr. K Subharaman

(c) **Non-executive Independent directors**
Mr. Berjis Desai
Mr. Ashok Purwaha
Mr. Mahesh Chhabria
Mr. Pranay Vakil
Mr. Anil Singhvi (upto 19th April 2019)
Mr. Alok Perti (from 22nd April 2019)
Dr. Amit Biswas (from 22nd April 2019)
Mr. Partha Bhattacharyya
Mr. Bhuwan Tripathi (from13th Feb 2020)
Mr. Sewak Wadhwa
Mr. Urmilkumar Jhaveri
Mr. R. Sriraman

(d) **Company Secretary**
Mr K Subharaman
Mr. Pankaj Gupta

(e) **Chief Finance Officer**
Mr. Amitabh Bhargava

(f) **Relatives of key management personnel**
Ms. Rajvee Mehta

The above list includes the Companies with whom the Company has entered into the transactions during the year.

E Other related parties

1 Ishanya Foundation
2 Robust Marketing Services Private Limited
3 Mahadhan Farm Technologies Private Limited (subsidiary with effect from 1 October 2019)
4 Deepak Nitrite Limited
5 Deepak Phenolics Limited
6 Deepak Agro Solution Ltd

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note : 41(b) Consolidated Related Party transactions

Sr. No.	Nature of Transactions	31 March 2020									
		Entity with joint control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total	Entity with joint control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total
1	**Sale of goods**										
	Mahadhan Farm Technologies Private Limited*	-	-	-	548	548	-	-	-	1,303	1,303
	Deepak Nitrite Limited	-	-	-	7,105	7,105	-	-	-	8,970	8,970
	Deepak Phenolics Limited	-	-	-	21	21	-	-	-	-	-
2	**Rendering of services/reimbursement of expenses**										
	Ishanya Foundation	-	-	-	4	4	-	-	-	4	4
3	**Purchase of goods and services**										
	Mahadhan Farm Technologies Limited*	-	-	-	(1,017)	(1,017)	-	-	-	(1,902)	(1,902)
4	**Interest expense on loan taken**										
	Deepak Agro Solution Ltd	-	-	-	(14)	(14)	-	-	-	-	-
5	**Receiving of services/reimbursement of expenses**										
	Yerrowda Investments Limited	(86)	-	-	-	(86)	(31)	-	-	-	(31)
	Crawford Bailey & Co	-	-	-	-	-	-	-	-	(9)	(9)
	Mr. M P Shinde	-	(15)	-	-	(15)	-	(18)	-	-	(18)
	Ishanya Foundation	-	-	-	(1)	(1)	-	-	-	(1)	(1)
6	**Asset Sale**										
	Deepak Nitrite Limited	-	-	-	9,925	9,925	-	-	-	-	-
7	**Donation given**										
	Ishanya Foundation	-	-	-	(40)	(40)	-	-	-	(41)	(41)
8	**Remuneration (including perquisites)****										
	Mr Sailesh Mehta	-	(415)	-	-	(415)	-	(398)	-	-	(398)
	Mr.Yeshil Mehta	-	(102)	-	-	(102)	-	(81)	-	-	(81)
	Mr. Amitabh Bhargava	-	(316)	-	-	(316)	-	(189)	-	-	(189)
	Mr. Debashish Banerjee	-	-	-	-	-	-	(3)	-	-	(3)
	Mr. K Subharaman	-	(71)	-	-	(71)	-	(70)	-	-	(70)
	Mr. Mandar Velankar	-	-	-	-	-	-	(3)	-	-	(3)
	Mr. Pankaj Gupta	-	(44)	-	-	(44)	-	(40)	-	-	(40)
	Ms. Rajvee Sailesh Mehta	-	-	(26)	-	(26)	-	-	(14)	-	(14)
9	**Lease rental expenses**										
	Deepak Nitrite Ltd.	-	-	-	(7)	(7)	-	-	-	-	-
	Robust Marketing Services Private Limited	-	-	-	(76)	(76)	-	-	-	(66)	(66)
10	**Deposits for Renting of Premises**										
	Mr Sailesh Chimanlal Mehta	-	-	-	-	-	-	(1,300)	-	-	(1,300)
11	**Allotment of Equity Shares**										
	Robust Marketing Services Private Limited	-	-	-	3,333	3,333	-	-	-	-	-
12	**Loan or Advances Taken**										
	Deepak Agro Solution limited	-	-	-	265	265	-	-	-	-	-

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note : 41(b) Consolidated Related Party transactions

Sr. No.	Nature of Transactions	31 March 2020									
		Entity with joint control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total	Entity with joint control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total
13	**Purchase of equity shares of Mahadhan Farm Technologies Limited and Ishanya Brand Services Limited**										
	Mr. Sailesh Mehta	-	(1,385)	-	-	(1,385)	-	-	-	-	-
	Ms.Parul Mehta	-	(1)	-	-	(1)	-	-	-	-	-
14	**Advance paid for Equity Share of Ishanya Brand Services Limited**										
	Ms. Parul Mehta	-	(3)	-	-	(3)	-	-	-	-	-
	Mr. Yeshil Mehta	-	-	(0)	-	(0)	-	-	-	-	-
	Ms. Rajvee Mehta	-	-	(0)	-	(0)	-	-	-	-	-
15	**Leasehold improvements (CWIP) to Key management personnel**	-	541	-	-	541	-	78	-	-	78
15	**Amount outstanding**										
	Trade payables										
	Yerrowda Investments Limited	-	-	-	-	-	(21)	-	-	-	(21)
	Mr. M P Shinde	-	-	-	-	-	-	(1)	-	-	(1)
	Deposit Receivables										
	Mr Sailesh Mehta	-	1,500	-	-	1,500	-	1,500	-	-	1,500
	Robust Marketing Services Private Limited	-	-	-	650	650	-	-	-	650	650
	Trade receivables										
	Deepak Nitrite Ltd.	-	-	-	910	910	-	-	-	1,397	1,397
	Robust Marketing Services Private Limited	-	-	-	3	3	-	-	-	-	-
	Yerrowda Investments Limited	65	-	-	-	65	-	-	-	-	-
	Deepak Phenolics Ltd.	-	-	-	25	25	-	-	-	-	-
	Interest Payable										
	Deepak Agro Solution Ltd.	-	-	-	(12)	(12)	-	-	-	-	-
	Loan Payable										
	Deepak Agro Solution Ltd	-	-	-	(265)	(265)	-	-	-	-	-
	Money received against share warrant										
	Robust Marketing Services Private Limited	-	-	-	(4,167)	(4,167)	-	-	-	(5,000)	(5,000)

Note : Figures in bracket are outflows.
Management is of the view that all transactions with related parties are in ordinary course and on an arm's length basis
* Mahadhan Farm Technologies Private Limited (subsidiary with effect from 1 October 2019)
**Remuneration doesn't include sitting fees paid to non-executive directors of Rs. 69 Lakhs (31 March 2019 : Rs. 79 Lakhs)
Note :Corporate Guarantee received from M/s Yerrowda Investments Limited (YIL) (Refer note 21 point no 5)

Deepak Fertilisers And Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note 42: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2020	31 March 2019
A. Contingent liabilities		
Claims by suppliers not acknowledged as debts	37,645	16,606
Income Tax Demands (Also refer note 47 for Search and Seizure)	7,244	7,514
Excise/Service Tax/Custom Demands #	4,798	5,694
Sales Tax/ VAT Demands	6,589	6,608
Local Body Tax	2,176	1,193
Penalty on Entry Tax	1,551	1,551
Total	**60,003**	**39,166**
B. Capital Commitments		
Related to Projects	48,256	76,146
Related to Realty	2,639	4,353
Total	**50,895**	**80,499**

includes Rs.1,881 Lakhs (31 March 2019 : Rs.1,881 Lakhs) which pertains to service tax liabilities.

Note 43: FOREIGN CURRENCY BALANCES OUTSTANDING

	31 March 2020		31 March 2019	
	Amount in Foreign Currency Lakhs*	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs*	Equivalent Amount (in Lakhs)
Hedged Position				
Creditors (in USD)	796	60,223	879	60,766
Interest on borrowing (USD)	2	121	-	-
Buyers Credit (in USD)	-	-	23	1,609
Un-hedged Position				
Creditors (in USD)	35	2,660	83	5,743
Creditors (in AED)	-	-	270	5,071
Creditors (in EURO)	1	109	6	464
Interest accrued ((in EURO)	2	171	-	-
Borrowings and interest (USD)	151	11,445	-	-
Exports receivables (in USD)	12	871	17	1,176
Bank Balance (in USD)	0	12	-	-

*The above transactions are hedged by following derivative contracts

	31 March 2020		31 March 2019	
Particulars	Amount in Foreign Currency	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Forward Contracts -USD	53	4,024	173	11,944
Options Contracts - USD	745	56,320	729	50,431
Total	**798**	**60,344**	**902**	**62,375**

The Group has chosen to not designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109 since these contracts do not meet the hedge accounting requirements.

Unhedged Foreign Currency exposure is as under

Particulars	31 March 2020	31 March 2019
Payables and borrowings (including interest)	14,385	11,278
Receivables and bank balances	883	1,176

Note 44: INCOME TAXES

A. Components of Income Tax Expenses	31 March 2020	31 March 2019
I. Tax expense recognised in the statement of profit and loss		
Current tax		
Current tax on profits for the year	381	1,351
Total (A)	**381**	**1,351**
Deferred tax	1,026	2,281
Total (B)	**1,026**	**2,281**
Total (A+B)	**1,407**	**3,632**
II. Tax on Other Comprehensive Income		
Deferred tax		
Loss on remeasurement of net defined benefit plans	334	182
Loss on debt instruments through other comprehensive income	-	18
Total	**334**	**200**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2020 and 31 March 2019

Particulars	31 March 2020	31 March 2019
Accounting Profit before share of (loss) of equity accounted investees and income tax	10,325	11,284
At India's statutory income tax rate of 25.17% (31 March 2019: 34.944%) (A)	**2,599**	**3,943**
Effects of income not subject to tax		
- Profit from power generation division	-	(182)
- Dividend income	-	(36)
Effects of non-deductible business expenses	392	261
Effect of adopting new tax rates from Taxation Laws (Amendment) Act (refer note below)	(520)	-
Long term capital profit not subjected to income tax	(1,157)	-
Reversal of earlier year tax provision	(103)	79
Others	196	(433)
Total (B)	**(1,192)**	**(311)**
Income Tax expense reported in the statement of profit or loss (A+B)	**1,407**	**3,632**

During the year, the Group except Smartchem technologies limited (wholly owned subsidiary) decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the current financial year, and the Company had reversed deferred tax liabilities amounting to Rs. 520 Lakhs. Accordingly, the provision for income tax and deferred tax balances have been recorded/ remeasured using the new tax rate .

Note 45

The Department of Fertilisers (DoF), Ministry of Chemicals and Fertilisers, had withheld subsidy, due to the Group in accordance with applicable Nutrient Based Subsidy (NBS) scheme of Government of India, alleging undue gain arising to the Group on account of supply of cheap domestic gas since challenged by the Group before the Honourable High Court of Bombay. Based on the directive of the Honourable Court, DoF agreed to release subsidy withheld except a sum of Rs. 31,052 Lakhs pending final decision, which has been released during the month of January 2018 against a bank guarantee of equal amount.

Note 46

During the current year, the managerial remuneration (based only on fixed component of salary) paid by the Holding Company to its Chairman and Managing Director is in excess of the limits laid down under section 197 read with Schedule V of the Companies Act, 2013 by Rs. 264.77 Lakhs. The Holding Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for such excess remuneration paid.

Note 47

A Search and Seizure Operation was conducted by the Income Tax Department during the period from 15 November 2018 to 21 November 2018 under section 132 and 133A of the Income-tax Act, 1961. During the current year, the Holding Company and Subsidiary Company received notices under Section 153A of the Income tax Act, 1961 and have filed revised Income tax returns for Assessment Years 2013-2014 to 2018-2019 in response to the notices. The Holding Company and Subsidiary Company have also not till date received any demand notices in relation to the Search and Seizure. The Group is of the view that the Operation will not have any significant impact on the Group's financial position and performance as at and for the year ended 31 March 2020 and hence no provision has been recognised as at 31 March 2020.

Note 48

Statutory dues payable of Rs.5,176 Lakhs have been classified as provisions (refer Note 24). Consequently, previous year comparative amounts of statutory dues payables of Rs. 5,176 Lakhs which were classified under other current liabilities have been regrouped under provisions.

