



## **Independent Auditor's Report**

To,

**The Members of SCM Fertichem Limited**

### **Report on the audit of the Ind AS financial statements**

#### **Opinion**

We have audited the accompanying Standalone Ind AS financial statements of SCM Fertichem Limited ("*the Company*") which comprises the Balance Sheet as at March 31, 2022, 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 notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

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 state of affairs of the Company as at March 31, 2022, and loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules



thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

**Emphasis of Matter**

In our opinion, there is no such matter which we need to emphasize in our Audit Report.

**Information other than the Ind AS financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's 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, changes in equity 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. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility for the Audit of the Ind AS financial statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



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

**Report on Other Legal and Regulatory Requirements:**

1. Companies (Auditor's Report) Order 2016, issued by Central Government of India in terms of sub section (11) of the Section 143 of the Companies Act, 2013 is applicable to the company. We are giving in Annexure a statement on the matters specified in paragraph 3 & 4 of the Order to the extent possible in **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 (including Other Comprehensive Income), the Cash Flow Statement and Statement of changes in equity dealt with by this Report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 2**.



# HMA & ASSOCIATES

Chartered Accountants

g. 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:

- The Company does not have any pending litigations.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 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**  
**Membership No. - 113805**  
**UDIN :- 22113805AJIYJM7782**  
**Place :- Pune**  
**Date :- 20<sup>th</sup> May 2022**





## **ANNEXURE 1 TO INDEPENDENT AUDITORS' REPORT**

**As per point 3 of Companies (Auditor's Report) Order, 2020 dt.25<sup>th</sup> February 2020.**  
**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 for the F.Y. 2021-22**

1. **Property, plant & equipment, and intangible assets** –

- a) The Company does not have any Property, Plant & Equipment, and Intangible assets and hence our remarks with respect to maintenance of record, physical verification, title deeds of immovable property, revaluation, etc. are not attracted.
- b) No proceedings have been initiated or pending against the company or holding any benami property under Benami transactions (prohibition) Act, 1988 (45 of 1988) and rules made there under. Hence, no disclosure of such details required.

2. **Inventory** –

- a) 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 and frequency of verification does not arise.
- b) The company has not been sanctioned working capital limits in excess of Rs. 5 Cr in aggregate from banks or FI on the basis of security of current assets and hence the question of quarterly returns or statements filed by the company with such banks or FI does not arise.

3. **Investments made, Guarantee/Security provided, or Loans granted** –

- a) The company has not provided loans, or advances in the nature of loans, or stood guarantee, or provided security to companies, firms, LLP, or any other party.
- b) As the Company has not provided loans, or advances in the nature of loans, or stood guarantee, or provided security to companies, firms, LLP, or any other party, our comments related to terms & conditions, schedule o repayment, overdue status, etc. are not attracted.



4. **Loans to Directors, Investment, Guarantees & Security by Company**

- a) Company has not granted any loans or given guarantees or provided any security in connection with the loan – directly or indirectly - to Directors or any other person in whom Directors are interested in contravention of Section 185 of Companies Act 2013.
- b) 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 –**

- a) 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.
- b) The nature of contravention - not applicable.
- c) 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 –**

- a) According to the information & explanations given to us, Company is regular in depositing undisputed statutory dues including GST, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, VAT, Cess and any other statutory dues with appropriate authority.
- b) 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.
- c) No such dues were outstanding on account of any dispute pending with any forum.

8. **Disclosures under Income tax –**

No amount of any transactions not recorded in the books of accounts have been surrendered or disclosed as incurred during the year in the tax assessments under Income Tax Act, 1961.





9. **Repayment of loans** –

- a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority”
- c) The term loans were applied for the purpose for which the loans were obtained. Hence, our comment on amount of loan so diverted and the purpose for which it was used is not required.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
- f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

10. **Utilization of IPO & further public offer** –

- a) The Company has not raised funds by way of IPO or any Public offer (including Debt instrument). Hence, our comment on application of funds for the purpose of which those were raised and details of any delays or defaults is not required.
- b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Hence our comments on compliance of section 42 and 62 of Companies Act, 2013 and utilization of funds for the purpose for which the funds were raised is not required.

