

SCM SOILFERT LIMITED

ANNUAL REPORT

2014 - 2015

REGISTERED OFFICE

Deepak Complex, Opp. Golf Course, Shastri Nagar,

Yerawada, Pune-411 006

Tel: 020-6645 8000 Fax: 020-2668 3723

CIN: U24120PN2012PLC145024

SCM Soilfert Limited

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NOTICE

NOTICE is hereby given that Third Annual General Meeting of the Members of **SCM Soilfert Limited** will be held on Wednesday, 30th September, 2015 at 10.30 a.m. at the Registered Office of the Company at Deepak Complex, Opp. Golf Course, Shastri Nagar, Yerawada, Pune – 411 006 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss for the financial year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Somnath Patil, who retires by rotation and being eligible, offers himself for re-appointment.
3. To confirm the payment of Interim Dividend on the Equity Shares of the Company.
4. To ratify appointment of Statutory Auditor to hold office from conclusion of this Meeting until the conclusion Fourth Annual General Meeting and to fix their remuneration.

For and on behalf of the Board of Directors,



Somnath Patil
Chairman
(DIN: 02006553)

Place: Pune
Date: 14th May, 2015

Registered Office:

Deepak Complex,
Opp. Golf Course, Shastri Nagar,
Yerawada,
Pune - 411006

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, should be completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Record date to determine entitlement of members to attend and vote at the Annual General Meeting is 30th September, 2015.

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Directors' Report

TO THE MEMBERS,

Your Directors have pleasure in presenting the Third Annual Report together with Audited Accounts of the Company for Financial Year ended 31st March, 2015.

FINANCIAL RESULTS

The summarised financial results for the year are as under:

	2014-15 (Rs.)	2013-14 (Rs.)
Total Income	14,13,72,856	7,20,56,050
Total Expenditure	5,66,85,053	4,90,41,237
Cash Profit/ (Loss) before Depreciation & Tax	8,46,87,802	2,30,14,813
Depreciation and Amortization Expense	0	0
Profit Before Tax (PBT)	8,46,87,802	2,30,14,813
Less :		
a) Current Tax & Deferred Tax Reversal	23,59,041	5,25,167
b) Exceptional Items	0	0
Net Profit After Tax	8,23,28,761	2,24,89,646
Prior Period Adjustment	0	0
Add: Balance brought forward from previous year	2,24,44,132	(45,515)
Interim Equity Dividend	7,05,54,250	0
Tax on Interim Equity Dividend	1,44,45,750	0
Profit/(Loss) carried to Balance Sheet	1,97,72,893	2,24,44,132

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STATE OF COMPANY'S AFFAIRS

Total Income was Rs. 14,13,72,856 as against Rs. 7,20,56,050 for the previous year. Profit Before Tax for the year under review was Rs. 8,46,87,802 as against Profit of Rs. 2,30,14,813 in the previous year. Net Profit for the current year was Rs. 8,23,28,761 as compared to Profit of Rs. 2,24,89,646 in the previous year.

Your Company was incorporated on 10th October 2012 and is engaged in the trading of specialty fertilizer products. The Company during the year traded in specialty fertilizers amounting to Rs 95.49 Lacs. Further, your Company acquired the shares of Mangalore Chemicals and Fertilizers Limited (MCFL) initially for the purpose of investment and subsequently for a mandatory open offer upon crossing the threshold limit for triggering the open offer.

DIRECTORS

Composition and Category of Directors

Sr. No	Name of Director	Category
1	Shri Somnath Patil	Non- Executive Director
2	Shri R. Sriraman	Non- Executive Director
3	Shri Guy Goves	Non- Executive Director

Six Board Meetings were held during the year. These meetings were held on 22nd April, 2014, 8th May, 2014, 25th September, 2014, 1st December, 2014, 9th February, 2015 and 31st March, 2015.

Shri Somnath Patil retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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INTERIM DIVIDEND

Your Company during the year paid Interim Dividend of Rs. 7,05,54,250/- to shareholders, who were on the register of members of the Company as on 31st March, 2015, being the record date fixed by the Board of Directors for this purpose.

PUBLIC DEPOSITS

The Company has not accepted any deposits, covered under Chapter V of the Companies Act, 2013 and hence no details pursuant to Rules 8 (v) and (vi) of the Companies (Accounts) Rules, 2014 are reported.

INVESTMENT IN MANGALORE CHEMICALS & FERTILIZERS LIMITED

Your Company had acquired 2,89,91,150 Equity Shares (i.e. 24.46%) of Mangalore Chemicals & Fertilizers Limited (MCFL) during the year 2013-14. Further on 23rd April, 2014 your Company, acquired 10,01,309 Equity Shares (i.e. 0.84%) of MCFL and made an Open Offer for acquiring 3,08,13,939 Equity Shares (i.e. 26%) to the public shareholders of MCFL at a price of Rs. 63 per Equity Share pursuant to the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.

Pursuant to the said Open Offer your Company acquired 70,44,397 (5.94%) Equity Shares of MCFL. After the said Open Offer your Company's holding in MCFL was 31.25%.

In April/ May 2015, Zuari Fertilisers and Chemicals Limited made an open offer to the shareholders of MCFL to acquire upto 36% shares of MCFL @ Rs.91.92 per share plus interest till the date of payment. Your Company tendered 76,23,560 (6.43%) equity shares of MCFL in the aforesaid open offer. Out of that 61,84,928 (5.22%)

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equity shares of MCFL have been accepted in open offer. Balance 14,38,632 (1.21%) equity shares of MCFL are still held by the Company as on date.

During Financial Year 2013-14 your Company had issued 18,00,00,000 Optionally Fully Convertible Cumulative Debentures (OCD) of Rs. 10/- each aggregating 1,80,00,00,000 (Rs. One Hundred Eighty Crore only) on private placement basis to its holding company Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) for the purpose of making investment in MCFL.

Out of the above mentioned OCDs, your Company has redeemed OCDs aggregating to Rs. 1,67,00,00,000 /- to DFPCL on 11th May, 2015.

Further, during the year under review, your Company had also availed an unsecured loan of Rs. 73,52,89,303/- from its holding company DFPCL, for the purpose of making aforesaid Investment in MCFL.

