

**SCM FERTICHEM LIMITED**

**ANNUAL REPORT 2017-18**

# **SCM Fertichem Limited**

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

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

CIN: U24211PN2012PLC145023

## **NOTICE**

**NOTICE** is hereby given that Sixth Annual General Meeting of the Members of **SCM Fertichem Limited** will be held on Friday, 28<sup>th</sup> September, 2018 at 10:30 a.m. at Sai Hira, Survey No. 93, Mundhwa, Pune – 411 036 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2018 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.

### **SPECIAL BUSINESS**

3. To appoint Shri Amitabh Bhargava (DIN No. - 00109596) as a Non-Executive and Non-Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT Shri Amitabh Bhargava (DIN: 00109596), who was appointed as an Additional Director of the Company w.e.f. 20<sup>th</sup> August, 2018 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company liable to retire by rotation.”

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4. To appoint Shri K. Subharaman (DIN No. - 01518995) as a Non-Executive and Non-Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT K. Subharaman (DIN No. - 01518995), who was appointed as an Additional Director of the Company with effect from 20<sup>th</sup> August, 2018 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company liable to retire by rotation.”

**For and on behalf of the Board of Directors,**



**K. Subharaman**

**Director**

**(DIN: 01518995)**

Place: Pune

Date: 20<sup>th</sup> August, 2018

*Registered Office:*

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Yerawada,  
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## 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. 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.**
2. Record date to determine entitlement of members to attend and vote at the Annual General Meeting is 27<sup>th</sup> September, 2018.
3. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7<sup>th</sup> May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors.

## Annexure to the Notice

Explanatory Statement as required by Section 102 of the Companies Act, 2013.

### Item No. 3

The Board of Directors of the Company has appointed Shri Amitabh Bhargava as an Additional Director with effect from 20<sup>th</sup> August, 2018.

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The Board of Directors is of the view that his services will indeed add value to the Company and therefore recommends the Resolution at Item No. 3 of this Notice for your approval.

None of the Directors or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution except Shri Amitabh Bhargava.

## **Item No. 4**

The Board of Directors of the Company has appointed Shri K. Subharaman as an Additional Director with effect from 20<sup>th</sup> August, 2018.

The Board of Directors is of the view that his services will indeed add value to the Company and therefore recommends the Resolution at Item No. 4 of this Notice for your approval.

None of the Directors or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution except Shri K. Subharaman.

**For and on behalf of the Board of Directors,**



**K. Subharaman**

**Director**

**(DIN: 01518995)**

Place: Pune

Date: 20<sup>th</sup> August, 2018

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## **BOARD'S REPORT**

**To the Members,**

Your Directors have pleasure in presenting the Sixth Annual Report together with Audited Accounts of the Company for Financial Year ended 31<sup>st</sup> March, 2018.

### **FINANCIAL RESULTS**

The summarised financial results for the year are as under:

	<b>2017-18</b>	<b>2016-17</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Total Income	-	-
Total Expenditure	19,62,817	1,48,299
Profit / (Loss) Before Tax (PBT)	(19,62,817)	(1,48,299)
Net Profit / (Loss) After Tax	(19,62,817)	(1,48,299)
Add: Balance brought forward from previous year	(2,77,348)	(1,29,248)
Profit/(Loss) carried to Balance Sheet	(22,40,165)	(2,77,348)

### **STATE OF COMPANY'S AFFAIRS**

During the year under review, the Company had loss of Rs. 19,62,817 in comparison to loss of Rs 1,48,299 in the previous financial year.

### **FUTURE PROSPECTS OF THE COMPANY**

The Company is exploring various business opportunities available and will revert once decision is taken.

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## DIRECTORS

### Composition and Category of Directors

Sr. No.	Name of Director	Category
1	Shri Somnath Patil	Non- Executive Director
2	Shri Deepak Desai <sup>§</sup>	Non- Executive Director
3	Shri A.P. Shah	Non- Executive Director
4	Shri Amitabh Bhargava <sup>^</sup>	Non- Executive Director
5	Shri K. Subharaman <sup>^</sup>	Non- Executive Director

<sup>§</sup> Resigned w.e.f. 20<sup>th</sup> August, 2018

<sup>^</sup> Appointed as an Additional Director, w.e.f. 20<sup>th</sup> August, 2018

Five Board Meetings were held during the year. These meetings were held on 9<sup>th</sup> May 2017, 29<sup>th</sup> June 2017, 6<sup>th</sup> October 2017, 18<sup>th</sup> January 2018 and 15<sup>th</sup> March 2018.