S R B & Associates LLP * Chartered Accountants

Deepak Fertilisers And Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note 49 : Consolidated Segment Reporting

Sr No	Particulars	Chemicals	Fertilisers	Realty	Others	Common	Total
1	**Revenue**						
	a) **External Sales**						
	Manufactured	**2,26,308**	**1,58,445**	**1,396**	**745**	-	**3,86,894**
	Previous Year	*2,54,711*	*1,52,839*	971	*818*	-	4,09,339
	Traded	***48,155***	***32,467***	**765**	-	-	**81,387**
	Previous Year	*1,88,643*	*74,375*	1,184	-	-	2,64,202
	b) **Inter-segment sales**	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-
	c) **Other operating income**	**54**	**203**	-	-	-	**257**
	Previous Year	*599*	*66*	-	-	-	665
	d) **Unallocated Corporate other income**	-	-	-	-	**9,545**	**9,545**
	Previous Year	-	-	-	-	*5,430*	5,430
	Total Revenue	**2,74,517**	**1,91,115**	**2,161**	**745**	**9,545**	**4,78,083**
	Previous Year	*4,43,953*	*2,27,280*	*2,155*	*818*	*5,430*	*6,79,636*
2	**Segment Result**	**41,358**	**3,344**	**(1,428)**	**353**	**9,545**	**53,172**
	Previous Year	*51,725*	(3,886)	*(1,572)*	*421*	*5,430*	52,118
3	**Interest**	-	-	-	-	**24,293**	**24,293**
	Previous Year	-	-	-	-	22,933	22,933
3	**Unallocated Corporate expenses**	-	-	-	-	**18,554**	**18,554**
	Previous Year	-	-	-	-	17,901	17,901
4	**Profit before share of (loss) of equity accounted investees and income tax**	-	-	-	-	-	**10,325**
	Previous Year	-	-	-	-	-	11,284
5	**Other Information**						
	a) **Segment Assets**	**3,84,462**	**2,03,873**	**23,065**	**1,663**	**80,060**	**6,93,123**
	Previous Year	*3,36,640*	*2,28,313*	*21,884*	*1,960*	*1,22,964*	*7,11,761*
	b) **Segment Liabilities**	**2,62,886**	**1,80,133**	**3,268**	**3**	**24,442**	**4,70,732**
	Previous Year	*2,74,867*	*2,01,311*	*2,406*	*3*	*19,012*	*4,97,599*
	c) **Capital Expenditure incurred during the year**	**52,844**	**3,266**	**833**	-	**2,633**	**59,576**
	Previous Year	*35,406*	*10,932*	-	-	*3,815*	*50,153*
	d) **Depreciation/ Amortisation**	**10,839**	**5,217**	**1,093**	***225***	**3,979**	***21,353***
	Previous Year	*8,355*	*4,839*	*1,053*	*225*	*2,674*	*17,146*

Segment information

1. Primary segment reporting (by business segments)

Composition of business segment

Segment	Products covered
a) Chemicals	Ammonia, Methanol, Dilute nitric acid, Concentrated nitric acid, CO2, Technical ammonium nitrate, Iso-propyl alcohol, Propane, Bulk and Speciality Chemical
b) Bulk Fertilisers	Nitro phosphate, Mutriate of potash, Diammonium phosphateAP, Ammonium Sulphate, Mixtures, Single super phosphate, Sulphur, Micronutrients, SSF, Bio Fertilisers, Fruits, Vegetables, Pesticides
c) Realty	Real Estate Business
d) Others	Windmill Power

2 Secondary Segment Information: There are no reportable geographical segments since the Group caters mainly to needs of Indian Markets.

Deepak Fertilisers And Petrochemicals Corporation Limited
Notes to the consolidated financial statements for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless otherwise stated)

Note 50 : Group Informations:
Particulars of subsidiaries, joint control and associates which have been considered in the preparation of the Consolidated Financial Statements:

	Country of incorporation	Nature of business	% Equity interest	
			31 March 2020	31 March 2019
Subsidiaries				
Direct				
Smartchem Technologies Limited	India	Manufacturing and Trading	100.00	100.00
Deepak Mining Services Private Limited	India	Services	100.00	100.00
Deepak Nitrochem Pty Limited	Australia	Services	100.00	100.00
SCM Fertichem Limited	India	Farm and Trading	100.00	100.00
Ishanya Brand Services Limited	India	Trading	74.99	49.99
Indirect				
Platinum Blasting Services Pty Limited	Australia	Services	65.00	65.00
Performance Chemiserve Limited	India	Manufacturing	85.64	85.64
Australian Mining Explosives Pty Ltd	Australia	Services	65.00	65.00
Complete Mining Solution Private Limited	India	Services	100.00	51.00
Mahadhan Farm Technologies Private Limited	India	Manufacturing and Trading	100.00	-
Entity with joint control				
Yerrowda Investments Limited	India	Realty	85.00	85.00
Promoter Group				
Nova Synthetic Limited	India		47.83	48.42

Notes 3 to 50 form an integral part of the Consolidated Financial Statements.

B S R & Associates LLP
Chartered Accountants

7th & 8th floor, Business Plaza,
Westin Hotel Campus,
36/3-8, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Telephone +91 (20) 6747 7300
Fax +91 (20) 6747 7310

Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of **Deepak Fertilisers and Petrochemicals Corporation Limited**

Introduction

We have reviewed the accompanying Interim Condensed Consolidated Financial Statements of Deepak Fertilisers and Petrochemicals Corporation Limited ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint operations, which comprise the interim condensed consolidated balance sheet as at 30 June 2020, and the interim condensed consolidated statement of profit and loss (including other comprehensive income) for the three months period then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows and selected explanatory notes for the three months period then ended (collectively herein after referred as the "Interim Condensed Consolidated Financial Statements").

Management is responsible for the preparation and presentation of this Interim Condensed Consolidated Financial Statements in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and has been approved by the Board of Directors. Our responsibility is to express a conclusion on this Interim Condensed Consolidated Financial Statements based on our review.

Scope of review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of matter

We draw attention to the Note 37 to the Interim Condensed Consolidated Financial Statements which describes that a Search Operation was carried out by the Income Tax Department on the Holding Company and a subsidiary in November 2018. Pursuant to notice received in the last quarter of the year 2019-20, the Holding Company and a subsidiary has filed revised tax returns for Assessment Years 2013-2014 to 2018-2019. The Holding Company's Management does not expect any additional liability to devolve on the Group and no provision has been recognised as at 30 June 2020. Though the Holding Company and the subsidiary have not received any demand notices till date, the uncertainty in the matter remains till the proceedings are concluded. Our opinion is not modified in respect of this matter.

Other Matters

(a) We did not review the financial statements of two subsidiaries, whose interim condensed financial statements reflect total assets (before consolidation adjustments) of Rs. 664,762 Lakhs as at 30 June 2020, total revenues (before consolidation adjustments) of Rs. 88,194 Lakhs for the three months period and net cash flows amounting to Rs. 11,978 Lakhs for the three months period ended on that date, as considered in the Interim Condensed Consolidated Financial Statements. These financial statements have been reviewed by other auditors whose reports have been furnished to us by the Holding Company's Management and our opinion on the Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of the other auditors.

(b) The financial statements of 8 subsidiaries whose interim condensed financial statements reflect total assets (before consolidation adjustments) of Rs. 18,321 Lakhs as at 30 June 2020, total revenues (before consolidation adjustments) of Rs. 9,240 Lakhs for the three months period and net cash inflows amounting to Rs. 980 Lakhs for the three months period ended on that date, as considered in the Interim Condensed Consolidated Financial Statements, have not been reviewed either by us or by other auditors. The Interim Condensed Consolidated Financial Statements also include the Group's share of net loss (and other comprehensive income) of Rs. Nil for the three months period ended 30 June 2020, as considered in the Interim Condensed Consolidated Financial Statements, in respect of two associates whose financial statements have not been reviewed by us or by other auditors. These unreviewed interim condensed financial statements have been furnished to us by the Holding Company's Management and our opinion on the Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unreviewed interim condensed financial statements. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these interim condensed financial statements are not material to the Group.

Our opinion on the Interim Condensed Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the interim condensed financial statements certified by the Holding Company's Management.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements is not prepared, in all material respects in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

RAAJNISH SHRIKRISHNA DESAI
Digitally signed by RAAJNISH SHRIKRISHNA DESAI
Date: 2020.08.31 17:16:10 +05'30'

Raajnish Desai
Partner
Membership No.: 101190
UDIN: 20101190AAAABY7244

Place: Pune
Date: 31 August 2020

Deepak Fertilisers and Petrochemicals Corporation Limited
Interim Condensed Consolidated Balance Sheet as at 30 June 2020
(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	30 June 2020	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,41,852	2,42,615
Capital work-in-progress	4	1,41,751	1,30,956
Investment property	5	3,607	3,607
Right of use of assets	5(a)	18,945	18,980
Goodwill on consolidation	5(b)	4,266	4,093
Other intangible assets	6	1,784	1,867
Investment in equity accounted investees	7	5	5
Financial assets			
i. Investments	8	3	72
ii. Other financial assets	15	4,838	4,730
Deferred tax assets (net)	26	2,981	4,589
Income tax assets (net)		12,231	12,112
Other non-current assets	16	26,235	28,924
Total non-current assets		**4,58,298**	**4,52,570**
Current assets			
Inventories	17	62,063	68,369
Investment in equity shares (held-for-sale)	9	149	149
Financial assets			
i. Investments	10	13,523	1,011
ii. Trade receivables	11	1,04,252	1,27,580
iii. Cash and cash equivalents	13	33,084	15,757
iv. Bank balances other than cash and cash equivalents	14	775	10,169
v. Loans	12	144	118
vi. Other financial assets	15	1,148	2,527
Other current assets	18	13,940	14,873
Total current assets		**2,29,078**	**2,40,553**
Total assets		**6,87,376**	**6,93,123**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	8,928	8,928
Other equity	20	2,21,265	2,09,150
Equity attributable to owners of the Company		2,30,193	2,18,078
Non controlling interest		4,691	4,313
Total equity		**2,34,884**	**2,22,391**
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	21	2,09,737	2,08,425
ii. Lease liabilities	5(a)	6,976	6,784
iii. Other financial liabilities	23	170	170
Provisions	24	6,254	5,607
Total non-current liabilities		**2,23,137**	**2,21,066**
Current liabilities			
Financial liabilities			
i. Borrowings	22	41,054	71,930
ii. Lease liabilities	5(a)	1,874	1,944
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises	25	511	762
(b) total outstanding dues of creditors other than micro and small enterprises		1,30,126	1,28,687
iv. Other financial liabilities	23	38,989	33,722
Other current liabilities	27	6,526	4,476
Provisions	24	7,587	7,421
Current tax liabilities (net)		2,688	724
Total current liabilities		**2,29,355**	**2,49,666**
Total liabilities		**4,52,492**	**4,70,732**
Total equity and liabilities		**6,87,376**	**6,93,123**

Significant accounting policies 1 - 2
The accompanying notes form an integral part of the Interim Condensed Consolidated Financial Statements

Initialled for identification purposes

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner

Place: Pune
Date: 31 August 2020

For and on behalf of Board of Directors of Deepak Fertilisers and Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN:00128204

Amitabh Bhargava
President & CFO

Partha Sarathi Bhattacharya
Director
DIN : 00329479

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune / Kolkata
Date: 31 August 2020

DEEPAK FERTILIZERS & PETROCHEMICALS CORPO. LTD. PUNE

Deepak Fertilisers and Petrochemicals Corporation Limited
Interim Condensed Consolidated Statement of Profit and Loss for the three months period ended 30 June 2020
(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	3 months period ended 30 June 2020	3 months period ended 30 June 2019
Revenue from operations	28	1,38,208	1,12,220
Other income	29	359	925
Total Income		1,38,567	1,13,145
Expenses			
Cost of materials consumed	30	60,412	53,782
Purchases of stock-in- trade	31	18,839	32,896
Changes in inventories of finished goods and stock-in-trade	32	8,786	(11,119)
Employee benefits expense	33	8,932	7,993
Finance costs	34	5,521	6,117
Depreciation and amortisation expense	35	5,335	5,188
Other expenses (net)	36	14,018	16,711
Total expenses		1,21,843	1,11,568
Profit before share of (loss) of equity accounted investees and income tax		16,724	1,577
Share of (loss) of equity accounted investees		-	(17)
Profit before tax		16,724	1,560
Tax expense			
Current tax		2,918	375
Deferred tax		1,692	115
Total tax expense		4,610	490
Profit for the period		12,114	1,070
Other comprehensive Income ('OCI')			
(A) *Items that will not be reclassified to profit or loss*			
Remeasurement of defined benefit obligations		(277)	(169)
Income tax relating to this item		83	59
Total (A)		(194)	(110)
(B) *Items that will be reclassified subsequently to profit or loss*			
Exchange differences on translation of foreign operations		398	(42)
Total (B)		398	(42)
Other comprehensive income / (loss) for the period (A+B), net of tax liability		204	(152)
Total comprehensive income for the period		12,318	918
Profit for the period attributable to:			
-Owners of the Company		12,014	990
-Non controlling interests		100	80
Other comprehensive income / (loss) (net of tax) attributable to:			
-Owners of the Company		65	(139)
-Non controlling interests		139	(13)
Total comprehensive income for the period attributable to:			
-Owners of the Company		12,079	851
-Non controlling interests		239	67
Earnings per equity share of Rs.10 each (not annualised)			
i) Basic (in Rs.)		13.46	1.12
ii) Diluted (in Rs.)		13.03	1.12
Weighted average number of equity shares of Rs. 10 each		8,92,84,425	8,82,04,943
Significant accounting policies	1 - 2		

The accompanying notes form an integral part of the Interim Condensed Consolidated Financial Statements

Initialled for identification purposes

For and on behalf of Board of Directors of Deepak Fertilisers and Petrochemicals Corporation Limited

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

S. C. Mehta
Chairman and Managing Director
DIN:00128204

Amitabh Bhargava
President & CFO

Raajnish Desai
Partner

Partha Sarathi Bhattacharya
Director
DIN : 00329479

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 31 August 2020

Place: Pune / Kolkata
Date: 31 August 2020

Deepak Fertilisers and Petrochemicals Corporation Limited
Interim Condensed Consolidated Statement of Changes in Equity for the three months period ended 30 June 2020
(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	30 June 2020	31 March 2020
Balance at the beginning of the period/year	8,928	8,820
Changes in equity share capital during the period/year	-	108
Balance as at the end of the period/year	8,928	8,928