Out of the above mentioned loan amount, your Company has re-paid Rs. 23,50,00,000/- to DFPCL on 20th February, 2015 and balance amount i.e. Rs. 50,02,89,303/- on 23rd April, 2015.

RELATED PARTY TRANSACTION

The Company has entered into contract / arrangements with related parties in the ordinary course of business and on arm's length basis. Thus provisions of Section 188(1) of the Act are not applicable.

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

The Company has not given any loan or guarantee or made any investment pursuant to the provisions of Section 186 of the Companies Act, 2013.

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ANNUAL RETURN

The details forming part of the extract of the Annual Return are enclosed in Annexure-A.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (5) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year on 31st March, 2015 and of the profit and loss of the Company for that period;
- iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts had been prepared on a going concern basis and;
- v) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

AUDITORS

The Shareholders of the Company in their Second Annual General Meeting held on 25th July, 2014 had accorded their approval pursuant to the provisions of Sections 139, 141 and other applicable provisions of Companies Act, 2013 and Rules made

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thereunder to appoint HMA and Associates., Chartered Accountants, as the Statutory Auditor of the Company for a period of 5 years commencing from the conclusion of Second Annual General Meeting until the conclusion of Seventh Annual General Meeting.

The Board of Directors of the Company has, pursuant to the provisions of Section 139, recommended the ratification of appointment of HMA and Associates for the approval of the Shareholders from the conclusion of Third Annual General Meeting till the conclusion of Fourth Annual General Meeting.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

PERSONNEL

During the year under review, there was no employee who was covered under Section 197 of the Companies Act, 2013 and Rules made thereunder.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has not carried out any activity relating to the conservation of energy. There are no foreign exchange earnings during the year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review the Competition Commission of India (CCI) imposed a penalty of Rs. 2 Crore on the Company pursuant to the provisions of Section 43A of Competition Act, 2002, with respect to notice filed under sub-section (2) of Section 6 of Competition Act, 2002 in connection with the acquisition of shares of Mangalore Chemicals and Fertilisers Limited.

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The Company has challenged the order of CCI by filing an appeal with Competition Appellate Tribunal (COMPAT). Further Order from COMPACT is awaited.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to the Governmental Authorities and other stakeholders for their continued support during the year.

For and on behalf of the Board,

Pune


Dated 14th May, 2015



Somnath Patil

Director

(DIN: 02006553)



R. Sriraman

Director

(DIN: 00228061)

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ANNEXURE- A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

Pursuant to section 92 of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

I. Registration Details

1.	CIN	U24211PN2012PLC145023
2.	Registration Date	10 th October 2012
3.	Name of the Company	SCM Fertichem Limited
4.	Category / Sub-Category of the Company	Company Limited by Shares / India Non- Government Company
5.	Address of the Registered office and contact details	Deepak Complex, Opp Golf Course, Shastri Nagar, Yerawada, Pune- 411006
6.	Whether listed company Yes / No	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Manufacturing and Trading Fertilisers, Petroleum, and their products	20123	0.00

III. Particulars of Holding, Subsidiary And Associate Companies

Sr. No	Name and Address of the Company	NIC Code of the Product/ service	CIN/GLN	Holding/ Subsidiary/ Associate	% of Share held	Applicable section
1.	Deepak Fertilisers And Petrochemicals Corporation Ltd Add: Opp Golf Course, Shastri Nagar, Yerawada, Pune- 411006	20123	L24121MH1979PLC021360	Holding	100%*	2 (46)

* Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) holds beneficial interest in all remaining 7 Equity Shareholders, resulting to which your Company is wholly owned subsidiary of DFPCL.

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2. Non-Institutions									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--	--	--	--	--	--
c) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	--	--	--	--	--	--	--	--	--
Total Public Share-holding (B)=(B)(1)+(B)(2)	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	--	50,000*	50,000*	100.00	--	50,000*	50,000*	100.00	--

* Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) holds beneficial interest in all remaining 7 Equity Shareholders, resulting to which your Company is wholly owned subsidiary of DFPCL.

ii. Share Holding of Promoter

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year			No. of Shares held at the end of the year			% Change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Deepak Fertilisers And Petrochemicals Corporation Ltd	50,000*	100.00	--	50,000*	100.00	--	--

* Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) holds beneficial interest in all remaining 7 Equity Shareholders, resulting to which your Company is wholly owned subsidiary of DFPCL.

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iii. Change in Promoters' Shareholding (please specify, if there is no change): **No Change**

Sr. No	Name of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Deepak Fertilisers And Petrochemicals Corporation Ltd				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	--	--	--	--
	At the End of the year.	--	--	--	--

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	--	--	--	--
	At the End of the year (or on the date of separation, if separated during the year)	--	--	--	--

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V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	180,00,00,000.00	--	180,00,00,000.00
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	1,20,60,665.10	--	1,20,60,665.10
Total (i+ii+iii)	--	181,20,60,665.10	--	181,20,60,665.10
Change in Indebtedness during the financial year				
• Addition	--	73,52,89,302.79	--	73,52,89,302.79
• Addition Interest accrued but not due	--	4,24,38,707.87	--	4,24,38,707.87
• Reduction	--	23,50,00,000.00	--	23,50,00,000.00
• Reduction Interest accrued but not due	--	2,00,00,000.00	--	2,00,00,000.00
Net Change	--	52,27,28,010.41	--	52,27,28,010.41
Indebtedness at the end of the financial year				
i) Principal Amount	--	230,02,89,302.79	--	230,02,89,302.79
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	3,44,99,372.00	--	3,44,99,372.00
Total (i+ii+iii)	--	233,47,88,674.79	--	233,47,88,674.79

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NOT APPLICABLE

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary	--	--	--	--	--
	(a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--	--
2.	Stock Option	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--
4.	Commission	--	--	--	--	--
	- as % of profit	--	--	--	--	--
	- others, specify...	--	--	--	--	--
5.	Others, please specify	--	--	--	--	--
	Total (A)	--	--	--	--	--
	Ceiling as per the Act	--	--	--	--	--

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B. Remuneration to other Director:

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary	--	--	--	--
	(a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- others, specify...	--	--	--	--
5.	Others, please specify	--	--	--	--
	Total	--	--	--	--

C. Remuneration to key managerial personnel other than MD / Manager / WTD:

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary	--	--	--	--
	(a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- others, specify...	--	--	--	--
5.	Others, please specify	--	--	--	--
	Total	--	--	--	--

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VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty					
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT		NIL			
Penalty					
Punishment					
Compounding					



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCM Soilfert Limited

We have audited the accompanying standalone financial statements of **SCM Soilfert Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, [~~in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at (location of the branches)~~].