11. **Fraud** –

- a) No fraud by the company or on 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.

- b) No report u/s 143(12) of the Companies Act, 2013 has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) There were no whistle-blower complaints received during the year by the company.

12. **Nidhi company –**

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

13. **Related party transactions –**

- a) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and
- b) The details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. **Internal audit -**

In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.

15. **Non-cash transactions –**

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

16. **Registration with RBI –**

- a) 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.
- b) Company has not conducted any non-banking financial or housing finance activity without a valid certificate of registration from RBI.
- c) Company is not a core investment company (CIC) and hence our comments on its continuous fulfilment of criteria of CIC is not required.
- d) The group do not have one or more CIC as part of the group.



17. **Cash Losses –**

The company has not incurred cash loss during the financial year and incurred cash loss of Rs. 20,53,667/- in the preceding financial year.

18. **Resignation of statutory auditor –**

There has been no resignation of the statutory auditors during the year hence it is not necessary to consider the issues, objections or concerns raised by the outgoing auditor.

19. **Material uncertainty –**

In our opinion, no material uncertainty exists as on the date of audit report regarding capability of the company in meeting its liabilities existing on the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. The opinion is based on the financial ratios, ageing, and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors' and management's plans.

20. **CSR Projects –**

Section 135 of the Companies Act, 2013 is not applicable to the company.

21. **Qualifications in the consolidated financial statements –**

The Company does not prepare consolidated financial statements as it does not have any subsidiaries, joint ventures & associates & hence our remarks on the same are not applicable.

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

For HMA & Associates  
Chartered Accountants  
FRN – 100537W



CA Anand D. Joshi  
Partner

Membership No. 113805

UDIN: - 22113805AJIYJM7782

Place: - Pune

Date: - 20<sup>th</sup> May 2022



**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, 2022 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, 2022, 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



CA Anand D. Joshi  
Partner

Membership No. - 113805

UDIN: - 22113805AJIYJM7782

Place: - Pune

Date: - 20<sup>th</sup> May 2022



<b>SCM Fertichem Limited</b>			
(All Amounts in Rs in unless otherwise stated)			
<b>Balance Sheet as at 31 Mar 2022</b>			
<b>Particulars</b>		<b>31 March 2022</b>	<b>31 March 2021</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	-	-
Capital work-in-progress		-	-
Right of use assets	3	-	-
Financial assets			
i. Other financial assets	6	-	15,00,000
Income tax assets (net)		36,286	36,286
<b>Total non-current assets</b>		<b>36,286</b>	<b>15,36,286</b>
<b>Current assets</b>			
Inventories		-	-
Financial assets			
i. Trade receivables	4	22,80,490	22,40,262
ii. Cash and cash equivalents	5	38,46,241	8,92,311
iii. Loans		-	-
<b>Total current assets</b>		<b>61,26,731</b>	<b>31,32,573</b>
<b>Total assets</b>		<b>61,63,017</b>	<b>46,68,859</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	5,00,000	5,00,000
Other equity	8	(83,52,557)	(90,98,904)
<b>Total equity</b>		<b>(78,52,557)</b>	<b>(85,98,904)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
i. Lease Liabilities	4	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	9	50,00,000	50,00,000
ii. Lease Liabilities	4	-	-
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues of creditors other than micro and small enterprises	10	40,54,941	38,38,846
iii. Other financial liabilities	11	47,60,592	43,33,452
Other current liabilities	12	2,00,041	95,465
<b>Total current liabilities</b>		<b>1,40,15,574</b>	<b>1,32,67,763</b>
<b>Total liabilities</b>		<b>1,40,15,574</b>	<b>1,32,67,763</b>
<b>Total equity and liabilities</b>		<b>61,63,017</b>	<b>46,68,859</b>

Significant accounting policies 1

The accompanying notes form an integral part of the financial statements

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As per our report of even date attached

For and on behalf of Board of Directors  
SCM Fertichem Limited

For HMA & Associates

Chartered Accountants

Firm Registration No.: 100537W

Anand D Joshi

Partner

M.No. 113805

Place: Pune

Date - 20th May 2022



*Amitabh Bhargava*

Amitabh Bhargava

Director

DIN: 00109596

Place - PUNE

*Ritesh Chaudhry*

Ritesh Chaudhry

Director

DIN-09532132

Date - 20th MAY 2022

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**SCM Fertichem Limited**

(All Amounts in Rs in unless otherwise stated)