B. Other Equity

	Share warrants, reserves and surplus						Items of Other Comprehensive Income				
	Securities premium	Capital redemption reserve	Share warrants	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Fair value through OCI	Other Items of Other Comprehensive Income	Total attributable to Owners of the Company	Non Controlling Interest (NCI)	Total
Balance as at 1 April 2019	10,536	1,950	5,000	-	17,922	1,66,593	(45)	(991)	2,00,965	4,377	2,05,342
Profit for the period	-	-	-	-	-	990	-	-	990	80	1,070
Other comprehensive loss	-	-	-	-	-	-	-	(139)	(139)	(13)	(152)
Total comprehensive income / (loss) for the period	-	-	-	-	-	990	-	(139)	851	67	918
Adjustment	-	-	-	-	-	55	-	-	55	-	55
Movement of NCI on account additional share purchase of Complete Mining Solution Private Limited	-	-	-	-	-	(13)	-	-	(13)	13	-
Balance as at 30 June 2019	10,536	1,950	5,000	-	17,922	1,67,625	(45)	(1,130)	2,01,858	4,457	2,06,315
Balance as at 1 April 2020	13,761	1,950	4,167	1,286	17,922	1,72,011	(45)	(1,902)	2,09,150	4,313	2,13,463
Profit for the period	-	-	-	-	-	12,014	-	-	12,014	100	12,114
Other comprehensive income	-	-	-	-	-	-	-	65	65	139	204
Total comprehensive income for the period	-	-	-	-	-	12,014	-	65	12,079	239	12,318
Exchange difference of minority shareholder	-	-	-	-	-	-	-	-	-	131	131
Adjustment	-	-	-	-	-	44	-	-	44	-	44
Movement of NCI on account additional share purchase of Ishanya Brand Services Limited	-	-	-	-	-	(8)	-	-	(8)	8	-
Balance as at 30 June 2020	13,761	1,950	4,167	1,286	17,922	1,84,061	(45)	(1,837)	2,21,265	4,691	2,25,956

Movement in non controlling interest	30 June 2020	30 June 2019
Balance at the beginning of the period	4,313	4,377
Add: Profit for the period (including Other Comprehensive Income)	239	67
Add: Exchange difference of minority shareholder	131	-
Add: Minority movement	8	13
Balance as at the end of the period	4,691	4,457

The accompanying notes form an integral part of the Interim Condensed Consolidated Financial Statements

Initialled for identification purposes

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner

Place: Pune
Date: 31 August 2020

For and on behalf of Board of Directors Deepak Fertilisers and Petrochemicals Corporation Limited.

S. C. Mehta
Chairman and Managing Director
DIN:00128204

Partha Sarathi Bhattacharya
Director
DIN : 00329479

Place: Pune / Kolkata
Date: 31 August 2020

Amitabh Bhargava
President & CFO

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Deepak Fertilisers and Petrochemicals Corporation Limited
Interim Condensed Consolidated Statement of Cash Flows for the 3 months period ended 30 June 2020
(All amounts in ₹ Lakhs unless otherwise stated)

	3 months period ended 30 June 2020	3 months period ended 30 June 2019
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	16,724	1,560
Adjustments for		
Depreciation and amortisation expense	5,335	5,188
(Profit)/Loss on sale of property, plant and equipment (net)	-	23
Provision for doubtful trade receivables	222	137
Impairment of investment	69	-
Gain on sale of investments	(18)	(532)
Changes in fair value of financial assets at fair value through profit or loss	10	-
Provision for stores and spares	75	-
Unrealised loss on embedded derivative contracts	(30)	-
Share of loss of associates	-	17
Interest income	(292)	(144)
Finance costs	5,521	6,117
Foreign exchange fluctuations loss (net)	223	-
Cash generated from operations before working capital changes	27,839	12,366
Change in trade receivables	23,331	14,083
Change in inventories	6,231	(31,025)
Change in trade payables	965	16,308
Change in other financial liabilities	1,531	9,386
Change in other financial assets	1,336	(332)
Change in other non-current assets	(70)	300
Change in other current assets	933	(15,749)
Change in provisions	733	244
Change in other current liabilities	2,050	2,863
Cash generated from operations	64,879	8,444
Income taxes paid (net)	(1,157)	(274)
Net cash generated from operating activities	63,722	8,170
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(9,074)	(12,552)
Purchase of investments in mutual funds	(12,494)	23,814
Repayment of loans by employees and other loans given	(36)	-
Fixed deposits matured	9,394	-
Changes in other bank balances	-	(5,591)
Dividends received from Mutual Funds	-	80
Interest received	227	730
Net cash (used in) / generated from investing activities	(11,983)	6,481
Cash flows from financing activities		
Proceeds from borrowings - non current	3,710	294,683
Repayment of borrowings - non current	(2,616)	(288,543)
Proceeds from borrowings - current	31,610	1,179
Repayment of borrowings - current	(62,488)	(8,046)
Payment of lease payables	(515)	-
Interest paid	(4,115)	(6,267)
Dividends paid (including dividend distribution tax)	-	(2)
Net cash (used in) financing activities	(34,412)	(6,996)
Net increase in cash and cash equivalents	17,327	7,655
Cash and cash equivalents at the beginning of the period	15,757	8,874
Cash and cash equivalents at the end of the period	33,084	16,529

The accompanying notes form an integral part of the Interim Condensed Consolidated Financial Statements

The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 "Statement of Cash Flows"

Initialled for identification purposes

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Rajnish Desai
Partner

Place: Pune
Date: 31 August 2020

For and on behalf of Board of Directors Deepak Fertilisers and Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN 00128204

Amitabh Bhargava
President & CFO

Partha Sarathi Bhattacharya
Director
DIN : 00329479

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune / Kolkata
Date: 31 August 2020

1. **Corporate Information**

Deepak Fertlisers and Petrochemicals Corporation Limited ("the Holding Company or the Parent Company") is a public limited company domiciled in India, with its registered office at Pune, Maharashtra, India. The Holding Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange ("BSE") in India.

The Group is engaged in the business of fertlisers, agri services, bulk chemicals, mining chemicals and value added real estate.

The condensed consolidated financial statements of the Group as at and for the period ended on 30 June 2020 comprise the Holding Company and its subsidiaries (together referred to as "the Group") were approved for proposed issue of equity shares on rights basis (Rights Issue) by Board of Directors on 31 August 2020.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these condensed consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The condensed condensed consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') – 34 "Interim Financial Reporting" notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 notified, as amended thereafter and other relevant provisions of the Act.

The condensed condensed consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and
- Employee defined benefits plans – plan assets are measured at fair value

The condensed condensed consolidated financial statements are presented in Indian Rupees ("INR"), which is also the Group functional currency and all values are rounded off to the nearest Lakhs, except when otherwise indicated. Wherever, an amount is presented as INR '0' (zero) it construes value less than Rs 50,000.

2.2A Significant accounting estimates, assumptions and judgements

The preparation of the condensed condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

2.2A Significant accounting estimates, assumptions and judgements (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Useful lives of Property, plant and equipment ('PPE')

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. Factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of PPE, consequently leading to a change in the future depreciation charge.

Defined benefit plans

Employee benefit obligations are determined using independent actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual results in the future. These include the determination of the discount rate, future salary increases, experience of employee departures and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provisions for Litigations and claims

From time to time, the Group is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the charge/ expense can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcomes and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions are made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the condensed consolidated financial statements. Contingent assets are not disclosed in the condensed consolidated financial statements unless an inflow of economic benefits is probable.

2.2A Significant accounting estimates, assumptions and judgements (continued)

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

Impairment of financial assets
The Group assesses impairment based on the expected credit loss ("ECL") model on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

Impairment of non-financial assets (including PPE, CWIP and intangible assets)
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates that the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

2.2B Principles of consolidation and equity accounting

(i) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

2.2B Principles of consolidation and equity accounting (continued)

(ii) Associates
Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint Arrangements
Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint Ventures
Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity Method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment.

(v) Changes in ownership interests:
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2B Principles of consolidation and equity accounting (continued)

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The details of consolidated entities are as follows:

Name of the Companies		Country of incorporation	Percentage of ownership interest
1	Smartchem Technologies Limited (STL)	India	100.00%
2	Deepak Nitrochem Pty Limited	Australia	100.00%
3	Deepak Mining Services Private Limited (DMSPL)	India	100.00%
4	Complete Mining Solution Private Limited (formerly known as Runge PincockMinarco India Private Limited) (Subsidiary of DMSPL)	India	100.00%
5	SCM Fertichem Limited	India	100.00%
6	Platinum Blasting Services Pty Limited (PBS)[Subsidiary of STL]	Australia	65.00%
7	Australian Mining Explosives Pty Limited (AME)[Subsidiary of PBS]	Australia	65.00%
8	Performance Chemiserve Limited (formerly known as Performance Chemiserve Private Limited) [Subsidiary of STL]	India	84.64%
9	Ishanya Brand Services Limited (with effect from 23 March 2020)	India	74.99% (49.99% till 22nd March 2020)
10	Mahadhan Farm Technologies Private Limited (with effect from 1 October 2019) (Subsidiary of STL)	India	100.00%

Goodwill on consolidation is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree, and the fair value of the acquiror's previously held equity instruments in the acquiree (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Profit or loss and each component of Other comprehensive income (OCI) are attributed to the equity holders of the Holding Company and to the NCI, even if this results in the NCI having a deficit balance.

The results of subsidiaries acquired or disposed off during the year are included in the condensed consolidated financial statements from the effective date of acquisition and upto the effective date of disposal, as appropriate.

Non-controlling interests (NCI) in the net assets of the subsidiaries that are consolidated consist of the amount of equity attributable to non-controlling shareholders at the date of acquisition.

2.3 Summary of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.
An asset is treated as current when:
• It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
• It is held primarily for the purpose of trading;
• It is expected to be realised within twelve months after the reporting period; or
• It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as noncurrent.
A liability is current when:
• It is expected to be settled in normal operating cycle;
• It is held primarily for the purpose of trading;
• It is due to be settled within twelve months after the reporting period; or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

(a) Current versus non-current classification (continued)

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

(b) Revenue recognition

Sale of Goods:
Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Sale of Services:
Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments in shares is recognised when the owner’s right to receive the payment is established.

2.3 Summary of significant accounting policies (continued)

(c) Property, plant and equipment

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any and also to the costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset. All other repair and maintenance costs, including regular servicing, are recognised in the consolidated Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning. Depreciation on PPE (except leasehold improvements) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated. Schedule II to the Act prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the periods over which these assets are expected to be used. Accordingly, for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

Name of assets	**Estimated useful life (in years)**
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Vehicles	4 – 7
Buildings (other than factory buildings) with RCC frame structure	61
Plant and equipment	Various estimated lives upto 25 years. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40

2.3 Summary of significant accounting policies (continued)

Capital work in progress (CWIP)

Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Group and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(d) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated Statement of Profit and Loss when the asset is derecognized.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Name of intangible assets	**Estimated useful life (in years)**
Computer software	3 to 7
License fees	3 to 7
Technical knowhow/ engineering fees	3 to 7

(e) Bearer plant

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer plants mainly include mature and immature pomegranate plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, and an allocation of other indirect costs based on planted hectares.

2.3 Summary of significant accounting policies (continued)

(e) Bearer plant (continued)

Mature plantations are stated at acquisition cost less accumulated depreciation and impairment. Mature plantations are depreciated on a straight-line basis and over its estimated useful life of 6 years, upon commencement of commercial production.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits. A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the income statement in the year the bearer plant is derecognized.

(f) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

(g) Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives as specified in note (c) above. The residual values estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the consolidated Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated Statement of Profit and Loss in the period of de-recognition.

(h) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the consolidated balance sheet.

2.3 Summary of significant accounting policies (continued)

(i) Foreign currency transactions and balances

The functional currency of the Group (i.e. the currency of the primary economic environment in which the Group operates) is the Indian Rupee (Rs.). On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the consolidated Statement of Profit and Loss.

Foreign operations

Assets and liabilities of entities with functional currencies other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the Balance Sheet date. The Statement of Profit and Loss has been translated using the average exchange rates. The net impact of such translation are recognised in OCI and held in foreign currency translation reserve ('FCTR'), a component of Equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control, over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

In case of a partial disposal of interests in a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to NCI and are not recognised in the consolidated Statement of Profit and Loss. For all other partial disposal (i.e. partial disposals of joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated Statement of Profit and Loss.

(j) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets: Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

2.3 Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to the consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the consolidated Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the consolidated Statement of Profit and Loss.

2.3 Summary of significant accounting policies (continued)
(j) Financial instruments (continued)

Impairment of financial assets
The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the consolidated Statement of Profit and Loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group balance sheet) when:
• The rights to receive cash flows from the asset have expired, or
• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities
Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in consolidated Statement of Profit and Loss.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2.3 Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated Statement of Profit and Loss.

Derivative financial instruments
The Group uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts
Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair value and is subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

Fair value of financial instruments
In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

(k) Leases

The Group has adopted Ind AS 116 effective from 1 April 2019 using the modified retrospective approach. For the purpose of preparation of condensed consolidated financial statements, management has evaluated the impact of change in accounting policies required due to adoption of lnd AS 116 for year ended 31 March 2020. Accordingly, the Group has not restated comparative information and there is no adjustment to opening retained earnings as at 1 April 2019, except overseas subsidiary wherein cumulative impact of applying Ind AS 116 has been recognized in equity as an adjustment to the opening balance of retained earnings for the current period.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

2.3 Summary of significant accounting policies (continued)

(k) Leases (continued)

As a lessee, the Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(l) Inventories

- Raw materials, packing materials and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on the basis of moving weighted average method. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.
- Finished goods and by-products including those held for captive consumption are valued at the lower of cost and net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes taxes and duties, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory. Stock-in-trade is valued at lower of cost and net realisable value.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.3 Summary of significant accounting policies (continued)

(m) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Group estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated Statement of Profit and Loss.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated Statement of Profit and Loss. net of any reimbursements.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

2.3 Summary of significant accounting policies (continued)

(o) Employee benefits

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post-retirement medical benefits, directors' retirement obligations and family benefit scheme.