The records of attendance of Directors are as under:

Sr. No.	Name of Director	No. of Board Meetings entitled to attend	No. of Board Meetings Attended
1	Shri Somnath Patil	5	4
2	Shri Deepak Desai <sup>§</sup>	5	5
3	Shri A. P. Shah	5	5
4	Shri Amitabh Bhargava <sup>^</sup>	-	-
5	Shri K. Subharaman <sup>^</sup>	-	-

<sup>§</sup> Resigned w.e.f. 20<sup>th</sup> August, 2018

<sup>^</sup> Appointed as an Additional Director w.e.f. 20<sup>th</sup> August, 2018

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

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## **DIVIDEND**

Your directors do not recommend any dividend for the year under review.

## **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.

## **RELATED PARTY TRANSACTIONS**

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.

## **SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / STATUTORY AUTHORITIES**

Details of the Order dated 30<sup>th</sup> March, 2017 of National Company Law Tribunal (NCLT) had already been provided in the Board's Report of previous year.

There is no other material order passed by the regulator / statutory authority other than the aforesaid order.

## **PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS**

The details of any loan or guarantee or made any investment pursuant to the provisions of Section 186 of the Companies Act, 2013, if any have been provided in the Notes to Accounts, forming part of this Annual Report.



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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 31<sup>st</sup> March, 2018 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.

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## **STATUTORY AUDITORS AND REPORT**

The Shareholders of the Company in their Second Annual General Meeting held on 22<sup>nd</sup> September, 2014 had accorded their approval pursuant to the provisions of Sections 139, 141 and other applicable provisions of Companies Act, 2013 and Rules made 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 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.

## **MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report except for the Order of the National Company Law Tribunal (NCLT) sanctioning the Scheme of Arrangement involving the Company, Smartchem Technologies Limited and their 100% Holding Company.

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The Order from NCLT was received on 13<sup>th</sup> April, 2017. The Company filed Form INC-28 on 1<sup>st</sup> May, 2017 so as to make scheme and the order arising therefrom fully effective. In terms of the Scheme the Company purchased the Fertilisers and TAN Undertakings from its holding Company, Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL) on slump exchange basis for consideration as mentioned in the Scheme and the NCLT Order and thereafter the said undertakings were demerged in the same Scheme and order to another 100% subsidiary of DFPCL, Smartchem Technologies Limited on fair value basis for a consideration of Rs. 2516.64 Crores.

Consideration for the purpose of payment of stamp duty and issue of shares are considered as Rs. 16,00,00,000/- as the NCLT Order has not allowed share premium on the slump exchange transaction. Accordingly, the Company paid 0.1% as stamp duty.

## **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.

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## 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.

By Order of the Board of Directors,



**Amitabh Bhargava**

**Director**

**DIN: 00109596**



**K. Subharaman**

**Director**

**DIN: 01518995**

Place: Pune

Date: 20<sup>th</sup> August, 2018

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<b>Total Public Share-holding (B)=(B)(1)+(B)(2)</b>	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	--	50,000*	50,000	100.00	--	50,000*	50,000	100.00	--

\* Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL) holds beneficial interest of 7 Equity Shareholders, as a result, of which Company is wholly owned subsidiary of DFPCL.

## ii. Share Holding of Promoter

Sr. No	Name of the Promoter	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 of 7 Equity Shareholders, as a result, of which Company is wholly owned subsidiary of DFPCL.

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

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

## v. Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of the Director	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
01.	<b>Shri Somnath Patil</b> <sup>@</sup>				
	At the beginning of the year	1*	0.002	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year	--	--	1*	0.002

\* Deepak Fertilisers and Petrochemicals Corporation Limited is Beneficiary Owner for 1 (One) share held by Shri Somnath Patil.