**Statement of Profit and Loss for the year ended 31 Mar 2022**

		31 March 2022	31 March 2021
<b>Income</b>			
Revenue from operations	13	-	1,200
Other income	14	12,71,187	4,75,42,924
<b>Total income</b>		<b>12,71,187</b>	<b>4,75,44,124</b>
<b>Expenses</b>			
Cost of materials consumed	15	-	8,71,097
Finance costs	16	4,76,421	41,64,861
Depreciation and amortisation expense	17	-	43,94,731
Other expenses	18	48,419	4,45,35,943
<b>Total expenses</b>		<b>5,24,840</b>	<b>5,39,92,522</b>
<b>Profit before tax</b>		<b>7,46,347</b>	<b>(64,48,398)</b>
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Net Profit for the period</b>		<b>7,46,347</b>	<b>(64,48,398)</b>
<b>Total comprehensive income for the period</b>		<b>7,46,347</b>	<b>(64,48,398)</b>
Earnings per equity share of Rs.10 each			
i) Basic (in Rs.)		14.93	(128.97)
ii) Diluted (in Rs.)		14.93	(128.97)
Weighted average number of equity shares of Rs. 10		50,000	50,000
Significant accounting policies	1		
The accompanying notes form an integral part of the financial statements	2 - 23		

As per our report of even date attached

**For HMA & Associates**

Chartered Accountants

Firm Registration No.: 100537W

**Anand D Joshi**

Partner

M.No. 113805

Place: Pune

Date - 20th May 2022

*Joshi***For and on behalf of Board of Directors****SCM Fertichem Limited***Amitabh Bhargava***Amitabh Bhargava**

Director

DIN: 00109596

Place - PUNE

*Ritesh Chaudhry***Ritesh Chaudhry**

Director

DIN: 09532132

Date - 20th May 2022



**SCM Fertichem Limited**

(All amounts in ₹ unless otherwise stated)

**Statement of Cash Flows for the year ended 31 March 2022**

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flow from operating activities</b>		
Profit before tax as per statement of profit and loss	7,46,347	(64,48,398)
Adjustments for		
Depreciation and amortisation expense	-	43,94,731
Finance costs	4,76,421	41,64,861
<b>Cash generated from operations before working capital changes</b>		
Decrease / (increase) in trade receivables	(40,228)	(21,61,560)
Decrease / (Increase) in inventories	-	18,81,353
Increase in trade payables	2,16,095	13,15,463
(Increase) / decrease in other financial assets	15,00,000	30,000
Increase / (decrease) in other current liabilities	1,04,576	(2,28,008)
<b>Cash generated from / (used in) operations</b>	<b>30,03,211</b>	<b>29,48,442</b>
Income taxes paid (net)	-	(32,686)
<b>Net cash generated from / (used in) operating activities</b>	<b>30,03,211</b>	<b>29,15,756</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress & ROU)	-	4,18,77,412
Loans	-	75,000
<b>Net cash (used in) investing activities</b>	<b>-</b>	<b>4,19,52,412</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	(4,50,00,000)
Interest paid	(49,280)	(2,79,481)
Rent Paid	-	(16,60,739)
<b>Net cash (used in) / generated from financing activities</b>	<b>(49,280)</b>	<b>(4,69,40,220)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>29,53,931</b>	<b>(20,72,052)</b>
Cash and cash equivalents at the beginning of the year	8,92,311	29,64,363
<b>Cash and cash equivalents at end of the year</b>	<b>38,46,241</b>	<b>8,92,311</b>

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

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

As per our report of even date attached

For and on behalf of Board of Directors  
SCM Fertichem Limited

For HMA &amp; Associates

Chartered Accountants

Firm Registration No.: 100537W

Anand D Joshi

Partner

M.No. 113805

Place: Pune

Date - 20th May 2022



Amitabh Bhargava

Director

DIN: 00109596

place - PUNE

Ritesh Chaudhry

Director

DIN: 09532132

Date - 20th May 2022

SCM Fertichem Limited  
**Statement of Changes in Equity for the year ended 31 March 2022**  
 (All amounts in ₹ unless otherwise stated)