Post-employment benefit plans

Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of provident fund and superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

Defined benefit plans

For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability. The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability is recognised in the consolidated Statement of Profit and Loss. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the consolidated Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the consolidated Statement of Profit and Loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated Statement of Profit and Loss as past service cost.

Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

(a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and

(b) In case of non - accumulating compensated absence, when the absences occur.

2.3 Summary of significant accounting policies (continued)

(o) Employee benefits (continued)

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the consolidated Statement of Profit and Loss.

(p) Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship which is designated.

Cash flow hedges that qualify for hedge accounting: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in 'other comprehensive income' in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the consolidated Statement of Profit and Loss in the periods in which the hedged item affects the profit or loss.

Derivatives that are not designated as hedges: The Group enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges. Such derivative contracts are accounted for at each reporting date at fair value through the consolidated Statement of Profit and Loss.

(q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(r) Cash dividend

The Group recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the Group.

2.3 Summary of significant accounting policies (continued)

(s) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonably certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become reasonably certain that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
Minimum Alternate Tax (MAT).

2.3 Summary of significant accounting policies (continued)

(s) Income taxes (continued)

Minimum Alternate Tax paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credits which can be carried forward and utilized when the Group will pay normal income tax during the specified period. Deferred tax asset on such tax credit is recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

Based on the “Management approach” as defined in Ind AS 108: Operating Segments, the Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Inter-segment sales and transfers are reflected at market prices.

Segment policies
The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the condensed consolidated financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/expenses/ assets/ liabilities", as the case may be.

(v) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss, as incurred. The acquiree’s indentifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12 Income taxes and Ind AS 19 Employee benefits.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree and the fair value of acquirer’s previously held equity instrument in the acquire (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Where the fair values of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

2.3 Summary of significant accounting policies (continued)

(v) Business combinations (continued)

The interest of non-controlling shareholders is initially measured either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting in a contingent consideration arrangement, such contingent consideration, on the acquisition date is measured at fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be. Measurement period adjustments are adjustments that arise from additional information during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as the measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

Changes in the proportion of the equity held by NCI are accounted for as equity transactions. The carrying amount of the controlling interests and NCI are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

The Group accounts for the common control transactions in accordance with the 'pooling of interests' method prescribed under Ind AS 103 – Business Combinations for common control transactions where all the assets and liabilities of transferor companies would be recorded at the book value as at the Appointed date.

2.3 Summary of significant accounting policies (continued)

(w) Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of economic resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the condensed consolidated financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the condensed consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(x) Changes in significant accounting policies

There have been no changes in accounting policies during the Financial year 2019-20, except for implementation of Ind AS 116 as described in point 2.3 (k) of accounting policies.

(y) Recent Indian Accounting Standard (Ind AS) and note on COVID-19

i) Recent accounting pronouncements which are not yet effective

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notifications which would be applicable from 1 July 2020.

ii) Note on COVID-19

In view of the lockdown across the country due to the outbreak of COVID pandemic, operations in many of the Group's locations (manufacturing, warehouses, offices, etc.) are scaled down or shut down in compliance with the directives/ orders issued by the local Panchayat/Municipal Corporation/State/Central Government authorities. International businesses are operating under local guidelines for social distancing and high hygiene standards.

As per management's current assessment, no significant impact on carrying amounts of inventories, intangible assets, trade receivables, investments and other financial assets is expected, and management will continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these condensed consolidated financial statements.

MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2020 which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

1. Pursuant to our request, SEBI granted an extension up till May 15, 2020 ("**Due Date**") to one of our Promoter, Robust Marketing Services Private Limited ("**RMSPL**") in order to subscribe to equity shares by conversion of 64,76,893 convertible warrants allotted to RMSPL in October 16, 2018. Since our Company did not receive the balance subscription amount of ₹ 12,500 lakhs from RMSPL before the Due Date, the amount paid to our Company as upfront warrant subscription amount towards 25% of the issue price of the warrants which was not converted by RMSPL into equity amounting to ₹ 4,166.00 lakhs stood forfeited in terms of Regulation 169(3) of the SEBI ICDR Regulations. Our Company has received communication from the Promoters reiterating their commitment to infuse fund in our Company with a request for exploring alternative options to do so.

2. Our Board at its meeting held on June 30, 2020 recommended a dividend of ₹ 3 per Equity Share for Fiscal 2020, subject to shareholders' approval.

3. There have been revisions in our credit rating by ICRA Limited with effect from April 14, 2020 and will be due for surveillance any time before March 31, 2021, details of which are given below:

Name of the agency	Type of Instruments	Ratings Action
ICRA	Non-convertible debenture	[ICRA] A+ (Stable) Withdrawn
	Term Loan	[ICRA] A+ (Stable); Reaffirmed
	Cash Credit	[ICRA] A+ (Stable); Reaffirmed
	Non-fund based limits	[ICRA] A1; Reaffirmed

4. *Changes in directorships:*

(a) Renu Challu was appointed as an additional Independent Director of our Company with effect from May 13, 2020 for a term of three consecutive years, subject to her regularisation in the ensuing annual general meeting.

(b) Sujal Anil Shah was appointed as an additional Independent Director of our Company with effect from June 30, 2020 for a term of five consecutive years, subject to his regularisation in the ensuing annual general meeting.

(c) Mahesh Chhabria ceased to be an Independent Director of our Company with effect from July 31, 2020.

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

Accounting Ratios

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements included in "*Financial Information*" beginning on page 72:

Particulars	Consolidated
	As at and for the year ended March 31, 2020
Basic EPS (₹)	9.83
Diluted EPS (₹)	9.83
Return on Net-Worth (%)	4.0%
Net Asset Value per Equity Share (₹)	244
EBITDA (₹ in lakhs)	55,954

The following table sets forth the reconciliation of our Net Worth:

(*in ₹ lakhs*)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Equity Share Capital (A)	8,928	8,820	8,820
Securities Premium (B)	13,761	10,536	10,536
Capital Redemption Reserve (C)	1,950	1,950	1,950
Share Warrants (D)	4,167	5,000	-
Equity Portion of non-current borrowings (E)	1,286	-	-
General Reserve (F)	17,922	17,922	17,922
Retained Earnings (G)	172,011	166,593	165,864
Other Comprehensive Income (H)	(1,947)	(1,036)	(475)
Net Worth (A+B+C+D+E+F+G+H)	**218,078**	**209,785**	**204,617**

The following table sets forth the reconciliation of our net asset value per Equity Share:

(*in ₹ lakhs, except share data*)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Net Worth (A) (in Rupees lakhs)	218,078	209,785	204,617
Number of issued, subscribed, and fully paid-up Equity Shares outstanding as at year end (B)	89,284,425	88,204,943	88,204,943
Net Asset Value per Equity Share ((A*100,000)/B) (in ₹)	**244**	**238**	**232**

The following table sets forth the reconciliation of our net profit to EBITDA:

(*in ₹ lakhs*)

Particulars	For the Financial Year ended March 31, 2020
Net profit after tax (A)	**8,901**
Add: Total tax expense	1,407
Profit before tax (B)	**10,308**
Add: Finance costs (C)	24,293
Add: Depreciation and amortisation expense (D)	21,353
Total Adjustments (E=C+D)	**45,646**
EBITDA (F=B+E)	**55,954**

The formulae used in the computation of the above ratios are as follows:

Basic EPS	Net profit attributable to Equity Shareholders ÷ weighted average of common shares outstanding during the period
Diluted EPS	Post adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares
Return on Net-worth	Profit attributable to Equity Shareholders ÷ Net Worth
Net Asset Value per Equity Share	Net Worth ÷ No. of Equity Shares subscribed and fully paid
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortisation expense, as presented in the statement of profit and loss

Consolidated capitalisation statement

The following table sets forth the capitalisation statement of our Company (i) derived from the Audited Financial Statements; and (ii) as adjusted for the Issue:

(in ₹ lakhs)

Particulars	Pre issue as at March 31, 2020	Adjusted for the proposed Issue*
Total Borrowings		
Current liabilities borrowings (A)	71,930	71,930
Non-current liabilities borrowings (B)	2,08,425	2,08,425
Current maturities of long-term borrowings (C)	12,434	12,434
Total Borrowings (D) [A + B + C]	**2,92,789**	**2,92,789**
Total equity		
Equity share capital (E)	8,928	10,268
Other equity (F)	2,09,150	2,25,623
Minority Interest (G)	4,313	4,313
Total equity (H) [E + F + G]	**2,22,391**	**2,40,204**
Total equity and borrowings [D + H]	**5,15,180**	**5,32,993**
Ratio: Non-current liabilities-borrowings (including current maturities of long-term borrowings)/ Total equity [(B + C) / H]	**0.99**	**0.92**
Ratio: Total Borrowings / Total equity [D / H]	**1.32**	**1.22**

**Assuming full subscription of the Issue. Not adjusted for Issue related expenses. As adjusted, to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue.*

STOCK MARKET DATA FOR SECURITIES OF OUR COMPANY

The Equity Shares are listed on BSE and NSE. The Equity Shares being issued pursuant to this Issue, have not been listed earlier and will be listed on the Stock Exchanges pursuant to this Issue. For further details, see "*Terms of the Issue*" beginning on page 185. We have received in-principle approvals for listing of the Equity Shares to be issued pursuant to this Issue from BSE and NSE by letters dated September 9, 2020 and September 8, 2020 respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars. For the purposes of the Issue, the Designated Stock Exchange is BSE.

For the purpose of this section, unless otherwise specified:

- A year is a Financial year;
- Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- In case of two days with the same high / low / closing price, the date with higher volume has been considered.

The following table sets forth the high, low and average market prices of the Equity Shares recorded on BSE and NSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded:

BSE							
Fiscal	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
April 1, 2019 to January 2, 2020*	April 18, 2019	159.15	2,48,577	September 3, 2019	77.80	4,497	107.30
January 3, 2020 to March 31, 2020*	January 27, 2020	121.25	2,10,214	March 18, 2020	62.90	37,806	94.65
2019	April 20, 2018	390.05	47,696	January 24, 2019	106.35	1,95,860	222.47
2018	November 2, 2017	478.00	50,604	May 24, 2017	234.95	74,524	347.66

Source: www.bseindia.com

**In the Fiscal 2020, Company upon conversion of 10,79,482 warrants had allotted 10,79,482 Equity Shares to one of its Promoters i.e. Robust Marketing Services Private Limited., which got listed on Stock Exchange from January 3,2020.*

NSE							
Fiscal	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
April 1, 2019 to January 02, 2020*	April 18, 2019	158.95	22,33,548	August 22, 2019	77.85	1,04,397	107.33
January 03, 2020 to March 31, 2020*	January 27, 2020	121.25	24,52,184	March 18, 2020	62.50	4,30,503	94.64
2019	April 20, 2018	390.55	2,88,838	January 24, 2019	106.10	18,19,269	222.36
2018	November 2, 2017	481.55	3,41,309	May 24, 2017	236.30	1,33,216	347.80

Source: www.nseindia.com

**In the Fiscal 2020, Company upon conversion of 10,79,482 warrants had allotted 10,79,482 Equity Shares to one of its Promoters i.e. Robust Marketing Services Private Limited, which got listed on Stock Exchange from January 3, 2020.*

The following table sets forth the monthly high and low prices and trading volumes on BSE and NSE for the six months preceding the date of filing of this Letter of Offer.

BSE							
Fiscal	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
August, 2020	August 25, 2020	185.45	4,64,430	August 10, 2020	148.70	1,94,995	164.05
July, 2020	July 31, 2020	159.60	8,31,634	July 3, 2020	112.65	1,02,511	126.20
June, 2020	June 23, 2020	118.85	1,63,749	June 4, 2020	102.35	21,723	110.92
May, 2020	May 14, 2020	110.10	1,78,714	May 18, 2020	98.10	83,093	101.70
April, 2020	April 29, 2020	106.75	1,75,878	April 1, 2020	72.90	24,643	88.36
March, 2020	March 4, 2020	91.85	54,551	March 18, 2020	62.90	37,806	76.95

Source: www.bseindia.com

NSE							
Fiscal	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
August, 2020	August 25, 2020	185.60	48,94,571	August 10, 2020	148.65	13,26,471	164.06
July, 2020	July 31, 2020	159.60	10,943,167	July 3, 2020	112.65	846,394	126.23
June, 2020	June 23, 2020	119.15	16,21,751	June 4, 2020	102.35	4,95,421	110.95
May, 2020	May 14, 2020	110.45	21,14,045	May 18, 2020	98.10	7,16,167	101.77
April, 2020	April 29, 2020	106.90	25,57,237	April 1, 2020	72.90	2,50,669	88.38
March, 2020	March 4, 2020	91.80	5,32,733	March 18, 2020	62.50	4,30,503	76.93

Source: www.nseindia.com

Week end prices of Equity Shares of our Company along with the highest and lowest closing prices on the Stock Exchanges for the last four weeks preceding the date of filing of this Letter of Offer is as stated below:

BSE					
For the week ended on	Closing Price (₹)	High (₹)	Date of High	Low (₹)	Date of Low
September 4, 2020	169.05	177.35	September 2, 2020	166.20	September 1, 2020
August 28, 2020	174.90	185.45	August 25, 2020	174.90	August 28,2020
August 21,2020	163.10	163.10	August 21,2020	153.75	August 20,2020
August 14, 2020	155.10	165.95	August 12,2020	148.70	August 10,2020

Source: www.bseindia.com

NSE					
For the week ended on	Closing Price (₹)	High (₹)	Date of High	Low (₹)	Date of Low
September 4, 2020	168.70	174.20	September 3, 2020	163.20	August 31,2020
August 28, 2020	174.80	185.60	August 25, 2020	174.80	August 28,2020
August 21,2020	162.55	162.55	August 21,2020	153.90	August 20,2020
August 14, 2020	155.15	166.15	August 12,2020	148.65	August 10,2020

Source: www.nseindia.com

The closing market price of the Equity Shares of our Company as on one day prior to the date of this Letter of Offer was ₹ 163.25 on the BSE and ₹ 163.15 on the NSE.