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Sr. No	Name of the Director	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
02.	<b>Shri A. P. Shah</b>				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year	--	--	--	--

Sr. No	Name of the Director	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
03.	<b>Deepak Desai<sup>#</sup></b>				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year	--	--	--	--

# Resigned w.e.f. 20<sup>th</sup> August, 2018

## V. INDEBTEDNESS

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	--	--	--
<b>Change in Indebtedness during the financial year</b>				
• Addition	--	--	--	--
• Reduction	--	--	--	--
<b>Net Change</b>	--	--	--	--
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	--	--	--



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## 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	--	--

### B. Remuneration to other Director:

Sr. No.	Particulars of Remuneration	Name of Director	Total Amount
1.	<b>Independent Director</b>		
	Fee for attending board / committee meetings	--	--
	Commission	--	--
	Others, please specify	--	--
	<b>Total (1)</b>	--	--
2.	<b>Other Non-Executive Directors</b>		
	Fee for attending board / Committee meetings	--	--
	Commission	--	--
	Others, please specify	--	--
	<b>Total (2)</b>		
	<b>Total (B)=(1+2)</b>		
	Total Managerial Remuneration	--	--
	Overall Ceiling as per the Act	--	--

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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	--	--	--	--
	<b>Total</b>	--	--	--	--

VII. Penalties / Punishment/ Compounding of Offences: NIL

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SCM FERTICHEM LIMITED**

We have audited the accompanying standalone Ind AS financial statements of SCM Fertichem Limited ("the Company"), which comprise of the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as 'standalone Ind AS Financial statements').

#### **Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules made thereunder.

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 standalone Ind AS 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 Ind AS 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 there under.

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.



**Emphasis of Matters**

The Company is a wholly owned subsidiary of Deepak Fertilisers & Petrochemicals Corporation Limited (DFPCL). The Board of directors of the Company on 29<sup>th</sup> March 2016 approved a scheme of arrangement with its parent company Deepak Fertilisers & Petrochemicals Corporation Limited and its wholly owned subsidiary, Smartchem Technologies Limited, under sections 391 to 394 of the Companies Act, 1956.

The Scheme provides for the transfer of Fertiliser and TAN undertaking ('the undertaking') of DFPCL to the Company for a slump exchange consideration of Rs. 74,300 Lakhs. The said undertaking would be further transferred to Smartchem Technologies Limited by way of demerger for a consideration to be discharged by issue of one equity share of Smartchem Technologies Limited for every equity share held in the Company.

Under this scheme of arrangement -

1. The Company recorded the assets and liabilities of the Transferred Undertakings (as appearing in the books of accounts of DFPCL at the close of business on the day preceding the Appointed Date), as vested in it pursuant to Slump Exchange as mentioned in the scheme of arrangement and as per Accounting Standard -10 notified under the 1956 Act read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act.
2. Upon demerger of the undertakings, the Company has reduced the book value of assets and liabilities of the demerged undertakings from the assets and liabilities of the Company. The difference in book values of assets over book value of liabilities is adjusted against the Securities Premium Account to the tune of Rs. 72,700 lakhs and share capital to the tune of Rs. 1,600 lakhs.
3. The reduction in Securities Premium Account and the Share capital is considered an integral part of the scheme. The scheme also states that the Company shall not be required to add "And Reduced" as suffix to its name.

The National Company Law Tribunal (NCLT) on 30<sup>th</sup> March 2017 granted approval to the Scheme and the order of NCLT was received on 13<sup>th</sup> April 2017. Post compliance of further requirements of the order, the Company filed the same with Registrar of Companies on 1<sup>st</sup> May

2017, being the date from which the Order became operational. The appointed date as per the scheme is effective retrospectively from 1<sup>st</sup> January 2015.

The Company has given effect to the scheme during the current year as “adjusting event” with an effective date of 1<sup>st</sup> January 2015 based on a re-examination of Ind AS 10 by Management in view of clarifications issued by Ind AS Transition Facilitation Group (“ITFG”) 14 issue no 4 issued on 1<sup>st</sup> February 2018.

*Our opinion is not modified in respect of these matters.*

**Report on Other Legal and Regulatory Requirements**

1. As required by Companies (Auditor’s Report) Order 2016, (the order), issued by Central Government of India in terms of sub section (11) of the Section 143 of the Companies Act, 2013 we give in Annexure a statement on the matters specified in paragraph 3 & 4 of the Order to the extent possible. **(Annexure 1)**
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.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) Observations or comments on financial transactions or matters which have an adverse effect on the functioning of the Company – No such observation or comment.