**A. Equity Share Capital**

Current Reporting Period Mar'22	Balance at Beginning of the Year	Changes in Equity Due to Prior Period Errors	Changes in Equity Share Capital During Current Period	Closing Balance at Reporting Period
Balance at the beginning and at the end of the year	5,00,000	-	-	5,00,000
<b>Balance as at the end of the year</b>	<b>5,00,000</b>	<b>-</b>	<b>-</b>	<b>5,00,000</b>

Previous Reporting Period Mar'21	Balance at Beginning of the Year	Changes in Equity Due to Prior Period Errors	Changes in Equity Share Capital During Current Period	Closing Balance at Reporting Period
Balance at the beginning and at the end of the year	5,00,000	-	-	5,00,000
<b>Balance as at the end of the year</b>	<b>5,00,000</b>	<b>-</b>	<b>-</b>	<b>5,00,000</b>

**B. Other Equity**

	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
<b>Balance as at 1 April 2020</b>	-	-	(26,50,506)	(26,50,506)
Profit for the year	-	-	(64,48,398)	(64,48,398)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(64,48,398)	(64,48,398)
Issue of equity shares, net of transaction costs	-	-	-	-
Dividends paid	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	-
<b>Balance as at 1 April 2021</b>	-	-	(90,98,904)	(90,98,904)
Profit for the year	-	-	7,46,347	7,46,347
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	7,46,347	7,46,347
Issue of equity shares, net of transaction costs	-	-	-	-
Dividends paid	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	-
<b>Balance as at 31 March 2022</b>	-	-	(83,52,557)	(83,52,557)

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

As per our report of even date attached

For and on behalf of Board of Directors  
 SCM Fertichem Limited

For HMA & Associates  
 Chartered Accountants  
 Firm Registration No.: 100537W

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



Date - 20th May 2022

*Amitabh Bhargava*

Amitabh Bhargava  
 Director  
 DIN: 00109596

Place - PUNE

*Ritesh Chaudhry*

Ritesh Chaudhry  
 Director

DIN - 109582132  
 Date - 20th May 2022

*Signature*



**Note 2: PROPERTY, PLANT & EQUIPMENT**

	Lease-hold Land Improvement	Plant and Equipment	Bearer plants	Office Equipments	Total
<b>Gross carrying amount</b>					
As at 1 April 2020	1,01,11,324	32,73,249	2,09,93,445	13,42,877	3,57,20,895
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Gross carrying amount as at 31 March 2021</b>	<b>1,01,11,324</b>	<b>32,73,249</b>	<b>2,09,93,445</b>	<b>13,42,877</b>	<b>3,57,20,895</b>
<b>Accumulated depreciation and impairment</b>					
Opening accumulated depreciation	(8,02,095)	(2,63,875)	(16,92,410)	(1,52,840)	(29,11,220)
Depreciation charge for the year	(4,81,229)	(3,16,650)	(20,30,892)	(1,79,273)	(30,08,044)
On disposals	(88,28,000)	(26,92,724)	(1,72,70,143)	(10,10,764)	(2,98,01,631)
Accumulated depreciation as at 31 March 2021	(1,01,11,324)	(32,73,249)	(2,09,93,445)	(13,42,877)	(3,57,20,895)
<b>Net carrying amount as on 31 March 2021</b>	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Gross carrying amount as at 31 March 2022</b>	-	-	-	-	-
Opening accumulated depreciation	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-
On disposals	-	-	-	-	-
Accumulated depreciation as at 31 March 2022	-	-	-	-	-
<b>Net carrying amount as on 31 March 2022</b>	-	-	-	-	-



**SCM Fertichem Limited**

Notes to the financial statements for the year ended 31 March 2022

(All amounts in ₹ unless otherwise stated)