The Issue Price of ₹ 133 per Equity Share has been arrived at in consultation between our Company and the Lead Manager prior to the determination of the Record Date.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company and our Subsidiaries are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business.

*There is no outstanding legal proceeding which has been considered material in accordance with our Company's 'Policy for determination of materiality and dissemination of information' framed in accordance with Regulation 30 of the SEBI Listing Regulations. However, solely for the purpose of the Issue, the following outstanding legal proceedings ("**Material Cases**") have been disclosed in this section of this Letter of Offer: (i) any outstanding civil litigation involving our Company and/or Subsidiaries, where the amount involved is ₹ 445.05 lakhs (being 5% of consolidated profit after tax for Fiscal 2020) or above; (ii) any other litigation involving our Company and/or Subsidiaries which may be considered material by our Company for the purposes of disclosure in this section of this Letter of Offer; (iii) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (iv) claims involving our Company and/or Subsidiaries for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved).*

Except as disclosed below there are no outstanding litigation involving our Company and/or our Subsidiaries with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries, (ii) material violations of statutory regulations by our Company and/or our Subsidiaries, and (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries. Pre-litigation notices received by our Company and/or our Subsidiaries from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company and/or our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum.

Litigation involving our Company

(A) Matters involving issues of moral turpitude or criminal liability against our Company

1. M/s. Virgo Homes Designer Private Limited ("**Applicant**") has filed a criminal revision application ("**Application**") before Additional District and Sessions Judge, Pune, against Senior Inspector of Police, Yerawada Police Station, our Company and certain of our Directors, namely Sailesh Chimanlal Mehta, Berjis Minoo Desai, Ashok Kumar Purwaha, Parul Sailesh Mehta, Partha Bhattacharya, Pranay Vakil and Madhumilan Shinde (together, the "**Respondents**") challenging an order of the Judicial Magistrate, First Class, Pune ("**Magistrate Court**") by which the Magistrate had dismissed an application made by the Applicants to register an FIR against our Company, arising *inter alia* out of a leave and license agreement entered into between the Applicant and our Company. The matter is currently pending.

(B) Proceedings involving material violations of statutory regulations by our Company

1. The Labour Department, Government of Maharashtra has filed a complaint against our Company for alleged contravention of notification dated June 24, 2015 issued by Industry, Energy and Labour Department, Government of Maharashtra under section 10(1) of the Contract Labour (Regulation and Abolition) Act, 1970 and the rules framed thereunder which empower the government to prohibit employment of contract labour in any process, operation or other work in any establishment through a gazette notification. The Department abolished contract labour system in our Company's factory establishments. In response, our Company filed a writ petition before the High Court of Bombay ("**High Court**"), to quash the notifications issued, *inter alia* being infructuous pursuant to subsequent notification issued by Government of Maharashtra on August 19, 2016. The High Court passed an order not to take any coercive steps against our Company. Company has made an Application before lower court for dismissal of the complaint pursuant to later notification. Both matters are currently pending.

2. 102 cases are pending against our Company in relation to *inter alia* quality of our fertiliser products under the Fertiliser (Control) Order, 1985 read with the Essential Commodities Act. These matters are currently pending at various stages of adjudication before various adjudication forums.

(C) Material Cases against our Company

1. GAIL (India) Limited (**"GAIL"**) and our Company had entered into the Gas Sales and Transportation Contract ("**GSTC 2006**"). Post expiry of the GSTC 2006, our Company and GAIL executed a fresh Gas Sales and Transportation Agreement ("**GSTA 2010**"). Pursuant to these agreements, a dispute arose with respect to the price and usage of gas being provided by GAIL to our Company ("**Claims**"). Thereafter, GAIL initiated arbitral proceedings for adjudication of its claims under GSTC 2006 and GSTA 2010. The Company filed an Application before the Sole Arbitrator (**"Tribunal**") for interim relief on claims made by GAIL pursuant to expired and time barred agreement GSTC 2006, pursuant to which an order was passed by the Tribunal, in favour of our Company, *inter alia* holding that claims under GSTC 2006 were not arbitrable and barred by limitation. The parties were discharged of their respective obligations under GSTC 2006 ("**Order**"). Further, the Tribunal also passed an award rejecting the Claims filed by the GAIL ("**Award**"). Pursuant to the said Award, it was held by the Tribunal *inter alia* that the Claims for the period between January 1, 2011 to October 15, 2013 were barred by limitation and the Claims for the period between October 15, 2013 to March 31, 2016 were not maintainable. Additionally, the Tribunal also directed GAIL to pay costs to our Company. Subsequently, GAIL filed separate appeals against the Order and Award ("**Appeals**") before the High Court of Delhi (**"High Court")**. The High Court dismissed both the Appeals through a combined judgement holding *inter alia* that there was no error in the Order and Award which warranted interference by the court ("**HC Judgement**"). Subsequently, GAIL has filed a petition under Section 37 of the Commercial Courts, Commercial Division and Commercial Appellate Division of the High Court Act, 2015 read with the Arbitration and Conciliation Act, 1996 before the High Court against the HC Judgement with respect to the dismissal of the Award. GAIL also filed a special leave petition before the Supreme Court of India challenging the HC Judgement with respect to the dismissal of the Appeal against the Order. There is no stay on the Order, Award and HC Judgement. The amount involved in this matter is ₹ 35,701.06 lakhs. The matter is currently pending.

2. Maharashtra State Electricity Distribution Company Limited ("**Petitioner**"), has filed a writ petition in the High Court of Bombay ("**High Court**") challenging an order ("**Order**") dated January 31, 2013 passed by the Appellate Authority under section 127 of the Electricity Act, 2003. The Order allowed an appeal filed by our Company against the Order passed by the Assessing Officer directing our Company to pay ₹570.46 lakhs to the Petitioner pursuant to the bills issued by the Petitioner for alleged violation of clause 13 of the agreement to supply electricity to our Company's mall 'Ishanya', entered into by the Petitioner and our Company. The Petitioner alleged that our Company was extending electricity supplied under this agreement to shop owners/tenants/occupiers in the mall without the prior consent of the Petitioner, which amounts to sale of electricity. The matter is currently pending.

3. Ganon Dunkerley & Co. Limited (**"Petitioner"**) has filed a civil suit before the Civil Judge, Senior Division, Panvel (**"Civil Judge"**) against our Company alleging non-payment of dues and illegal misappropriation in relation to the civil and structural work conducted by the Petitioner at our Company's premises pursuant to a letter of intent ("**Letter of Intent**") claiming an amount of ₹ 1,046.62 lakhs. Our Company has filed an application under section 8 of the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**") before the Civil Judge for invocation of arbitration proceedings. Subsequently, the Civil Judge, pursuant to its order, disposed the suit and allowed the parties to adopt the process under the Arbitration Act as per the Letter of Intent ("**Order**"). Thereafter, the Petitioner has filed a writ petition before the High Court of Bombay (**"High Court"**) challenging the Order to the extent it disposed of the entire suit without appointing an arbitrator in accordance with section 8 of the Arbitration Act. The matter is currently pending.

(D) Material Cases by our Company

1. Our Company had filed a writ petition ("**Petition**") against Oil and Natural Gas Corporation Limited ("**ONGC**") before the High Court of Bombay ("**High Court**") alleging ad-hoc and arbitrary fixation of gas price by ONGC. The Petition was dismissed by the High Court. Thereafter, our Company filed a notice of motion before the High Court to highlight the impropriety of amount being charged from our Company by ONGC and to seek fresh invoices accounting for the rebate to which our Company is entitled pursuant to which the High Court, through its order ("**Order**"), directed ONGC to issue fresh, revised invoices reflecting the difference in prices and our Company to pay the same. However, ONGC thereafter filed a precipe to the High Court claiming that our Company had

committed default in payment of instalments and wanted to invoke bank guarantee. Thereafter, our Company filed a notice of motion seeking to restrain ONGC from invoking the bank guarantee. However, ONGC allegedly issued improper revised invoices claiming arbitrary amount ("**Revised Invoices**"), and a notice of motion filed by our Company against the Revised Invoices was dismissed by the High Court directing our Company to pay the amount per the Order. Thereafter, our Company filed a suit against ONGC before the High Court for recovery of ₹ 686.28 lakhs and additional interest of ₹4,950.41 lakhs alleging illegal charges by ONGC including the transportation cost in the cost of gas consumed by our Company between December 1983 and January 1987. The matter is currently pending.

2. Our Company has filed a special civil suit before the Court of Civil Judge, Senior Division, Pune against Tarun Thadani, Amulya Aggarwal, erstwhile employees of our Company and certain other individuals and entities for recovery of a sum of ₹ 1,044.59 lakhs alleging systematic fabrication of documents, internal memos for commission of fraud and acting in concert with persons committing fraud in relation to insurance policies of our Company. The matter is currently pending.

3. Our Company has filed two separate writ petitions in the High Court of Delhi ("**High Court**") against Union of India ("**UOI**"), Petroleum and Natural Gas Regulatory Board ("**PNGRB**") and GAIL (India) Limited ("**GAIL**") and UOI, PNGRB, GSPC Energy Limited ("**GSPC**") (the "**Respondents**") challenging *inter alia* the constitutional validity of the amendment to clause 9(4) of Schedule A of the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 ("**Regulations**") and final tariff order, dated September 27, 2018, zonal tariff order dated December 10, 2018 passed pursuant to Regulation ("**Order")** on the grounds that the Amendment is allegedly retrospective in nature and beyond the powers of PNGRB ("**Petitions**"). Further, the Petitions also challenged the debit notes issued by GAIL and GSPC amounting to ₹ 762.02 lakhs and ₹ 168.39 lakhs, respectively, against our Company pursuant to the Order ("**Demand**"). The High Court passed an interim order directing the Respondents not to enforce the demands in any manner. The Petitions thereafter are being heard by the High Court together. The matter is currently pending.

4. Our Company filed a petition in the High Court of Punjab and Haryana ("**High Court**") against the State of Haryana and the Haryana State Industrial and Infrastructure Development Corporation (collectively, the "**Respondents**") challenging the two notices issued by the Respondent for enhancement of land cost of ₹731.06 lakhs pursuant to the terms of the sale deed between our Company and the Respondents for allotment of land ("**Notices**"). The Company thereafter also filed an interim application before the High Court seeking a stay on the Notices or for restraining the Respondents from demanding the enhanced costs. The High Court vide an interim order instructed the petitioner to deposits 50% of the amount demanded and stayed the recovery of the balance amount. The matter is currently pending.

5. The Maharashtra Industrial Development Corporation ("**MIDC**") issued a notice ("**Notice**") to our Company demanding a capital contribution of ₹ 742.80 lakhs ("**Demand**") pursuant to the orders of the National Green Tribunal, Principal Bench, New Delhi which imposed penalties on certain defaulting members of the Taloja Manufacturers Association for non-compliance of certain environmental laws ("**Orders**"). Our Company has filed an application seeking intervention ("**Intervening Application**") in the appeal filed by the Taloja Manufacturers Association ("**Appeal**") against the Orders which is pending before the Supreme Court of India ("**Supreme Court**") alleging coercion by MIDC for payment of the Demand. As the decision of the Supreme Court in the Appeal is likely to affect the rights of our Company, the Intervening Application has been filed. The matter is currently pending.

6. Our Company has filed a writ petition in the High Court of at Bombay (**"High Court"**) against the Union of India, State of Maharashtra and the Secretary of Department of Fertilizers for non-payment of the subsidy amount of ₹30,945.00 lakhs (**"Subsidy Amount"**) to our Company pursuant to government notifications dated March 4, 2010, March 16, 2010 and October 25, 2012; and officer memorandums dated March 29, 2012, May 3, 2013 and March 31, 2014 (collectively called **"Subsidy Policy"**), despite furnishing all certifications as required under the Subsidy Policy. Pursuant to an office memorandum issued by the Respondent, our Company furnished a bank guarantee to the tune of ₹ 310.00 lakhs in lieu of the Respondent releasing the subsidy claim, which was to be renewed yearly till a recovery formula is finalized by the Respondent ("**Bank Guarantee**"). Our Company has filed a writ petition before the High Court of Delhi ("**Delhi HC**")

against the Respondent to release the Bank Guarantee alleging *inter alia* that the Respondent has arbitrarily extended the Bank Guarantee for over three years on account of its own inaction. The Delhi HC has passed orders directing both parties to maintain status-quo till the Respondent decides the recovery formula. The matter is currently pending.