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.



We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order 2015, (the order), issued by Central Government of India in terms of sub section (11) of the Section 143 of the Companies Act, 2015 we give in Annexure a statement on the matters specified in paragraph 3 & 4 of the Order to the extent possible.

2. As required by Section 143 (3) of the Act, we report 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.

 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [~~and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.~~]

 - c) [~~The reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.~~]

 - d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [~~and with the returns received from the branches not visited by us.~~].

 - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

 - f) Observations or comments on financial transactions or matters which have an adverse effect on the functioning of the Company—No observation or comment.



- g) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) We do not have any qualification, reservation or adverse remark relating to the maintenance of the accounts & other matters connected there with.
- i) The company has adequate internal financial controls system in place and the operating effectiveness of such controls is satisfactory.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For HMA & Associates
Chartered Accountants
FRN – 100537W

CA Anand D. Joshi
Partner
M. No. 113805



Place : Pune
Date : 14th May 2015



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

As per Companies (Auditor's Report) Order, 2015 dt.10th April 2015.

Referred to in Paragraph 1 under the heading of "Report on other legal & regulatory requirements" of our report of even date.

Re: -SCM Soilfert Limited for the F.Y. 2014-15

1. Fixed assets –

- The Company does not have any Fixed Assets and so the question of maintaining proper record showing full particulars including quantitative details and situation of fixed assets does not arise.
- The Company does not have any Fixed Assets and so the question of the management, at the end of the year, physically verifying the fixed assets and informing material discrepancies on such verification as compared to book records does not arise.

2. Inventory –

- The company does not have any stock of raw materials, work in progress, finished goods, stores & spares and hence the question of frequency of verification does not arise.
- The company does not have any stock of raw materials, work in progress, finished goods, stores & spares and hence the question of reasonableness and adequacy of procedures of physical verification of inventory followed by the management in relation to size of Company & nature of its business does not arise.
- The company does not have any stock of raw materials, work in progress, finished goods, stores & spares and hence the question of proper maintenance of records of the inventory does not arise.



3. Loans– No loans – secured or unsecured - have been granted to Companies, firms or other parties listed in the register maintained u/s 189 of Companies Act 2013. Hence our comments on following matters are not attracted –
- Whether receipt of principal & interest is regular.
 - In case overdue amount is more than Rs. 1 lakh, whether reasonable steps have been taken by the Company for recovery of principal & interest.
4. Internal control system - In our opinion & according to the information & explanations given to us, there is an adequate internal control system commensurate with the size of the Company & nature of its business with regard to purchase of inventory, & fixed assets & for sale of goods & services. In our opinion & according to the information & explanations given to us, there is no continuing failure to correct major weaknesses in the internal control system.
5. Deposits - The Company has not accepted any deposits from the public. Hence our comments on compliance of the directives of Reserve Bank of India, provisions of Sec.73 to 76 or any other relevant provisions of the Companies Act 2013 & the rules framed there under are not required. The nature of contravention is not applicable. No order has been passed by Company Law Board, or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal requiring any compliance.
6. Cost records - The Company is not required to maintain cost records pursuant to Section 148(1) of the Companies Act 2013.



7. Statutory dues –

- According to the information & explanations given to us, Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, VAT, Cess and any other statutory dues with appropriate authority. No such undisputed dues were outstanding as at the last day of financial year for a period of more than six months from due date.
- No such dues of Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, VAT, and Cess were outstanding on account of any dispute pending with any forum.
- No amount was required to be transferred to Investor Education & Protection Fund in accordance with relevant provisions of Companies Act 1956 (1 of 1956) or Rules made thereunder.

8. Net worth & losses - The Company was registered on 10th October 2012. Hence the Company is not registered for a period more than five years. Its accumulated losses at the end of financial year are NIL.

9. Defaults in repayment - The Company has not defaulted in repayment of dues to a Bank or financial institution or debenture holders. Hence it is not necessary to report the period & amount of such default.

10. Third party guarantee - The Company has not given any guarantee for loans taken by others from bank or financial institutions. Hence our comments are not required on whether the terms and conditions are prejudicial to the interest of the Company.



11. Utilization of Term loans - The term loans taken by the Company were applied for the purpose for which the loans were obtained.

12. Fraud - No fraud on or by the company has been noticed or reported during the year. Hence our comments on the nature of fraud and the amount involved are not required.

The reasons for any of our unfavourable or qualified report/remark are mentioned in the relevant point itself.

For HMA & Associates
Chartered Accountants
FRN – 100537W

CA Anand D. Joshi
Partner
M. No. 113805
Place : Pune
Date : 14th May 2015



SCM SOILFERT LIMITED
BALANCE SHEET AS AT 31st MARCH 2015

	<u>NOTE NO.</u>	As at 31st March 2015	As at 31st March 2014
EQUITY & LIABILITIES		<u>Amount (₹)</u>	<u>Amount (₹)</u>
1 Share holders' funds			
a Share Capital	4	5,00,000.00	5,00,000.00
b Reserves & Surplus	5	1,97,72,892.92	2,24,44,131.63
		2,02,72,892.92	2,29,44,131.63
2 Share application money pending allotment		0.00	0.00
3 Non current liabilities			
a Long term borrowings	6	0.00	1,80,00,00,000.00
b Deferred tax liability		0.00	0.00
c Other long term liabilities		0.00	0.00
d Long term provisions		0.00	0.00
		0.00	1,80,00,00,000.00
4 Current liabilities			
a Short term borrowings	7	50,02,89,302.79	0.00
b Trade payables	8	4,46,299.19	3,47,32,572.25
c Other current liabilities	9	1,91,00,11,115.41	1,30,20,614.00
d Short term provisions	10	1,99,95,140.00	5,25,167.00
		2,43,07,41,857.39	4,82,78,353.25
TOTAL		2,45,10,14,750.31	1,87,12,22,484.88
ASSETS			
1 Non current assets			
a Fixed assets			
i Tangible assets		0.00	0.00
ii Intangible assets		0.00	0.00
iii Capital work in progress		0.00	0.00
iv Intangible assets under development		0.00	0.00
		0.00	0.00
b Non current Investments	11	0.00	1,80,01,60,885.80
c Deferred tax asset		0.00	0.00
d Long term loans & advances		0.00	0.00
e Other non current assets		0.00	0.00
		0.00	1,80,01,60,885.80
2 Current assets			
a Current investments	12	2,39,19,61,495.73	3,30,00,000.00
b Inventories		0.00	0.00
c Trade receivables	13	0.00	3,59,00,034.50
d Cash & cash equivalents	14	2,27,03,282.57	19,26,506.58
e Short term loans & advances	15	1,71,62,618.01	0.00
f Other current assets	16	1,91,87,354.00	2,35,058.00
		2,45,10,14,750.31	7,10,61,599.08
TOTAL		2,45,10,14,750.31	1,87,12,22,484.88