- f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) We do not have any qualification, reservation or adverse remark relating to the maintenance of the accounts & other matters connected there with.
- h) The company has adequate internal financial controls system in place and the operating effectiveness of such controls is satisfactory. We give in annexure a report on the same.  
**(Annexure 2)**
- i) 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**

**Anand D. Joshi**  
**Partner**  
**Membership No. - 113805**



**Place : Pune**  
**Date : 08<sup>th</sup> May 2018**



**ANNEXURE 1**

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

**on the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2018**

**As per Companies (Auditor's Report) Order, 2016 dt.29th March 2016.**

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

**Re: -SCM Fertichem Limited the F.Y. 2017-18**

1. **Fixed assets** –

The Company does not have any fixed assets. As such, our comments on the following matters are not attracted –

- The Company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.
- The management has a regular programme of physical verification at the end of the year, has physically verified the fixed assets and we have been informed that no material discrepancies were noticed on such verification as compared to book records.
- The title deeds of immovable properties of Company are held in the name of the company.

2. **Inventory** –

The Company does not have any inventory. As such, our comments on the following matters are not attracted –

- The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- The Company is maintaining proper records of the inventory. The discrepancies noticed on verification between physical stock & book records were not material as reported by the management and the same have been properly dealt with in the books of accounts.





3. **Loans granted-**

Company has not granted any secured or unsecured loans to Companies, firms, Limited Liability partnerships 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 the terms and conditions of the grant of such loans are not prejudicial to the company's interest;
- Whether the schedule of repayment of principal and payment of interest has been stipulated and
- Whether the repayments or receipts are regular;

4. **Loans, Investment, Guarantees & Security –**

- Company has not granted any loans or given guarantees – directly or indirectly - to Directors or any other person in whom Directors are interested in contravention of Section 185 and section 186 of Companies Act 2013.
- Company has not granted any loan or given guarantee or made investment or provided security in contravention of Section 186 of Companies Act 2013.

5. **Deposits-**

- The Company has not accepted any deposits. 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 - 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 not under the ambit of depositing any statutory dues including Provident Fund, Employees' State



Insurance, Wealth Tax, Service Tax, Custom Duty, Excise Duty, VAT, Cess and any other Statutory dues with appropriate authority except Income Tax. Hence, 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 2013 or Rules made thereunder. .

**8. Defaults in repayment-**

The Company has no dues to a Bank or financial institution or debenture holders. Hence it is not necessary to report the period & amount of such default.

**9. Utilization of funds-**

- The Company has not raised funds by way of IPO or any Public offer (including Debt instrument).
- The company has not raised funds by way of term loans.

**10. Fraud-**

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

**11. Managerial remuneration -**

- The managerial remuneration has not been paid or provided during the year. Hence our comments regarding requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013 are not required.

**12. Nidhi company -**

- The Company is not a Nidhi Company & hence our comments related to Nidhi Company are not attracted.

**13. Related party transactions –**

- No transactions with the related parties have occurred during the year. Hence, our comments on compliance with provisions of sections 177 and 188 of Companies Act, 2013 are not attracted.
- Disclosures in the Standalone Ind AS Financial Statements are not required as per Ind AS -24 as there have been no transactions with the related parties during the year.

**14. Preferential allotment & private placement –**

- The company has not made any private placement or preferential allotment of shares or fully or partly convertible debentures during the year under review.
- Our comments on compliance with the provisions of section 42 of Companies Act, 2013 are not attracted.
- Our comments on the application of amount raised are not attracted.

**15. Non-cash transactions with Directors –**

- The company has not entered into any non-cash transactions with directors or persons connected with him.
- Our comments on compliance with the provisions of section 192 of Companies Act, 2013 are not attracted.

**16. Registration with RBI –**

- Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence, the registration has not been obtained.

**For HMA & Associates**  
**Chartered Accountants**  
**FRN – 100537W**



**Anand D. Joshi**  
**Partner**  
**Membership No. - 113805**

**Place : Pune**  
**Date : 08<sup>th</sup> May 2018**



**ANNEXURE 2**  
**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**  
**of Even Date on the standalone Ind AS financial statements of**  
**SCM FERTICHEM LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of SCM Fertichem Limited as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both



applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Ind AS 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 Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For HMA & ASSOCIATES**  
**Chartered Accountants**  
**FRN - 100537W**

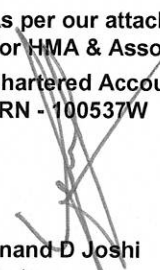

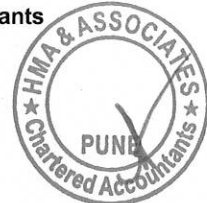



**Anand D. Joshi**  
**Partner**  
**Membership No. - 113805**

**Place : Pune**  
**Date : 08<sup>th</sup> May 2018**

**SCM FERTICHEM LIMITED**  
Balance Sheet as at March 31, 2018



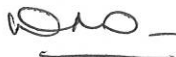
In Rs.