(E) Tax Proceedings

Nature of proceeding	Number of proceedings outstanding as on September 4, 2020	Amount involved (in ₹ lakhs)*
Direct tax	21	7,223.00
Indirect tax	36	15,692.25
Total	**57**	**22,915.25**

**To the extent quantifiable/ determinable*

Litigations involving our Subsidiaries

(F) Proceedings involving material violations of statutory regulations by our Subsidiaries

1. 10 cases are pending against our STL in relation to *inter alia* quality of our fertiliser products under the Fertiliser (Control) Order, 1985 read with the Essential Commodities Act. These matters are currently pending at various stages of adjudication before various adjudication forums.

2. Madhu Milan Shinde, in his capacity as director and occupier of Srikakulam Plant of STL, received a show cause notice dated July 7, 2020 ("**Notice**") from the State Disaster Response and Fire Services Department, Government of Andhra Pradesh in relation to deficiency in the firefighting systems and lack of firefighting installations as required under the National Building Code 2016, at STL's plant in Srikakulam. The Notice directed STL to rectify the violations detailed in the Notice within 30 days, failing which action would be initiated under Section 31 of the Andhra Pradesh Fire Services Act, 1999. SCL replied to the Notice on August 5, 2020 providing status report along with relevant photographs of the rectification work being undertaken at the said premises. Further, due to lack of manpower and equipment as a result of Covid-19 pandemic, STL requested for additional time up to September 30, 2020 to complete the rectification work. The matter is currently pending.

(G) Litigation against our Subsidiaries

Tax proceedings

Nature of proceeding	Number of proceedings outstanding as on September 4, 2020	Amount involved* (in ₹ lakhs)
STL		
Direct tax	3	21.00
Indirect tax	33	2561.42
Total	**36**	**2,582.42**

**To the extent quantifiable/ determinable*

Litigation involving our Directors

(H) Matters involving issues of moral turpitude or criminal liability against our Directors

1. For further details in relation to criminal proceedings involving our Directors, please see "*Matters involving issues of moral turpitude or criminal liability against our Company.*"

2. The Union of India ("**UOI**") has filed an application ("**Application**") before the National Company Law Tribunal Mumbai ("**NCLT**"), *inter alia* against IL&FS Financial Services Limited ("**IFIN**") being a key subsidiary of Infrastructure Leasing and Financial Services Limited ("**IL&FS**"), certain employees, all of its directors including erstwhile directors, and also the statutory auditors ("**Respondents**"), seeking to implead them as parties in a mismanagement petition filed by the UOI against the IL&FS and others under Section 241 and 242 of the Companies Act, 2013 ("**Petition**"). A related application was filed by the UOI before the NCLT seeking certain restraints on the assets of the Respondents proposed to be impleaded in the Petition, including Renu Challu, one of our directors. Renu Challu has been made a party to these applications as she was an erstwhile independent director of IFIN for a period between September 27, 2017 and September 17, 2018. The

NCLT allowed the Application and granted impleadment of the Respondents (including Renu Challu) to the Petition by its order dated July 18, 2019 ("**Order**") but granted a stay on operation of the Order to allow parties to file appeals. The Order was appealed before the National Company Law Appellate Tribunal ("**NCLAT**") by the Respondents (including Renu Challu). The NCLAT passed an order dated March 4, 2020 ("**NCLAT Order**") upholding the Order passed by the NCLT. The NCLAT also granted a stay on the Order for four weeks which was further extended due to the COVID-19 lockdown ("**NCLAT Order**") to allow parties to file appeals. Appeals against the NCLAT Order has been filed before the Supreme Court of India by the Respondents (including Renu Challu). Thereafter, the High Court of Bombay, by an order dated April 21, 2020, struck down /quashed the sanction order passed by the UOI which forms the basis of the said NCLT applications ("**High Court Order**"). An appeal has been filed by the UOI against the High Court Order before the Supreme Court of India. The matters are currently pending.

3. Company Petition titled *Union of India v Gitanjali Gems Limited*, was filed before the NCLT, Mumbai ("**NCLT**"), under Sections 221, 222 241, 242, 246 read with Section 339 of the Companies Act, 2013; wherein Sujal Shah was sought to be arrayed as Respondent No. 43. The Company Petition, *inter alia,* seeks reliefs to the extent of directing the Respondents to disclose their moveable and immovable properties/assets including Bank Accounts owned by them in India or anywhere in the world with a further payer that the Respondents be restrained from mortgaging or create charge or lien or third party interest or in any way alienating the properties owned by them with a further prayer seeking attachment of the said properties. The only allegation against Sujal Shah herein finds mention in Paragraph 2 of the Company Petition wherein it has been mentioned that "*Respondent Nos. 14, 18, 35, 38, 41, 42, 43, 45, 46, 47, 48 and 49 are the Directors/KMP of the Company during the period when the financial fraud was committed".* An ex parte interim order dated February 23, 2018 came to be passed by NCLT, injuncting all the Respondents and others from removing, transferring, disposing off funds, assets and properties of the entities and individuals mentioned in the said order ("**Order**"). Sujal Shah filed an Application seeking vacation of the Order and for dismissal of the Petition. A common order was passed by the NCLT dated April 2, 2018 vacating the Order qua Sujal Shah ("**NCLT Order**"). Union of India preferred an Appeal before the National Company Law Appellate Tribunal, New Delhi ("**NCLAT**") challenging NCLT Order. Order dated July 12, 2018 was passed by the NCLAT thereby allowing the Appeals and setting aside the NCLT Order ("**NCLAT Order**"). Sujal Shah thereafter filed civil appeals before the Supreme Court of India challenging the Order and NCLAT Order. The Hon'ble Supreme Court has by its order dated September 14, 2018 admitted the appeals and stayed the operation of the judgment and NCLAT Order. The matter is pending.

4. Complaint came to be filed before LIX Addl. City Civil and Sessions Judge Bangalore, Bengalaru,("**Judge**") titled *The Serious Fraud Investigation Office Vs. Kingfisher Aviation & Training Services Ltd. & Ors.* The Complaint alleges commission of offences punishable under sections 68 and 628 of the Companies Act 1956 for alleged violation of sections 75, 211 and 211 (3C) of the Companies Act 1956 during the period 2005 to 2012 in relation to an alleged comprehensive scheme in a series of acts and/or omissions and the pre-merger, merger and post-merger stages of Kingfisher Aviation and Training Services Limited (*erstwhile Kingfisher Airlines Limited*) and Kingfisher Airlines Limited (*erstwhile Deccan Aviation Limited*). Sujal Shah has been arrayed as one of the accused in the complaint and the acts and/or omissions are alleged to be during the period 2007 to 2008 and relate to an assignment i.e. valuation and suggested share swap ratio, carried out by the firm M/s. Dalal & Shah, Chartered Accountants, in which Sujal Shah at the relevant time was a partner. In the above Complaint, the order of cognizance and process came to be passed on December 28, 2017 by the Judge ("**Order**"). Whilst, papers and proceedings have not been served on me, Sujal Shah learnt of this through news reports as well as other, who have been parties. The Order was challenged before the Karnataka High Court at Bangalore ("**High Court**"), in a writ petition, titled *Sujal Shah vs. Serious Fraud Investigation Office*. By order dated February 9, 2018 the High Court has granted stay of the proceedings before Judge. This order has been continued from time to time and in force as on date. The matter is currently pending.

(I) Proceedings involving material violations of statutory regulations by our Directors

1. For further details in relation to such proceedings involving our Directors, please see "*Proceedings involving material violations of statutory regulations by our Subsidiaries".*

GOVERNMENT AND OTHER APPROVALS

Our Company and Material Subsidiaries are required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits, consents and licenses (collectively, the "**Approvals**") under them for conducting our business operations through factories and office premises. These include *inter alia* factories license, environment licenses, no-objection certificate from the relevant fire departments, license for storage of petroleum and petroleum products, shops and establishments certificates, and other applicable Approvals. The requirement for such Approvals may vary based on factors such as activity being carried out and legal requirement in the State in which our Company and Material Subsidiaries' operations are being carried out. Further, our Company and Material Subsidiaries' obligation to obtain and renew such Approvals arises periodically in the ordinary course of business and applications for such approvals are made at the appropriate stage under applicable laws.

Our Company has obtained all material Approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time.

Except as listed below, there are no pending material approvals required for our Company or our Material Subsidiaries, to conduct our existing business and operations.

Sr. No.	Entity	Nature of approval	Issuing authority	Date of acknowledgement of renewal application / date of renewal application
1.	Company	Certificate for use of a boiler	Assistant Director of Boilers, Dahej	January 9, 2019
2.	Company	No objection certificate from the fire department	Chief Fire Officer, Bharuch	December 30, 2019

Our Subsidiary, STL is in the process of complying with the requirements of obtaining a no objection certificate from the Andhra Pradesh State Disaster Response and Fire Service Department in relation to its plant in Srikakulam district. Post completion of the same, STL will apply for the no objection certificate.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on May 25, 2020, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

Our Board, in its meeting held on September 11, 2020 has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at ₹ 133 per Equity Share (including a premium of ₹ 123 per Equity Share) aggregating to ₹ 17,812.24 lakhs. The Issue Price is ₹ 133 per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be Allotted in this Issue pursuant to their respective letters each dated September 9, 2020 and September 8, 2020, respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN 'INE501A20019' for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. Our Company has been allotted the ISIN 'INE501A20019' both from NSDL and CDSL for the Equity Shares issued pursuant to this Issue. For details, see *"Terms of the Issue"* beginning on page 185.

Prohibition by SEBI

Our Company, our Promoters, members of the Promoter Group or our Directors have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The companies with which our Promoters or our Directors are associated as promoter or directors have not been debarred from accessing the capital market by SEBI.

Neither our Promoters nor our Directors are declared as Fugitive Economic Offenders.

Association of our Directors with securities market

Except Berjis Minoo Desai who is a director of Edelweiss Financial Services Limited, none of our Directors are associated with the securities market.

Prohibition by RBI

Neither our Company nor our Promoters nor our Directors have been or are identified as Wilful Defaulters.

Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchanges and have received their in-principle approvals for listing of the Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations read with the SEBI circular, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 dated April 21, 2020, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. Our Equity Shares have been listed on BSE and NSE, each being a recognized stock exchange having, nationwide trading terminals, for a period of at least 18 months immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

2. The entire shareholding of the members of the Promoter Group is held in dematerialized form as at the date of filing this Letter of Offer with the Designated Stock Exchange;

3. The average market capitalization of the public shareholding (as defined under the SEBI ICDR Regulations) of our Company is at least ₹ 1,000 lakhs;

4. The annualized trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six-months period;

5. The annualized delivery-based trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualized trading turnover of Equity Shares during such six-month period;

6. Our Company has been in compliance with the equity listing agreement and the SEBI Listing Regulations, for a period of at least 18 months immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange*;

7. Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month at the date of filing this Letter of Offer with the Designated Stock Exchange;

8. No show-cause notices, excluding under adjudication proceedings, have been issued by SEBI and pending against our Company or our Promoters or whole-time Directors as at the date of filing this Letter of Offer with SEBI, the Designated Stock Exchange and NSE. Further, there are no prosecution proceedings initiated, or show cause notices in adjudication proceedings which have been issued, by SEBI, and which are pending against our Company, Promoters, Directors or Group Companies as at the date of filing this Letter of Offer with SEBI, the Designated Stock Exchange and NSE, which have not been disclosed in this Letter of Offer, along with potential adverse impact on our Company. For details, see *"Outstanding Litigation and Defaults - Proceedings involving material violations of statutory regulations by our Company"* beginning on page 169;

9. Our Company, our Promoters, the members of the Promoter Group or our Directors have fulfilled the settlement terms or adhered to directions of the settlement order(s) in cases where any alleged violation of securities laws have been settled by them through the consent or settlement mechanism with SEBI;

10. Our Equity Shares have not been suspended from trading as a disciplinary measure during 18 months immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

11. There is no conflict of interest between the Lead Manager and our Company or its Group Companies in accordance with applicable regulations;

12. Our Promoters and members of the Promoter Group shall mandatorily subscribe to their Rights Entitlements and shall not renounce their rights, except to the extent of renunciation within members of the Promoter Group. For subscription by our Promoters and members of the Promoter Group and details in relation to compliance with minimum public shareholding norms prescribed under the SCRR, see "*Capital Structure - Intention and extent of participation by our Promoters and members of the Promoter Group in the Issue"* beginning on page 55; and

13. There are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company in respect of the Fiscal for which such accounts are disclosed in this Letter of Offer.

** Our Company appointed Renu Challu as the independent woman director on our Board with effect from May 13, 2020. For details, see "Our Management" beginning on page 67. Prior to appointment of Renu Challu, our Company was not compliant with Regulation 17(1)(a) of the SEBI Listing Regulations for the period between April 1, 2020 to May 12, 2020.*

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company filed an exemption application dated June 4, 2020 with SEBI seeking an exemption under Regulations 300(2) of the SEBI ICDR Regulations from strict enforcement of Regulation 70 read with Part B (1)(a) of Schedule VI of the SEBI ICDR Regulations ("**Exemption Application**") and enable our Company to make disclosures in this Letter of Offer under Part B of Schedule VI of the SEBI ICDR Regulations. On July 2, 2020, SEBI vide its email, clarified to our Company to include disclosures in this Letter of Offer under Part B of Schedule VI of SEBI ICDR Regulations for undertaking the Issue (the "**SEBI Clarification**").

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last three years[*] immediately preceding the date of filing of this Letter of Offer with SEBI;

2. The reports, statements and information referred to above are available on the websites of BSE and NSE; and

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations[*], and given the SEBI Clarification, the disclosures in this Letter of Offer are in terms of Clause (5) of Part B of Schedule VI of the SEBI ICDR Regulations.