Summary of significant Accounting Policies 3
Accompanying Notes are integral part of financial statements

As per our attached report of even date
For HMA & Associates
Chartered Accountants

Anand Joshi
Partner

M.No. 113805 FRN - 100537W
Place - Pune 14th May 2015



On Behalf of the Board of Director of SCM Soilfert Limited

Somaath Patil
Director
DIN - 02006553

R. Sriraman
Director
DIN - 00228061
14th May 2015

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SCM SOILFERT LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2015

	<u>NOTE NO.</u>	Year ended 31st March 2015	Year ended 31st March 2014
		<u>Amount (₹)</u>	<u>Amount (₹)</u>
I Revenue from operations	17	95,48,945.00	3,59,00,034.50
II Other income	18	13,18,23,910.61	3,61,56,016.00
III Total revenue		14,13,72,855.61	7,20,56,050.50
IV Expenses -			
Cost of materials consumed	19	93,69,753.75	3,55,67,011.25
Purchase of Stock-in-trade		0.00	0.00
Changes in inventory of F.G. & WIP & Stock-in-trade		0.00	0.00
		93,69,753.75	3,55,67,011.25
Employee benefit expenses		0.00	0.00
Finance cost	20	4,72,29,570.95	1,34,01,210.96
Depreciation & amortisation exp.		0.00	0.00
Other expenses	21	85,728.62	73,015.00
Total expenses		5,66,85,053.32	4,90,41,237.21
V Profit before exceptional & extra-ordinary items & tax		8,46,87,802.29	2,30,14,813.29
VI Exceptional items		0.00	0.00
VII Profit before extra-ordinary items & tax		8,46,87,802.29	2,30,14,813.29
VIII Extra ordinary items		0.00	0.00
IX Profit before tax		8,46,87,802.29	2,30,14,813.29
X Tax expenses			
Current tax		1,94,69,973.00	5,25,167.00
MAT Credit Entitlement		-1,71,10,932.00	
Deferred tax		0.00	0.00
XI Profit/Loss for the period from continuing operations		8,23,28,761.29	2,24,89,646.29
XII Profit/Loss from discontinuing operations		0.00	0.00
XIII Tax expenses of discontinuing operations		0.00	0.00
XIV Profit/Loss from discontinuing operations after tax		0.00	0.00
XV Profit/Loss for the period		8,23,28,761.29	2,24,89,646.29
XVI E.P.S.			
Basic		1,646.58	449.79
Diluted		0.46	0.25

Summary of significant Accounting Policies

3

Accompanying Notes are integral part of financial statements

As per our attached report of even date
For HMA & Associates
Chartered Accountants

Anand Jashi
Partner

M.No. 113805

Place - Pune

FRN - 100537W

14th May 2015



On Behalf of the Board of Director of SCM Soilfert Limited

Somnath Patil
Somnath Patil
Director

DIN - 02006553

R. Sriraman
R. Sriraman
Director

DIN - 00228061

14th May 2015

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SCM SOILFERT LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31st March 2015	As at 31st March 2014
	<u>Amount (₹)</u>	<u>Amount (₹)</u>
I CASH INFLOWS		
1 From Operating Activities		
a Net Profit / (Loss) before taxation	84,687,802.29	23,014,813.29
Adjustments -		
Add - Depreciation	0.00	0.00
Add - Amortisation	0.00	0.00
Add - Interest expenses	47,229,570.95	13,401,210.96
Add - Provision for diminution of investments	0.00	0.00
Add - Loss on sale of assets	0.00	0.00
Add - Foreign exchange Loss	14,177.75	-861,293.00
Less - Interest & dividend income	-131,838,088.36	-35,294,723.00
Operating profit before working capital changes	93,462.63	260,008.25
b Working capital changes -		
Decrease / (Increase) in inventories	0.00	0.00
Decrease / (Increase) in Trade receivables	35,900,034.50	-35,900,034.50
Decrease / (Increase) in long term Loans & advances	0.00	0.00
Decrease / (Increase) in short term Loans & advances	-17,162,618.01	0.00
Decrease / (Increase) in Other current assets	-18,952,296.00	-235,058.00
Decrease / (Increase) in Other non current assets	0.00	0.00
Increase / (Decrease) in Trade payables	-34,300,450.81	34,720,136.25
Increase / (Decrease) in long term provisions	0.00	0.00
Increase / (Decrease) in short term provisions	19,469,973.00	525,167.00
Increase / (Decrease) in other current liabilities	1,896,990,501.41	13,020,614.00
Increase / (Decrease) in other long term liabilities	0.00	0.00
Cash generated from operations	1,882,038,606.72	12,390,833.00
Less - Income tax	2,359,041.00	525,167.00
Cash flow before extra ordinary items	1,879,679,565.72	11,865,666.00
Extra ordinary items	0.00	0.00
Net cash flow from operating activities	1,879,679,565.72	11,865,666.00
2 From Investing activities		
a Purchase of tangible fixed assets/Capital work-in-progress	0.00	0.00
b Purchase of intangible assets/assets under development	0.00	0.00
c Sale of tangible fixed assets/Capital work-in-progress	0.00	0.00
d Decrease in intangible assets/assets under development	0.00	0.00
e Decrease / (Increase) in non-current investments	1,800,160,885.80	-1,800,160,885.80
f Decrease / (Increase) in current investments	-2,358,961,495.73	-33,000,000.00
g Dividend Income	35,990,951.00	36,156,016.00
h Profit from sale of Shares	89,217,489.94	0.00
i Profit from sale of Mutual Fund	6,629,647.42	0.00
Net cash flow from Investing activities	-426,962,521.57	-1,797,004,869.80
3 From Financing Activities		
a Proceeds from issue of share capital	0.00	0.00
b Share application money pending allotment	0.00	0.00
c Increase / (Decrease) in Long term borrowings	-1,800,000,000.00	1800000000.00
d Increase / (Decrease) in short term borrowings	500,289,302.79	0.00
e Interest	-47,229,570.95	-13401210.96
f Dividend & dividend tax	-85,000,000.00	0.00
Net cash flow from Financing activities	-1431940268.16	1,786,598,789.04
Net increase in cash & cash equivalents	20,776,775.99	1,459,585.24
Cash & cash equivalents at the beginning of the period	1,926,506.58	466,921.34
Cash & cash equivalents at the end of the period	22,703,282.57	1,926,506.58