	Notes	31 March 2018	31 March 2017	1 April 2016
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories		-	-	-
Financial assets				
i. Investments		-	-	-
ii. Trade receivables		-	-	-
iii. Cash and cash equivalents	2	1,34,645	3,78,096	3,84,649
Other current assets		-	-	-
		<b>1,34,645</b>	<b>3,78,096</b>	<b>3,84,649</b>
<b>Total current assets</b>		<b>1,34,645</b>	<b>3,78,096</b>	<b>3,84,649</b>
<b>Total assets</b>		<b>1,34,645</b>	<b>3,78,096</b>	<b>3,84,649</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	3	5,00,000	5,00,000	5,00,000
<b>Other equity</b>				
Reserves and surplus	3(b)	(22,40,165)	(2,77,348)	(1,29,048)
Other reserves				
<b>Total equity</b>		<b>(17,40,165)</b>	<b>2,22,652</b>	<b>3,70,952</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Financial liabilities				
i. Trade payables	4	18,64,320	1,54,513	13,697
Other current liabilities	5	10,490	931	-
		<b>18,74,810</b>	<b>1,55,444</b>	<b>13,697</b>
<b>Total current liabilities</b>		<b>18,74,810</b>	<b>1,55,444</b>	<b>13,697</b>
<b>Total liabilities</b>		<b>18,74,810</b>	<b>1,55,444</b>	<b>13,697</b>
<b>Total equity and liabilities</b>		<b>1,34,645</b>	<b>3,78,096</b>	<b>3,84,649</b>
Summary of significant Accounting Policies	1			
Accompanying Notes are integral part of financial statements	2-8			
As per our attached report of even date For HMA & Associates Chartered Accountants FRN - 100537W		On Behalf of the Board of Director of SCM Fertichem Limited		
				
				
Anand D Joshi Partner M.No. 113805 Place - Pune		Ashok Shah Director DIN - 00196506 Date :		
		Deepak Desai Director DIN - 00216164		

SCM FERTICHEM LIMITED

Statement of profit and loss for the year ended March 31, 2018

In Rs.

	Notes	Year ended 31st March 2018	Year ended 31st March 2017
Revenue from operations		-	-
Other income		-	-
<b>Total income</b>		-	-
<b>Expenses</b>			
Cost of materials consumed		-	-
Purchases of stock-in-trade		-	-
Changes in inventories of work-in-progress, stock-in-trade and finished goods		-	-
Excise duty		-	-
Employee benefit expense		-	-
Depreciation and amortisation expense		-	-
Other expenses	6	18,75,735	1,45,847
Finance costs	7	87,082	2,452
<b>Total expenses</b>		<b>19,62,817</b>	<b>1,48,299</b>
<b>Profit before tax</b>		<b>(19,62,817)</b>	<b>(1,48,299)</b>
Income tax expense		-	-
- Current tax		-	-
- Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit for the year</b>		<b>(19,62,817)</b>	<b>(1,48,299)</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified to profit or loss</i>			
Net changes in fair value of investment other than equity shares carried at fair value through OCI		-	-
Net changes in fair value of cash flow hedges		-	-
Income tax relating to these items		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined employee benefit plans		-	-
Income tax relating to these items		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(19,62,817)</b>	<b>(1,48,299)</b>
	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Profit is attributable to:			
Owners of SCM Fertichem Limited		(19,62,817)	(1,48,299)
Other comprehensive income is attributable to:		(19,62,817)	(1,48,299)
Owners of SCM Fertichem Limited		-	-
Total comprehensive income is attributable to:			
Owners of SCM Fertichem Limited		(19,62,817)	(1,48,299)
Total comprehensive income attributable to owners of SCM Fertichem Limited arises from:		(19,62,817)	(1,48,299)
Continuing operations		(19,62,817)	(1,48,299)
Discontinued operations		-	-
<b>Earnings per equity share</b>			
Basic		(39.26)	(2.97)
Diluted		(39.26)	(2.97)
<b>Summary of significant Accounting Policies</b>	1		
Accompanying Notes are integral part of financial statements	2-8		
As per our attached report of even date For HMA & Associates Chartered Accountants FRN - 100537W		On Behalf of the Board of Director of SCM Fertichem Limited	
Anand D Joshi Partner M.No. 113805 Place - Pune		 Ashok Shah Director DIN - 00196506 Date :	 Deepak Desai Director DIN - 00216164