[*]Pursuant to the SEBI Clarification, it was clarified that our Company is eligible for disclosures under Part B of Schedule VI of SEBI ICDR Regulations by virtue of satisfying the eligibility requirements specified in Regulation 99 of the SEBI ICDR Regulations read with the SEBI circular, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 dated April 21, 2020.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGER BEING BOB CAPITAL MARKETS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, BEING BOB CAPITAL MARKETS LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 11, 2020, WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE LETTER OF OFFER OF THE SUBJECT ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

(b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOT APPLICABLE

(5) WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. – NOT APPLICABLE

(6) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. – NOT APPLICABLE

(7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. – NOT APPLICABLE

(8) NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE

(9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE

(10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY. , EXCLUDING SUPERIOR EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR EQUITY SHARES – COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR EQUITY SHARES); AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. COMPLIED WITH

(11) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS. – NOTED FOR COMPLIANCE.

(12) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS. – NOT APPLICABLE

(13) NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY– COMPLIED WITH

(14) THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER– COMPLIED WITH

(15) THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS – COMPLIED WITH

(16) ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE COMPANY UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE EQUITY SHARES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN – COMPLIED WITH AND NOTED FOR COMPLIANCE

(17) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY – COMPLIED WITH

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of BSE

BSE Limited (the "**Exchange**") has given, vide its letter dated September 9, 2020 permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter dated September 8, 2020, permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer and the Application Form and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer and the Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders in offshore transactions outside the United States in compliance with Regulation S to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares and/ or Rights Entitlements is permitted under laws of such jurisdictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials (a) only to the e-mail addresses of Eligible Equity Shareholders who have provided an Indian address to our Company; and (b) only to the Indian addresses of the Eligible Equity Shareholders whose email addresses are not available with the Company or the Eligible Equity Shareholders who have not provided the valid e-mail address to the Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to e-mail this Letter of Offer, the Abridged Letter of Offer, the Application Form and other applicable Issue materials shall not be sent this Letter of Offer, the Abridged Letter of Offer, the Application Form and other applicable Issue materials. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, the Abridged Letter of Offer and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges.

Accordingly, the Equity Shares and the Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer, the Abridged Letter of Offer and the Application Form or any offering materials or advertisements in connection with the Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer and the Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer. In those circumstances, this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the receipt of this Letter of Offer nor any sale/ offer of Equity Shares and/ or the Rights Entitlements hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Equity Shares or the Rights Entitlements regarding the legality of an investment in the Equity Shares and/ or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE EQUITY SHARES AND RIGHTS ENTITLEMENTS REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Equity Shares and/ or the Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged Letter of Offer and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Equity Shares and/ or the Rights Entitlements under applicable securities laws and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares and/ or the Rights Entitlements in respect of any such Application Form.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED UNDER "RESTRICTIONS ON PURCHASES AND RESALES" ON PAGE 216.

Filing

This Letter of Offer is being filed with BSE, NSE and SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders' Relationship Committee ("**SRC**") which currently comprises Pranay Vakil, Berjis Minoo Desai and Renu Challu. The broad terms of reference include resolving the grievances of the security holders of our Company including complaints relating to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter such as non-receipt of Allotment advice/demat credit/refund orders etc. The contact details of our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

Kfin Technologies Private Limited ***(formerly known as "Karvy Fintech Private Limited)***

Selenium, Tower B,
Plot No- 31 and 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi 500 032
Telangana, India.
Telephone: +91 40 6716 2222
Toll free number: 18004258998, 18003454001
E-mail Id: deepakfertilisers.rights@kfintech.com
Investor grievance e-mail Id: einward.ris@kfintech.com
Contact person: M. Murali Krishna
Website: www.kfintech.com
SEBI registration number: INR000000221

Company Secretary and Compliance Officer

K Subharaman
Sai Hira, Survey No. 93
Mundhwa, Pune - 411 036
Telephone: +91 20 6645 8094
E-mail Id: investorgrievance@dfpcl.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEM Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars and the MCA Circular, our Company will send, only through e-mail, the Abridged Letter of Offer, Application Form and other applicable Issue materials, at least two days before the Issue Opening Date, to the e-mail addresses of all Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be sent, only through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

(i) our Company www.dfpcl.com;

(ii) the Registrar at www.kfintech.com;

(iii) the Lead Manager, *i.e.* BOB Capital Markets Limited at www.bobcaps.in;

(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and

(iv) the Registrar's web-based application platform at www.kfintech.com ("**R-WAP**").

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.kfintech.com.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, https://rights.kfintech.com/deepak) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.dfpcl.com).

Our Company along with the Lead Manager have taken and will continue to undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through means as may be considered feasible by our Company and our Company or the Lead Manager will not be liable for considering or choosing or not considering or choosing any specific means to reach out to the Eligible Equity Shareholders.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction outside India, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person’s jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- **In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the R-WAP (instituted only for resident Investors in this Issue, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.**

- **In accordance with the SEBI Relaxation Circulars, our Company will make use of advertisements in television channels, radio, internet *etc*., including in the form of crawlers/ tickers, as considered appropriate by our Company, to disseminate information relating to the Application process in India.**

  The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" beginning on page 200.

In accordance with the SEBI Relaxation Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Equity Shares may also apply in this Issue during the Issue Period.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by:

(i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

(ii) filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account. Please note that Applications made with payment using third party bank accounts are liable to be rejected and our Company, Lead Manager and the Registrar shall rely on the self-certification in the Application Form in this regard.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

(i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

(ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

- **Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Relaxation Circulars through R-WAP) shall be treated as incomplete and shall be rejected. For details see "- Grounds for Technical Rejection" beginning on page 196. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" beginning on page 191.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or

(v) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money payable on the Application in their respective ASBA Accounts with respective SCSBs. Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Investors applying through ASBA:

(a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be Allotted in the dematerialized form only.

(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

(a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

- ***Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process***

In accordance with the SEBI Relaxation Circulars, a separate web-based application platform, i.e., the R-WAP facility (accessible at www.kfintech.com), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process and R-WAP facility should be utilized only in the event that Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.

At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP. Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

Set out below is the procedure followed using the R-WAP:

(a) Prior to making an Application using the R-WAP facility, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash payment mechanism in accordance with the SEBI Relaxation Circulars.

(b) Resident Investors should visit R-WAP (accessible at www.kfintech.com) and fill the online Application Form available on R-WAP in electronic mode. Please ensure that you provide correct DP ID, Client ID, PAN and Folio number (for resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) along with all other details sought for while submitting the online Application Form.

(c) Non-resident Investors are not eligible to apply in this Issue through R-WAP.

(d) Investors should ensure that Application process is verified through the e-mail / phone / mobile number or other means as applicable. Post due verification, Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Equity Shares to be applied for in the Issue. Please note that the Application Money will be determined based on number of Equity Shares applied for.

(e) Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Equity Shares applied for in the Issue.

(f) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.

(g) Verification, if any, in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

(h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account "DFPCL RIGHTS ALLOTMENT DEMAT SUSPENSE ACCOUNT", opened by our Company with the Escrow Collection Bank.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (www.kfintech.com) or call the toll free numbers of the Registrar 18004258998 and/ or18003454001.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY, THE REGISTRAR AND THE LEAD MANAGER SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "*RISK FACTORS – THE R-WAP FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS*" BEGINNING ON PAGE 36.

Do's for Investors applying through R-WAP:

(a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.

(b) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in the bank account through which payment is made using the R-WAP.

(c) Ensure that you make the payment towards your Application through your bank account only and not use any third-party bank account for making the payment.

(d) Ensure that you receive a confirmation e-mail or confirmation through other applicable means on successful transfer of funds.

(e) Ensure you have filled in correct details of PAN, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), DP ID and Client ID, as applicable and all such other details as may be required.

(f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Investors applying through R-WAP:

(a) Do not apply from bank account of third parties.

(b) Do not apply if you are a non-resident Investor.

(c) Do not apply from non-resident account.

- ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. Please note that the Application on plain paper cannot be submitted through R-WAP.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Deepak Fertilisers and Petrochemicals Corporation Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue

5. Number of Equity Shares held as on Record Date;

6. Allotment option – only dematerialised form;

7. Number of Equity Shares entitled to;

8. Number of Equity Shares applied for within the Rights Entitlements;

9. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Equity Shares applied for;

11. Total amount paid at the rate of ₹ 133 per Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

16. All such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Equity Shares and the Rights Entitlements referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**") to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares and the Rights Entitlements are permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy or transfer any of the said Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of my/our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "Restrictions on Purchases and Resales" on page 216.

I/ We understand and agree that the Rights Entitlements and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.kfintech.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Relaxation Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

(i) the Eligible Equity Shareholders apply only through R-WAP;

(ii) the Eligible Equity Shareholders are residents;

(iii) the Eligible Equity Shareholders are not making payment from non-resident account;

(iv) the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and

(v) the Eligible Equity Shareholders shall receive Equity Shares, in respect of their Application, only in demat mode.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company or the Registrar containing the name(s), Indian address, e-mail address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Equity Shares in such demat account.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date. The Eligible Equity Shareholders are encouraged to send the details by e-mail due to lockdown and restrictions imposed due to current pandemic COVID-19;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The remaining procedure for Application shall be same as set out in "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" beginning on page 191.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process or using the R-WAP.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "- *Basis of Allotment*" beginning on page 208.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Investors in relation to making of an Application

(a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you.

(c) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(d) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(e) Applications should not be submitted to the Banker to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.

(f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

(h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

(k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(l) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(m) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit multiple Applications.

(s) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

- ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

(a) Applications by non-resident Investors.

(b) Payment from third party bank accounts.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- *Procedure for Applications by Mutual Funds*" beginning on page 199.

In cases where multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on RWAP as well as through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "*Capital Structure - Intention and extent of participation by our Promoter and members of the Promoter Group in the Issue*" beginning on page 55.

- ***Procedure for Applications by certain categories of Investors***

  Procedure for Applications by FPIs

  In terms of the SEBI FPI Regulations, investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100%). The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Equity Shareholders of our Company. In terms of the FEM Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

  FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

  Procedure for Applications by AIFs, FVCIs and VCFs

  The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

  As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection. No investment under the FDI route will be allowed in the Issue.

  Procedure for Applications by NRIs

  Investments by NRIs are governed by the FEM Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

  As per the FEM Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia,* that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

*Procedure for Applications by Systemically Important Non-Banking Financial Companies (“**NBFC-SI**”)*

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Monday, October 12, 2020 *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under the section, “- *Basis of Allotment*” beginning on page 208.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the e-mail withdrawal request to deepakfertilisers.rights@kfintech.com in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing

Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.,* www.kfintech.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.dfpcl.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE501A20019. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* deepakfertilisers.rights@kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP (an additional optional facility).

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "DFPCL RIGHTS ENTITLEMENT DEMAT SUSPENSE ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the

Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by Wednesday, October 7, 2020 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEM Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEM Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

In accordance with SEBI Relaxation Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

- ***Procedure for Renunciation of Rights Entitlements***

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) *On Market Renunciation*

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE501A20019 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one (1) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Friday, September 25, 2020 to Wednesday, October 7, 2020 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE501A20019 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on ‘T+2 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) *Off Market Renunciation*

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE501A20019, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEM Rules and requirements prescribed by the RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

For details of mode of payment in case of Application through R-WAP, see "- *Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process*" beginning on page 189.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement Ratio, see "*The Issue*" beginning on page 40.

- ***Fractional Entitlements***

  The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of three (3) Equity Shares for every 20 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 20 Equity Shares or is not in the multiple of 20 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

  For example, if an Eligible Equity Shareholder holds 21 Equity Shares, such Equity Shareholder will be entitled to 3 (three) Equity Share and will also be given a preferential consideration for the Allotment of one additional Equity Share if such Eligible Equity Shareholder has applied for additional Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

  Further, the Eligible Equity Shareholders holding less than 20 Equity Shares shall have 'zero' entitlement for the Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of one Equity Share, if such Eligible Equity Shareholders apply for additional Equity Shares, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

- ***Ranking***

  The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid up, rank *pari passu* with the existing Equity Shares, in all respects including dividends. In respect of the Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

- ***Listing and trading of the Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number DCS/RIGHTS/JR/IP-RT/772/2020-21 dated September 9, 2020 and from the NSE through letter bearing reference number NSE/LIST/24606 dated September 8, 2020. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 500645) and NSE (Scrip Code: DEEPAKFERT) under the ISIN: INE501A01019. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoter and members of the Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "*Capital Structure - Intention and extent of participation by our Promoter and members of the Promoter Group in the Issue*" beginning on page 55.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

(a) The right to receive dividend, if declared;

(b) The right to vote in person, or by proxy, except in case of Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;

(c) The right to receive surplus on liquidation;

(d) The right to receive offers for rights shares and be allotted bonus shares, if announced;

(e) The right to free transferability of Equity Shares;

(f) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and

(g) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- ***Nomination***

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- ***Arrangements for Disposal of Odd Lots***

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Notices***

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars and MCA General Circular No. 21/2020, our Company will send, only through e-mail, the Abridged Letter of Offer, Application Form and other applicable Issue material to the e-mail addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, only through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Pune, where our Registered and Corporate Office is situated).

In accordance with SEBI Relaxation Circulars, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- ***Offer to Non-Resident Eligible Equity Shareholders/Investors***

As per Rule 7 of the FEM Rules, the RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at deepakfertilisers.rights@kfintech.com.