For HMA & Associates
Chartered Accountants



Anand Joshi
Partner

M.No. 113805 FRN - 100537W
Place - Pune 14th May 2015

On Behalf of the Board of Director of SCM Soilfert Limited

M. Patil

Somnath Patil
Director
DIN - 02006553

R. Sriraman

R. Sriraman
Director
DIN - 00228061
14th May 2015

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SCM SOILFERT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

1. Corporate Information: -

SCM Soilfert Limited is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The company is in the manufacturing and trading of fertilisers, petroleum and their by products having registered office at Deepak Complex, Off Golf Course, Shastri Nagar, Yerwada, Pune-411006.

2. Basis of Preparation: -

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

3. Significant Accounting Policies: -

- a) **Basis of Accounting** – Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirements of Companies Act 2013 except otherwise stated. Accounts are prepared on going concern basis.
- b) **Use of Estimates** – The preparation of financial statements requires the management of the Company to make an estimate & assumptions that affect the reported balances of Assets & Liabilities and disclosure relating to Contingent liabilities as at the date of financial statements & reported amounts of Income & Expenses during the year. The estimates are based on management's best knowledge of current events and actions. However, due to uncertainty of the assumptions and estimates the carrying amounts of the assets & liabilities may require material adjustment in future periods.
- c) **Revenue Recognition** – Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sale of services are recognized net of duties & taxes. Expenditure & income are accounted on accrual basis including provisions/adjustments for committed obligations & amounts determined payable or receivable during the year.
Revenue from service is recognised as and when the services are rendered, based on the agreements/arrangements with the concerned parties.
Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
Dividend is accounted for when right to receive dividend is established.
- d) **Investments** – Investments which are readily realisable and intended to be held for not more than 1 year from the date on which such investments are made are classified as current investments. All other investments are classified as Long-term Investments.
On initial recognition, all investments are measured at cost. The cost comprises Purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.
On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.
- e) **Inventories** - There are no inventories as at the year end.
- f) **Current Assets, Loans & advances** – Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.

SCM SOILFERT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

- g) **Retirement and other employee benefits** – There are no employees taken by the company during the year. Therefore, there are no retirement / employee benefits.
- h) **Foreign currency Transactions** – Foreign Currency transactions are recorded in reporting currency at the exchange rate prevailing on the date of transaction.
On the reporting date monetary items are retranslated by using the exchange rate prevailing on the reporting date. Foreign exchange difference related to acquisition of Fixed Assets and loans related to it is adjusted in the carrying amount of Fixed Asset and the loan amount.
Income or expenditure arising out of exchange fluctuation other than Fixed Assets and loans on such assets is accounted for in the Statement of Profit and Loss.
In case of forward exchange contract, the difference between forward rate & the rate on the date of transaction should be recognised as income & expenditure over the life of contract.
- i) **Taxes on Income** – Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.
Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.
- j) **Provisions, Contingent Liabilities & Commitments and Contingent assets** – Provisions in respect of present obligations arising out of past events are made in accounts when reliable estimates can be made of the amounts of obligations. Provisions are not discounted to their present value and reviewed at each reporting date. Contingent liabilities & commitments are not accounted but disclosed separately. Contingent assets are neither accounted nor disclosed in the financial statements.
- k) **Earnings per share** – The earnings considered in ascertaining the Company's earnings per share are net profit after tax, preference dividend & tax attributable to Preference Dividend. The number of shares is considered on weighted average basis. Partly paid equity shares are treated as fraction of equity share to the extent they are entitled to participate in dividends. For the purpose of calculating dilutive EPS, the net profit attributable to equity shareholders and weighted average number of shares are adjusted for the effect of Dilutive Potential Equity shares.
- l) **Borrowing cost** – No borrowing costs have been capitalised. However Borrowing Cost in respect of Debentures has been charged off to revenue during the year.

SCM SOILFERT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

4 Share Capital

(Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule III to the Companies Act, 2013)

	31st Mar. 2015	31st Mar. 2014
	Amount (₹)	Amount (₹)
Authorised shares (Nos.)		
50000 Equity shares of R 10/- each (Previous year 50000 Equity shares)	5,00,000.00	5,00,000.00
	5,00,000.00	5,00,000.00
Issued, subscribed & paid up		
50000 Equity shares of R 10/- each (Previous year 50000 Equity shares)	5,00,000.00	5,00,000.00
	5,00,000.00	5,00,000.00

a) Reconciliation of the shares outstanding at the beginning and at the end of reporting period

(Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013)

Equity Shares	31st Mar. 2015		31st Mar. 2014	
	No.	Amount	No.	Amount
At the beginning of period	50000	5,00,000.00	50000	5,00,000.00
Issued during the period				
Fresh issue for cash	0	0.00	0	0.00
Bonus shares	0	0.00	0	0.00
Outstanding at the end of period	50000	5,00,000.00	50000	5,00,000.00

b) Rights attached to Equity shares

(Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule III to the Companies Act, 2013)

The company has only one class of equity shares having a par value of R 10/- per share. Each Holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c) Shares held by Holding / ultimate Holding company and / or their subsidiaries / associates

(Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule III to the Companies Act, 2013)

49993 Equity Shares issued by the company are held by Holding company, i.e Deepak Fertilisers And Petrochemicals Corporation Limited. (Regd. Office:- Opp. Golf Course, Shastri Nagar, Yerawada, Pune-411006 and Corporate Office:- Sai Hira, Survey No. 93, Mundhwa, Pune-411036)

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

(Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013)

	31st Mar. 2015		31st Mar. 2014	
	No.	% of holding	No.	% of holding
Equity shares of R10/- each fully paid				
Deepak Fertilisers And Petrochemicals Corporation Limited	49993	99.986%	49993	99.986%

e) Shares reserved for issue under options - NIL

(Disclosure pursuant to Note no. 6(A)(h) of Part I of Schedule III to the Companies Act, 2013)

SCM SOILFERT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

- f) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting date _ NIL**
(Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule III to the Companies Act, 2013)
- g) **Securities convertible into equity/preference shares issued - NIL**
(Disclosure pursuant to Note no. 6(A)(j) of Part I of Schedule III to the Companies Act, 2013)
- h) **Calls unpaid - NIL**
(Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule III to the Companies Act, 2013)
- i) **Forfeited shares - NIL**
(Disclosure pursuant to Note no. 6(A)(l) of Part I of Schedule III to the Companies Act, 2013)

5 Reserves & Surplus

(Disclosure pursuant to Note no. 6(B) of Part I of Schedule III to the Companies Act, 2013)

	31st Mar. 2015	31st Mar. 2014
	Amount (₹)	Amount (₹)
3 Surplus / (Deficit) in the Statement of Profit & Loss		
Balance as per last financial statement	2,24,44,131.63	-45,514.66
Profit for the year	8,23,28,761.29	2,24,89,646.29
Less - Appropriations -	0.00	0.00
Transfer to General Reserve	0.00	0.00
Dividend on Preference shares	0.00	0.00
Tax on Preference Dividend	0.00	0.00
Interim / Proposed final equity Dividend	7,05,54,250.00	0.00
Tax on Interim / proposed Equity Dividend	1,44,45,750.00	0.00
Issue of Bonus shares	0.00	0.00
Net surplus in the Statement of Profit & Loss	1,97,72,892.92	2,24,44,131.63

Total Reserves & Surplus

1,97,72,892.92 2,24,44,131.63

6 Long Term Borrowings

(Disclosure pursuant to Note no. 6(C) of Part I of Schedule III to the Companies Act, 2013)

	31st Mar. 2015		31st Mar. 2014	
	Amount ₹	Amount ₹	Amount ₹	Amount ₹
	<u>Non Current</u>	<u>Current maturity</u>	<u>Non Current</u>	<u>Current maturity</u>
Optionally fully convertible debentures	0.00	1,80,00,00,000.00	1,80,00,00,000.00	0.00
Total Long Term Borrowings	0.00	1,80,00,00,000.00	1,80,00,00,000.00	0.00

Secured & Unsecured portion -

(Disclosure pursuant to Note no. 6(C) (ii) of Part I of Schedule III to the Companies Act, 2013)

	31st Mar. 2015		31st Mar. 2014	
	Amount ₹	Amount ₹	Amount ₹	Amount ₹
	<u>Non Current</u>	<u>Current maturity</u>	<u>Non Current</u>	<u>Current maturity</u>
Secured Borrowings	0.00	0.00	0.00	0.00
Unsecured borrowings	0.00	1,80,00,00,000.00	1,80,00,00,000.00	0.00
	0.00	1,80,00,00,000.00	1,80,00,00,000.00	0.00

SCM SOILFERT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

Nature of security & Terms of Repayment

(Disclosure pursuant to Note no. 6(C) (ii) & (vi) of Part I of Schedule III to the Companies Act, 2013)

- 1 The company has issued 18,00,00,000 number of "1% Optionally Fully Convertible Cumulative Debentures" of Face value ₹ 10/- each. Holders have an option to convert such debentures into equity shares at their option after 2 years from the date of allotment of such debentures by giving 2 months notice. The option of conversion may be exercised till the end of 15 years from the date of allotment.

Loans guaranteed by Directors & others -

(Disclosure pursuant to Note no. 6(C) (iii) of Part I of Schedule III to the Companies Act, 2013)

No director has given personal guarantee in respect of any loans taken by the company.

Period & amount of continuing Default in repayment of loan & interest

(Disclosure pursuant to Note no. 6(C) (vii) of Part I of Schedule III to the Companies Act, 2013)

Company has not defaulted on repayment of loan or interest.

7 Short Term Borrowings

(Disclosure pursuant to Note no. 6(F) of Part I of Schedule III to the Companies Act, 2013)

Loans from Banks - NIL

(Disclosure pursuant to Note no. 6(F) (i) (a) of Part I of Schedule III to the Companies Act, 2013)

Loans & Advances from related parties

(Disclosure pursuant to Note no. 6(F) (i) (b) of Part I of Schedule III to the Companies Act, 2013)

	31st Mar. 2015		31st Mar. 2014	
	Amount ₹	Amount ₹	Amount ₹	Amount ₹
	<u>Non Current</u>	<u>Current maturity</u>	<u>Non Current</u>	<u>Current maturity</u>
Unsecured Loan	0.00	50,02,89,302.79	0.00	0.00
		0.00	0.00	0.00
Total Short Term Borrowings	0.00	50,02,89,302.79	0.00	0.00

Deposits - NIL

(Disclosure pursuant to Note no. 6(F) (i) (c) of Part I of Schedule III to the Companies Act, 2013)

Secured & Unsecured portion -

(Disclosure pursuant to Note no. 6(F) (ii) of Part I of Schedule III to the Companies Act, 2013)

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
Secured Borrowings	0.00	0.00
Unsecured borrowings	50,02,89,302.79	0.00
	<u>50,02,89,302.79</u>	<u>0.00</u>

Nature of security & Terms of Repayment

(Disclosure pursuant to Note no. 6(F) (ii) of Part I of Schedule III to the Companies Act, 2013)

As the loan is unsecured, the same is payable on demand.