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**SCM FERTICHEM LIMITED**

**Statement of Changes in Equity for the year ended March 31, 2018**

**A. Equity Share Capital**

	In Rs.		
	31 March 2018	31 March 2017	1 April 2016
Balance at the beginning of the year	5,00,000	5,00,000	5,00,000
<b>Changes in equity shares capital during the year</b>			
Add: Issue of Equity shares Rs. 10 each	16,00,00,000	-	-
Less: Reduction in share capital pursuant to the Scheme of Arrangement approved by NCLT	(16,00,00,000)	-	-
<b>Balance at the end of the year</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>5,00,000</b>

**B. Other Equity**

	Reserves and surplus			Total
	Securities premium reserve	Retained earnings	Other Reserves (General Reserve & Capital Redemption Reserve)	
<b>Balance at 1 April 2016</b>	-	(1,29,048)	-	(1,29,048)
Profit for the year	-	(1,48,299)	-	(1,48,299)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	(1,48,299)	-	(1,48,299)
<b>Transactions with owners in their capacity as owners:</b>				
Issue of equity shares	-	-	-	-
Dividends paid	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	-
<b>Balance at 31 March 2017</b>	-	(2,77,348)	-	(2,77,348)
Profit for the year	-	(19,62,817)	-	(19,62,817)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	(19,62,817)	-	(19,62,817)
<b>Transactions with owners in their capacity as</b>				
Issue of equity shares, net of transaction costs	-	-	-	-
Dividends paid	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	-
<b>Balance at 31 March 2018</b>	-	(22,40,165)	-	(22,40,165)

As per our report of even date  
For HMA & Associates  
Chartered Accountants  
FRN - 100537W



CA Anand D. Joshi  
Partner  
M.No. 113805  
Place - Pune

On Behalf of the Board of Director of  
SCM Fertichem Limited

Ashok Shah  
Director  
DIN - 00196506  
Date :

Deepak Desai  
Director  
DIN - 00216164

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**SCM FERTICHEM LIMITED**

Cash flow statement for the year ended March 31, 2018

In Rs.

	Year ended 31st March 2018	Year ended 31st March 2017
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	(19,62,817)	(1,48,299)
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>	<b>(19,62,817)</b>	<b>(1,48,299)</b>
Adjustments for	-	-
<b>Change in operating assets and liabilities, net of effects</b>		
Increase in trade payables	17,09,807	1,40,816
Increase in other current liabilities	9,559	931
<b>Cash generated from operations</b>	<b>(2,43,451)</b>	<b>(6,552)</b>
Income taxes paid	-	-
<b>Net cash inflow from operating activities</b>	<b>(2,43,451)</b>	<b>(6,552)</b>
<b>Cash flows from investing activities</b>	-	-
<b>Net cash outflow from investing activities</b>	-	-
<b>Cash flows from financing activities</b>	-	-
<b>Net cash inflow (outflow) from financing activities</b>	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,43,451)</b>	<b>(6,552)</b>
Cash and cash equivalents at the beginning of the financial	3,78,096	3,84,649
<b>Cash and cash equivalents at end of the year</b>	<b>1,34,645</b>	<b>3,78,096</b>

Cash and cash equivalents as per above comprise of the following	Year ended 31st March 2018	Year ended 31st March 2017
Cash and cash equivalents	1,34,645	3,78,096
Bank overdrafts	-	-
<b>Balances per statement of cash flows</b>	<b>1,34,645</b>	<b>3,78,096</b>

As per our attached report of even date  
For HMA & Associates  
Chartered Accountants  
FRN - 100537W



Anand D Joshi  
Partner  
M.No. 113805  
Place - Pune

On Behalf of the Board of Director of  
SCM Fertichem Limited

Ashok Shah  
Director  
DIN - 00196506  
Date :

Deepak Desai  
Director  
DIN - 00216164

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**SCM FERTICHEM LIMITED**

**Notes to financial statements for the year ended March 31st, 2018**

**1. Corporate Information:** -

SCM Fertichem 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 Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

**3. Significant Accounting Policies:** -

- a) **Basis of Accounting** – The financial statements have been prepared on historical cost basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

Previous year figures are restated wherever necessary in order to make the financial statements more reliable and relevant.