The Abridged Letter of Offer, Application Form and other applicable Issue materials shall be sent to the e-mail address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.,* from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Investors can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue and shall provide a copy of the same with the Application Form.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at deepakfertilisers.rights@kfintech.com.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS,

SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" BEGINNING ON PAGE 209.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS$	Friday, September 25, 2020
ISSUE OPENING DATE	Monday, September 28, 2020
LAST DATE FOR ON MARKET RENUNCIATION#	Wednesday, October 7, 2020
ISSUE CLOSING DATE*	Monday, October 12, 2020
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Wednesday, October 21, 2020
DATE OF ALLOTMENT (ON OR ABOUT)	Wednesday, October 21, 2020
DATE OF CREDIT (ON OR ABOUT)	Friday, October 23, 2020
DATE OF LISTING (ON OR ABOUT)	Monday, October 26, 2020

\# *Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

* *Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

$ *In accordance with the SEBI Relaxation Circular, for cases where the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the last date of credit of Rights Entitlements shall be Friday, October 9, 2020.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, Wednesday, October 7, 2020 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date i.e. Monday, October 12, 2020.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank(s) with list of Allottees and corresponding amount to be transferred to the Allotment Account(s). Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will e-mail Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Credit and Transfer of Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Equity Shares for non-receipt of demat account details in a timely manner.

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

(a) the Registrar shall send Allotment advice and credit the Equity Shares to a demat suspense account to be opened by our Company;

(b) such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery; and

(c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders.

- ***Notes:***

 1. Our Company will open a separate demat suspense account to credit the Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.

 2. The Eligible Equity Shareholders cannot trade in such Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.

 3. There will be no voting rights against such Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Equity Shares in proportion to amount paid-up on the Equity Shares, as permitted under applicable laws.

 4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Equity Shares).

 5. The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, *etc.*, in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

XI. PAYMENT OF REFUND

- ***Mode of making refunds***

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

(a) Unblocking amounts blocked using ASBA facility.

(b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) **Direct Credit** – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

- ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- ***Receipt of the Equity Shares in Dematerialized Form***

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME

DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated July 1, 2016 with NSDL and an agreement dated July 7, 2016with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Equity Shares and the Application Form will be rejected.

5. The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Equity Shares in this Issue must check the procedure for application by and credit of Equity Shares to such Eligible Equity Shareholders in "- *Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form*" and "- *Credit and Transfer of Equity Shares in case of Shareholders holding Equity Shares in Physical Form*" beginning on pages 193 and 209, respectively.

XIII. IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.5 crore or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.

3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6) Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.

7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. MINIMUM SUBSCRIPTION

Pursuant to the SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 granting relaxations from certain provisions of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 75% of the Issue Size, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. However, if our Company receives subscription between 75% to 90%, of the Issue Size, at least 75% of the Issue Size shall be utilized for the objects of this Issue other than general corporate purpose. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (*i.e.*, 15 days after the Issue Closing Date), or such other period as prescribed by applicable law, our Company shall pay interest for the delayed period, at rates prescribed under applicable law.

XVII. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**Deepak Fertilisers and Petrochemicals Corporation Limited – Rights Issue**" on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

   Kfin Technologies Private Limited *(formerly known as "Karvy Fintech Private Limited)*
   Selenium, Tower B,
   Plot No- 31 and 32, Financial District,
   Nanakramguda, Serilingampally,
   Hyderabad, Rangareddi 500 032
   Telangana, India.
   Telephone: +91 40 6716 2222
   Toll free number: 18004258998, 18003454001
   E-mail Id: deepakfertilisers.rights@kfintech.com
   Investor grievance e-mail Id: einward.ris@kfintech.com
   Contact person: M. Murali Krishna
   Website: www.kfintech.com
   SEBI registration number: INR000000221

   In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.kfintech.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties are 18004258998 and/ or 18003454001.

2. The Investors can visit following links for the below-mentioned purposes:

   (a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.kfintech.com

   (b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: https://rights.kfintech.com/deepak

(c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://rights.kfintech.com/deepak

(d) Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: deepakfertilisers.rights@kfintech.com

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

XVIII. RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. The DPIIT issued the Consolidated FDI Policy Circular of 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND RESALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Equity Shares in any jurisdiction where action for such purpose is required, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges.

The Rights Entitlements, Equity Shares and Equity Shares have not been and will not be registered under the US Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Equity Shares may not be offered or sold, directly or indirectly, and none of this Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Equity Shares, applying for excess Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Equity Shares.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Equity Shares, or who purchases the Rights Entitlements or the Equity Shares shall do so in accordance with the restrictions set out below:

United States

The Rights Entitlements and the Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Equity Shares referred to in this Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Neither receipt of this Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Letter of Offer and its accompanying documents directly from our Company or the Registrar.

Each person outside of the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Equity Shares and accepting delivery of any Rights Entitlements or any Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "purchaser", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

2. No offer or sale of the Rights Entitlements or the Equity Shares to the purchaser is the result of any "directed selling efforts" in the United States (as such term is defined in Regulation S).

3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Equity Shares are, entitled to subscribe for the Equity Shares, and the sale of the Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of its jurisdiction of residence.

5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Equity Shares on behalf of each owner of such account.

6. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.

7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the Equity Shares of the restrictions set forth in the Letter of Offer under the heading "*Restrictions on Purchases and Resales*".

8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.

9. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Equity Shares pursuant to the Issue.

10. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view

expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Equity Shares is suitable and appropriate, both in the nature and number of Equity Shares being subscribed.

11. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, nor the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

12. The purchaser understands that the Exchange Information and this Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchanges or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the U.S. SEC, and (ii) this Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Equity Shares with the U.S. SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.

13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company; and (ii) none of the Lead Manager or any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.

14. The purchaser will not hold our Company, the Lead Manager or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.

15. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company, or to the Lead Manager, for all or part of any such loss or losses it may suffer.

16. The purchaser understands and acknowledges that the Lead Manager are assisting our Company in respect of this Issue and that the Lead Manager are acting solely for our Company and no one else in

connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from its engagement with our Company and in connection with this Issue.

17. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that neither our Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or outside of India and ineligible to participate in this Issue under applicable securities laws.

18. The purchaser understands that the foregoing representations and acknowledgments have been provided in connection with United States, India and other securities laws. It acknowledges that our Company and the Lead Manager, their affiliates and others (including legal counsels to each of our Company, the Lead Manager) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of this Issue or the issuance of the Equity Shares, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Rights Entitlements and subscription for the Equity Shares is no longer accurate, it shall promptly notify our Company in writing.

Australia

This Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) (“Australian Corporations Act”) and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Letter of Offer has not been lodged with the Australian Securities and Investments Commission (“ASIC”) and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and Equity Shares under this Letter of Offer may only be made to persons who are “sophisticated investors” (within the meaning of section 708(8) of the Australian Corporations Act), to “professional investors” (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Letter of Offer, and any offers made under this Letter of Offer, you represent to the Issuer, Lead Manager that you will not provide this Letter of Offer or communicate any offers made under this Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or Equity Shares for, any Australian residents unless they are a “sophisticated investor” or a “professional investor” as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Equity Shares for on-sale that is received in Australia within 12 months after their issue by the Company, or within 12 months after their sale by a selling security holder (or a Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Letter of Offer or the performance of the Rights Entitlements or the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Letter of Offer is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Entitlements or the Equity Shares and this Letter of Offer will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Letter of Offer or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Rights Entitlements or the Equity Shares.

China

This Letter of Offer may not be circulated or distributed in the People's Republic of China ("**PRC**") and the Rights Entitlements and the Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Letter of Offer are required by the Issuer and its representatives to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), neither the Rights Entitlements or the Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlements and the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlements and the Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

a. to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
b. to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
c. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Entitlements or the Equity Shares shall require the Issuer or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. This Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation. The Issuer does not authorize the making of any offer of Rights Entitlements and/or the Equity Shares in circumstances in which an obligation arises for the Issuer to publish a prospectus for such offer.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Rights Entitlements or the Equity Shares in any Relevant State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and Rights Entitlements or any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for those securities, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

Hong Kong

The Rights Entitlements and the Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Equity Shares. No Rights Entitlements or Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Rights Entitlements and subscribe the Equity Shares (the "**QII Rights Entitlements and the QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

This Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Equity Shares in the State of Kuwait. The Rights Entitlements and the Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("Kuwait Securities Laws"). No private or public offering of the Rights Entitlements or the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Letter of Offer or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Rights Entitlements and the Equity Shares. The Rights Entitlements and the Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Rights Entitlements and the Equity Shares directly or indirectly to anyone in Malaysia.

New Zealand

This Letter of Offer has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Rights Entitlements and the Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

a. is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
b. meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
c. is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
d. is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Rights Entitlements or the Equity Shares are issued or sold elects to sell any Rights Entitlements or Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Oman

This Letter of Offer and the Rights Entitlements and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman ("**Oman**") without the prior consent of the Capital Market Authority ("**Oman CMA")** and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Rights Entitlements and the Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of the Rights Entitlements and the Equity Shares described in this Letter of Offer will not take place inside Oman. This Letter of Offer is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof does not constitute a public offer of the Rights Entitlements or the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "CMAL"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non- Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA. Additionally, this Letter of Offer and the Rights Entitlements and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Letter of Offer and the Rights Entitlements and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar

This Letter of Offer is provided on an exclusive basis to the specifically intended recipient, upon that person's request and initiative, and for the recipient's personal use only and is not intended to be available to the public. Nothing in this prospectus constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Rights Entitlements or the Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Letter of Offer and the underlying instruments have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Letter of Offer by the recipient to third parties in Qatar or the Qatar Financial Centre beyond these terms is not authorised and shall be at the liability of the recipient.

Saudi Arabia

This Letter of Offer may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 3-123-2017 dated 27 December 2017 as amended by resolution number 1-104-2019 dated 30 September 2019, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Letter of Offer and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Letter of Offer. Prospective purchasers of the Rights Entitlements and the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Rights Entitlements and the Equity Shares. If you do not understand the contents of this Letter of Offer, you should consult an authorized financial adviser.

Singapore

This Letter of Offer has not been registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, neither this Letter of Offer nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements or the Equity Shares may be circulated or distributed, nor may the Rights Entitlements and the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) existing holders of Equity Shares in the Company pursuant to Section 273(1)(cd)(i) of the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"), or (ii) pursuant to, and in accordance with, the conditions of an exemption under Section 274 or Section 275 of the Securities and Futures Act and (in the case of an accredited investor) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or where applicable, Section 276 of the Securities and Futures Act.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the Securities and Futures Act or any provision in the Securities and Futures Act is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B of the Securities and Futures Act: The Rights Entitlements and the Equity Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Korea

We are not making any representation with respect to the eligibility of any recipients of this Letter of Offer to acquire the Rights Entitlements and the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and the Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Rights Entitlements and the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements and the Equity Shares, except (i) where relevant requirements are satisfied, the Rights Entitlements and the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Rights Entitlements and the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements and the Equity Shares.

United Arab Emirates

This the Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the "**UAE**") or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

United Kingdom

In the United Kingdom, this Letter of Offer and any investment or investment activity to which this Letter of Offer relates is directed only at, being distributed and made available only to, and will be engaged in only with, persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and who (i) fall within the definition of "investment professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iii) to whom it can otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this Letter of Offer and should not act or rely on it or any of its contents.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of our Company at www.dfpcl.com from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated September 11, 2020 between our Company and the Lead Manager.

2. Registrar Agreement dated September 10, 2020 between our Company and the Registrar to the Issue.

3. Banker to the Issue Agreement dated September 11, 2020 amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

4. Monitoring Agency Agreement dated September 11, 2020 between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, as amended.

2. Certificate of Incorporation of our Company and certificates of incorporation consequent upon change in name of our Company.

3. Resolution of our Board dated May 25, 2020 in relation to approval of the Issue and other related matters.

4. Resolution passed by our Board dated September 11, 2020 finalizing the terms of the Issue including Record Date and the Rights Entitlement Ratio.

5. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, the Lead Manager, Banker to the Issue, Legal Advisor to the Issue, Special Purpose International Legal Counsel to the Lead Managers and the Monitoring Agency for inclusion of their names in this Letter of Offer to act in their respective capacities.

6. Resolution passed by our Board dated September 11, 2020, approving this Letter of Offer.

7. The Audited Financial Statements and audit report thereon issued by the Statutory Auditors dated June 30, 2020.

8. The limited review report dated August 31, 2020 and the interim condensed consolidated financial statements of our Company issued by the Statutory Auditors for the three months period ended June 30, 2020.

9. Annual Reports of our Company for Fiscals 2020, 2019, 2018, 2017 and 2016.

10. Statement of special tax benefits dated September 11, 2020 available to our Company and its Equity Shareholders under the applicable laws in India issued by HMA Associates, Chartered Accountants.

11. Due Diligence Certificate dated September 11, 2020 addressed to SEBI from the Lead Manager.

12. In principle approvals dated September 9, 2020 and September 8, 2020 issued by BSE and NSE respectively under Regulation 28(1) of the SEBI Listing Regulations.

13. Tripartite Agreement dated July 1, 2016 between our Company, Registrar to the Issue and NSDL.

14. Tripartite Agreement dated July 7, 2016 between our Company, Registrar to the Issue and CDSL.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Sailesh Chimanlal Mehta
Chairperson and Managing Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Parul Sailesh Mehta
Non-Executive Non-Independent Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Madhumilan P Shinde
Non-Executive Non-Independent Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Partha Bhattacharyya
Non-Executive Independent Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Pranay Vakil
Non-Executive Independent Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Berjis Minoo Desai
Non-Executive Independent Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Ashok Kumar Purwaha
Non-Executive Independent Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Alok Perti
Non-Executive Independent Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Amit Biswas
Non-Executive Independent Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Bhuwan Chandra Tripathi
Additional Independent Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Renu Challu
Additional Independent Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Sujal Anil Shah
Additional Independent Director

Date: September 11, 2020

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY

____

Amitabh Bhargava
Chief Financial Officer

Date: September 11, 2020