Loans guaranteed by Directors & others - NIL

(Disclosure pursuant to Note no. 6(F) (iii) of Part I of Schedule III to the Companies Act, 2013)

The Company do not have short term borrowings

Period & amount of continuing Default in repayment of loan & interest

(Disclosure pursuant to Note no. 6(F) (iv) of Part I of Schedule III to the Companies Act, 2013)

Company has not defaulted on repayment of loan or interest.

SCM SOILFERT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

8 Trade payables

(Disclosure pursuant to point no. b of Current Liabilities of the Balance Sheet)

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
Sundry Creditors for Goods	0.00	3,47,05,718.25
Sundry Creditors for Services	4,46,299.19	26,854.00
	4,46,299.19	3,47,32,572.25

9 Other Current Liabilities

(Disclosure pursuant to Note no. 6(G) of Part I of Schedule III to the Companies Act, 2013)

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
a) PT payable	0.00	2,500.00
b) TDS payable	18,67,056.00	4,53,699.00
c) Interest payable on Debentures	2,82,60,664.02	1,20,60,665.00
d) Interest payable on Unsecured Loan	62,38,708.27	0.00
e) Dividend Distribution Tax Payable	1,44,45,750.00	0.00
f) Other Payable	5,91,98,937.12	5,03,750.00
g) Current Maturity of Long Term Debt	1,80,00,00,000.00	0.00
Total Other Current Liabilities	1,91,00,11,115.41	1,30,20,614.00

10 Short Term Provisions

(Disclosure pursuant to Note no. 6(H) of Part I of Schedule III to the Companies Act, 2013)

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
a) Other short term provisions		
For expenses	0.00	0.00
For Proposed Dividend & tax thereon	0.00	0.00
Income Tax payable	1,99,95,140.00	5,25,167.00
	1,99,95,140.00	5,25,167.00

SCM SOILFERT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

11 Non-current Investments

(Disclosure pursuant to Note no. 6(K) of Part I of Schedule III to the Companies Act, 2013)

	31st Mar. 2015 Amount ₹	31st Mar. 2014 Amount ₹
a) Investments in Equity Shares of Mangalore Chemicals & Fertilizers Limited	0.00	1,80,01,60,885.80
	0.00	1,80,01,60,885.80

Note - Non-current Investments are stated at cost. Provision for Diminution in the value of investments has not been made as the decline in the value of investments is not considered to be permanent by the management (as per AS-13).

12 Current Investments

(Disclosure pursuant to Note no. 6(N) of Part I of Schedule III to the Companies Act, 2013)

The Company does not have current investments

	31st March 2015 Amount ₹	31st March 2014 Amount ₹
a) Investments in Equity Shares of Mangalore Chemicals & Fertilizers Limited	2,39,19,61,495.73	0.00
b) Investments in Mutual Funds	0.00	3,30,00,000.00
	2,39,19,61,495.73	3,30,00,000.00

Details Investment in Mutual Funds

Name	Nos.		Face Value		Market Value	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
1 Axis Liquidity Fund	0	1399.79	0.00	15,00,000.00	0.00	15,24,051.94
2 Birla Sunlife Cash Plus	0	49387.72	0.00	1,00,00,000.00	0.00	1,01,69,340.64
3 ICICI Prudential Liquid	0	53504.55	0.00	1,00,00,000.00	0.00	1,01,61,701.47
4 J P Morgan India	0	610470.80	0.00	1,00,00,000.00	0.00	1,01,52,739.79
5 Religare Invesco Liquid	0	863.63	0.00	15,00,000.00	0.00	15,24,172.76
	0	7,15,626	0.00	3,30,00,000.00	0.00	3,35,32,006.60

13 Trade Receivables

(Disclosure pursuant to Note no. 6(P) of Part I of Schedule III to the Companies Act, 2013)

	31st March 2015 Amount ₹	31st March 2014 Amount ₹
a) Outstanding for more than 6 months from the due date	0.00	0.00
b) Outstanding for less than 6 months from the due date	0.00	3,59,00,034.50
	0.00	3,59,00,034.50
Less: Provision for bad and doubtful debts	0.00	0.00
Trade Receivables	0.00	3,59,00,034.50

SCM SOILFERT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

Further information about trade receivables

(Disclosure pursuant to Note no. 6(P) (ii) of Part I of Schedule III to the Companies Act, 2013)

Secured, considered good	0.00	0.00
Unsecured, considered good	0.00	3,59,00,034.50
Doubtful	0.00	0.00
	0.00	3,59,00,034.50

(Disclosure pursuant to Note no. 6(P) (iv) of Part I of Schedule III to the Companies Act, 2013)

i Trade Receivables

Due from Directors	0.00	0.00
Due from Officers	0.00	0.00
Due from firms or companies in which Directors are	0.00	0.00
Other Trade Receivables	0.00	3,59,00,034.50
	0.00	3,59,00,034.50

14 Cash and Cash equivalents

(Disclosure pursuant to Note no. 6 (Q) of Part I of Schedule III to the Companies Act, 2013)

	31st March 2015 Amount ₹	31st March 2014 Amount ₹
a Balances with banks		
Held on Current Account	2,27,03,282.57	19,26,506.58
b Cheques, drafts on hand	0.00	0.00
c Cash in hand	0.00	0.00
d Others	0.00	0.00
	2,27,03,282.57	19,26,506.58

15 Short term loans & advances

(Disclosure pursuant to Note no. 6 (R) of Part I of Schedule III to the Companies Act, 2013)

	31st March 2015 Amount ₹	31st March 2014 Amount ₹
a J M Financials Services Limited	51,686.01	0.00
b MAT Credit Entitlement AY 2015-16	1,71,10,932.00	0.00
	1,71,62,618.01	0.00

16 Other current assets

(Disclosure pursuant to Note no. 6 (S) of Part I of Schedule III to the Companies Act, 2013)

	31st March 2015 Amount ₹	31st March 2014 Amount ₹
a Dues from Income Tax	1,91,62,354.00	2,35,058.00
b Deposit from MVAT	25,000.00	0.00
	1,91,87,354.00	2,35,058.00

SCM SOILFERT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

17 Revenue from Operations

(As per Point No. 2 of General Instructions for Preparation of Statement of Profit and Loss)