- b) **Use of Estimates** – The preparation and presentation of financial statements in conformity with Ind-AS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of amounts of revenues and expenses during the period.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Accounting estimates could change from period to period. Any revision to accounting estimates is recognized prospectively in the current and future periods, and if material, their effects are disclosed in the financial statements. Actual results could differ from the estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known/materialize.

- c) **Revenue Recognition** – The Company recognizes revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the Company.  
Interest Income  
Interest income is recognized using effective interest method on time proportion basis taking in to account the amount outstanding.
- d) **Property, Plant & Equipment** – There is no property, plant and equipment at the year end.
- e) **Depreciation on Property, Plant & Equipment** – There is no property, plant and equipment at the year end.
- f) **Intangible Assets** -There are no intangible Assets as at the year end.
- g) **Impairment of Tangible & Intangible Assets** -There are no Intangible Assets as at the year end.
- h) **Government Grants & Subsidies** -No grants / subsidies have been received during the year.
- i) **Investments** – There are no Investments as at the year end.
- j) **Investment Property** - There is no investment property as at the year end
- k) **Inventories** - There are no inventories as at the year end.
- l) **Current Assets, Loans & advances** – There are no current assets, loan & advances as at the year end
- m) **Retirement and other employee benefits** – There are no employees taken by the company during the year. Therefore there are no retirement / employee benefits provided during the year.
- n) **Foreign currency Transactions** – There are no Foreign Currency transactions during the year.

**SCM FERTICHEM LIMITED**

**Notes to financial statements for the year ended March 31st, 2018**

- o) **Taxes on Income** – Provision for current Income Tax is determined in accordance with the provisions of Income Tax Act 1961. Minimum Alternate Tax (MAT) paid / provided in the year is charged to the Statement of Profit and Loss as current Tax. Deferred Tax – subject to materiality – is recognized on timing differences, being the difference between the taxable income & the accounting income that originate in one period & are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized & carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.
- p) **Provisions, Contingent Liabilities & Commitments and Contingent assets** – Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of 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 Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a past event, it is probable provision is presented in the statement of profit and loss net of any reimbursement.
- q) **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.
- r) **Borrowing cost** – No borrowing costs have been capitalised or charged off to revenue during the year.

*G. Jena*

**SCM FERTICHEM LIMITED**

Notes to financial statements for the year ended March 31, 2018

**Note 2: Financial Assets**

**(iii) Cash & Cash Equivalents**

In Rs.

	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
- in current accounts	1,34,645	3,78,096	3,84,649
<b>Total cash and cash equivalents</b>	<b>1,34,645</b>	<b>3,78,096</b>	<b>3,84,649</b>

**Note 3: Equity Share Capital & Other Equity**

Auhtorised equity share capital

	31 March 2018	31 March 2017	1 April 2016
<b>Authorised</b>			
1,62,50,000 equity shares of Rs. 10/- each. (March 31, 2018 : 1,62,50,000 equity shares of Rs 10/- each) (March 31, 2017 : 50,000 equity shares of Rs 10/- each) (April 01, 2016 : 50,000 equity shares of Rs. 10/- each)	16,25,00,000	5,00,000	5,00,000
	<b>16,25,00,000</b>	<b>5,00,000</b>	<b>5,00,000</b>
<b>Issued, subscribed and fully paid share capital</b>			
50,000 equity shares of Rs. 10/- each. (March 31, 2018 : 50,000 equity shares of Rs 10/- each) (March 31, 2017 : 50,000 equity shares of Rs 10/- each) (April 01, 2016 : 50,000 equity shares of Rs. 10/- each)	5,00,000	5,00,000	5,00,000
<b>Fully Paid Share Capital</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>5,00,000</b>

**(i) Reconciliation of the number of Equity Shares**

Equity Shares	31 March 2018		31 March 2017	
	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add: Issued during the year	1,60,00,000	16,00,00,000	-	-
Less: Reduction in share capital pursuant to the Scheme of Arrangement approved by NCLT	(1,60,00,000)	(16,00,00,000)	-	-
	-	-	-	-
<b>Closing Balance</b>	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>

**Terms and rights attached to equity shares**

Equity shares have a par value of INR 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**(ii) Shares of the company held by holding/ultimate holding company**

	31 March 2018	31 March 2017
Deepak Fertiliser & Petrochemicals Corporation Ltd	50,000	50,000

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

	31 March 2018		31 March 2017	
	Number of shares	% Holding	Number of shares	% Holding
Deepak Fertiliser & Petrochemicals Corporation Ltd	50,000	100%	50,000	100%

*Y. Jena*

SCM FERTICHEM LIMITED  
Notes to financial statements for the year ended March 31, 2018

Note No 3(b): Reserves & Surplus

	In Rs.		
	31 March 2018	31 March 2017	1 April 2016
Securities premium reserve	-	-	-
Retained earnings	(22,40,165)	(2,77,348)	(1,29,048)
<b>Total reserves and surplus</b>	<b>(22,40,165)</b>	<b>(2,77,348)</b>	<b>(1,29,048)</b>

(i) Securities Premium Reserve

	31 March 2018	31 March 2017
Opening Balance	-	-
Add: Issued during the year	7,26,96,00,000	7,26,96,00,000
Less: Reduction in share capital pursuant to the Scheme of Arrangement approved by NCLT	(7,26,96,00,000)	(7,26,96,00,000)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

(i) Retained earnings

	31 March 2018	31 March 2017
Opening balance	(2,77,348)	(1,29,048)
Net profit for the period	(19,62,817)	(1,48,299)
Items of other comprehensive income recognised directly in retained earnings	-	-
Transfer to debenture redemption reserve	-	-
Dividends	-	-
<b>Closing Balance</b>	<b>(22,40,165)</b>	<b>(2,77,348)</b>

Note 4 : Trade Payables

	31 March 2018	31 March 2017	1 April 2016
<b>Current</b>			
Trade Payables			
MSME	1,06,400	79,313	2,247
Non - MSME	17,57,920	75,200	11,450
<b>Total trade payables</b>	<b>18,64,320</b>	<b>1,54,513</b>	<b>13,697</b>

Note 5: Other current liabilities

	31 March 2018	31 March 2017	1 April 2016
Statutory tax payables	10,490	931	-
<b>Total other current liabilities</b>	<b>10,490</b>	<b>931</b>	<b>-</b>

Note 6: Other expenses

	31 March 2018	31 March 2017
Legal and Professional Fees	18,52,085	87,820
Payments to auditors	23,650	11,500
Miscellaneous expenses	-	46,527
<b>Total other expenses</b>	<b>18,75,735</b>	<b>1,45,847</b>

Note 6(a): Details of payments to auditors

	31 March 2018	31 March 2017
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	23,650	11,500
Tax audit fee	-	-
<b>Total payments to auditors</b>	<b>23,650</b>	<b>11,500</b>

Note 7: Finance costs

	31 March 2018	31 March 2017
Interest and finance charges	87,082	2,452
<b>Total finance cost</b>	<b>87,082</b>	<b>2,452</b>

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**SCM FERTICHEM LIMITED**

**Notes to financial statements for the year ended March 31, 2018**

**Note : 8**

**Scheme of arrangement**

With a view to paving the way for future growth strategic objective and unlocking the shareholder's value, the Board of Directors of the Company at its meeting held on 29th March,2016 approved the scheme of arrangement between Deepak Fertilisers And Petrochemicals Corporation Limited and its wholly owned subsidiaries, SCM Fertichem Limited and Smartchem Technologies Limited ( ' the scheme' ), under sections 391 to 394 of the Companies Act, 1956. The Scheme provides for the transfer of Fertiliser and TAN undertaking { 'the undertaking'} of the Company to SCM Fertichem Limited for a slump exchange consideration of Rs.74,300 Lacs followed by transfer and vesting of the said undertaking into Smartchem Technologies Limited by way of de-merger for a consideration to be discharged by issue of one equity share of Smartchem Technologies Limited for every equity share held in SCM Fertichem Limited.

The National Company Law Tribunal (NCLT) on 30th March'2017 granted approval to the Scheme and the order of NCLT was received on 13th April'2017. Post compliance of further requirements of the order, the Company filed the same with Registrar of Companies on 1st May'2017, being the date from which the Order became operational. The appointed date as per the scheme is effective retrospectively from 1st Januray'2015.

Notwithstanding the reduction in Share Capital & Securities Premium & pursuant to the order of National Company Law Tribunal, the company is not required to add "And Reduced" as suffix to its name