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
a Sale of Products		
Traded Goods		
Export	0.00	0.00
Domestic	95,48,945.00	3,59,00,034.50
	<u>95,48,945.00</u>	<u>3,59,00,034.50</u>
Less: Excise Duty	0.00	0.00
	95,48,945.00	3,59,00,034.50

18 Other income

(As per Point No. 4 of General Instructions for Preparation of Statement of Profit and Loss)

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
a Interest Income	0.00	5,05,343.00
b Dividend Income	3,59,90,951.00	3,47,89,380.00
c Foreign Exchange Gain	-14,177.75	8,61,293.00
d Gain on Shares & Mutual Funds	9,58,47,137.36	0.00
	13,18,23,910.61	3,61,56,016.00

19 Cost of materials consumed

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
Opening Stock -	0.00	0.00
Add - Purchases	93,69,753.75	35567011.25
Less - Closing Stock	0.00	0.00
	93,69,753.75	3,55,67,011.25

20 Finance cost

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
a Interest Expense	4,72,15,557.29	1,34,00,739.00
b Bank charges	14,013.66	471.96
	4,72,29,570.95	1,34,01,210.96

21 Other expenses

(As per Point No. 5 (vi) of General Instructions for Preparation of Statement of Profit and Loss)

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
1 Legal & Professional Fees	9,324.00	30,911.00
2 Warehouse rent	30,000.00	10,000.00
3 Audit fees	16,854.00	16,854.00
4 ROC Filing fees	20,000.00	9,600.00
5 Miscellaneous expenses	9,550.62	5,650.00
	85,728.62	73,015.00

SCM SOILFERT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

22 Auditors' Remuneration

(As per Point No. 5 (i) (j) of General Instructions for Preparation of Statement of Profit and Loss)

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
Payments made to the Auditor -		
i as Auditor	16,854.00	16,854.00
Total	<u>16,854.00</u>	<u>16,854.00</u>

23 CIF value of Imports

(As per Point No. 5 (viii) (a) of General Instructions for Preparation of Statement of Profit and Loss)

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
i Others	93,69,750.00	3,08,13,531.25
Total	<u>93,69,750.00</u>	<u>3,08,13,531.25</u>

24 Expenditure in Foreign currency

(As per Point No. 5 (viii) (b) of General Instructions for Preparation of Statement of Profit and Loss)

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
i On Travelling	0.00	0.00
ii other purposes	93,69,750.00	3,08,13,531.25
Total	<u>93,69,750.00</u>	<u>3,08,13,531.25</u>

25 Consumption

(As per Point No. 5 (viii) (c) of General Instructions for Preparation of Statement of Profit and Loss)

	31st Mar. 2015		31st Mar. 2014	
	Percent	Amount ₹	Percent	Amount ₹
i Raw Materials & consumables				
Indigenous	0%	0.00	13%	47,53,480.00
Imported	100%	93,69,750.00	87%	3,08,13,531.25
ii Spare Parts & components				
Indigenous	0%	0.00	0.00%	0.00
Imported	0%	0.00	0.00%	0.00
Total	<u>100%</u>	<u>93,69,750.00</u>	<u>100.00%</u>	<u>3,55,67,011.25</u>

Further information about consumption

Indigenous	0%	0.00	13.36%	47,53,480.00
Imported	100%	93,69,750.00	86.64%	3,08,13,531.25
Total	<u>100%</u>	<u>93,69,750.00</u>	<u>100.00%</u>	<u>3,55,67,011.25</u>

SCM SOILFERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

26 Earnings per share

(As per Accounting Standard - 20, "Earnings per share")

	31st Mar. 2015	31st Mar. 2014
	Amount ₹	Amount ₹
i Net Profit after Tax	82,328,761.29	22,489,646.29
ii Less: Preference Dividend	0.00	0.00
iii Less: Tax on Preference Dividend	0.00	0.00
iv Profit attributable to equity shareholders	82,328,761.29	22,489,646.29
Basic EPS		
v No. of equity shares at the beginning	50,000	50,000
vi No. of equity shares at the close	50,000	50,000
vii No. of equity shares on Weighted Average basis	50,000	50,000
viii Earnings per share (E.P.S.)	1,646.58	449.79
Dilutive EPS		
v No. of equity shares at the beginning	180,050,000	50,000
vi No. of equity shares at the close	180,050,000	180,050,000
vii No. of equity shares on Weighted Average basis	180,050,000	90,050,000
viii Earnings per share (E.P.S.)	0.46	0.25

27 Related Party Disclosure

(As per Accounting Standard - 18)

	Transaction	Holding Co.	Others	Total
i	Sale of goods	9,548,945	-	9,548,945
ii	Debentures Issued	-	-	-
iii	Interest Accrued on Debentures	18,000,000	-	18,000,000
iv	Unsecured Loan	735,289,303	-	735,289,303
v	Interest on Unsecured Loan	29,154,120	-	29,154,120
vi	Reimbursement of Expenses	65,411,474	-	65,411,474
vii	Dividend Paid	70,554,250	-	70,554,250
	Total	927,958,092	-	927,958,092

SCM SOILFERT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2015

	Name & Nature of Relationship	Nature of transaction	Transaction during the year	Outstanding Amount
1	Deepak Fertilisers And Petrochemicals Corporation Limited (Holding Company)	1. Sale of goods 2. Debentures Issued 3. Interest accrued 4. Unsecured Loan 5. Interest on Unsecured Loan 6. Reimbursement of Expenses 7. Dividend Paid	1. 95,48,945/- 2. Nil 3. 1,80,00,000/- 4. 73,52,89,303/- 5. 2,91,54,120/- 6. 6,54, 11,474/- 7. 7,05,54,250/-	1. Nil 2. 180,00,00,000/- 3. 2,82,60,664/- 4. 50,02,89,303/- 5. 62,38,708/- 6. 5,91,98,937/- 7. Nil

As per our attached report of even date
For HMA & Associates
Chartered Accountants

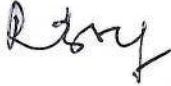


Anand Joshi
Partner

M.No. 113805 FRN - 100537W
Place - Pune 14th May 2015

On Behalf of the Board of Director of SCM Soilfert Limited


Somnath Patil
Director
DIN - 02006553


R. Sriraman
Director
DIN - 00228061
14th May 2015