**Note 3: Leases****A. Right of use assets**

Particulars	Leasehold Land	Total
Balance as at 1 April 2020	2,21,87,657	2,21,87,657
Add: Addition during the year	-	-
Less: Transferred during the year	(2,08,00,970)	(2,08,00,970)
Less: depreciation charged for the period	(13,86,687)	(13,86,687)
Balance as at March 31, 2021	-	-
Add: Addition during the year	-	-
Less: Transferred/reversed during the year	-	-
Less: depreciation charged for the period	-	-
Balance as at March 31, 2022	-	-

**B. Lease liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Current	-	-
Non Current	-	-
Total	-	-

**C. Interest expenses on lease liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Interest on lease liabilities	-	-

**D. Expenses on short term leases / low value assets**

Particulars	As at 31 March 2022	As at 31 March 2021
Short term lease	-	-
Low value assets	-	-

**E. Amounts recognised in the statement of**

Particulars	As at 31 March 2022	As at 31 March 2021
Total cash outflow for leases	-	-

**F. Maturity analysis – contractual undiscounted cash flows**

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	-	-
One to five years	-	-
More than five years	-	-
Total undiscounted lease liabilities	-	-

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

The company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.





SCM Fertichem Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in ₹ unless otherwise stated)

**Note 4: TRADE RECEIVABLES**

	31 March 2022	31 March 2021
Trade Receivables		
Unsecured, considered good	22,80,490	22,40,262
Unsecured, credit Impaired	-	-
Less: Impairment loss allowance	-	-
<b>Total</b>	<b>22,80,490</b>	<b>22,40,262</b>

Trade Receivables Ageing Mar'22	Less than 6 months	6 months - 1 Year	1 Year - 2 Year	Total
(i) Undisputed Trade Receivables - considered good	9,88,688	-	12,91,802	22,80,490
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-
(iv) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-
(v) Disputed Trade Receivables - credit impaired	-	-	-	-
<b>Total</b>	<b>9,88,688</b>	<b>-</b>	<b>12,91,802</b>	<b>22,80,490</b>

Trade Receivables Ageing Mar'21	Less than 6 months	6 months - 1 Year	1 Year - 2 Year	Total
(i) Undisputed Trade Receivables - considered good	9,48,460	12,91,802	-	22,40,262
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-
(iv) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-
(v) Disputed Trade Receivables - credit impaired	-	-	-	-
<b>Total</b>	<b>9,48,460</b>	<b>12,91,802</b>	<b>-</b>	<b>22,40,262</b>

**Note 5: CASH & CASH EQUIVALENTS**

	31 March 2022	31 March 2021
Balances with banks		
- in current accounts	38,46,241	8,92,311
<b>Total</b>	<b>38,46,241</b>	<b>8,92,311</b>

**Note 6: OTHER FINANCIAL ASSETS**

	31 March 2022		31 March 2021	
	Current	Non Current	Current	Non Current
(i) Others				
Security deposits	-	-	-	15,00,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,00,000</b>

**Note 7: SHARE CAPITAL**

	31 March 2022	31 March 2021
Issued, subscribed and fully paid-up share capital		
Balance at the beginning of the year	5,00,000	5,00,000
<b>Fully paid-up share capital as at year end</b>	<b>5,00,000</b>	<b>5,00,000</b>

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

Equity Shares	31 March 2022		31 March 2020	
	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning and at the end of the year	50,000	5,00,000	50,000	5,00,000
Add: Issued during the year	-	-	-	-
	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>

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

	31 March 2022		31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
Deepak Fertiliser & Petrochemicals Corp Ltd	50,000	100.00%	50,000	100.00%

**(iii) Shareholding by Promoters**

Shares held by promoters at the end of the year	31 March 2022		31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
Deepak Fertiliser & Petrochemicals Corp Ltd	50,000	100.00%	50,000	100.00%

**Terms and rights attached to equity shares**

The Company has only one class of equity shares having at par value of Rs. 10 per share. Holder of each equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

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

SCM Fertichem Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in ₹ unless otherwise stated)

Note 8: OTHER EQUITY

	31 March 2022	31 March 2021
Retained earnings	(83,52,557)	(90,98,904)
<b>Total</b>	<b>(83,52,557)</b>	<b>(90,98,904)</b>

(vi) Retained earnings

	31 March 2022	31 March 2021
Opening balance	(90,98,904)	(26,50,506)
Net profit for the year	7,46,347	(64,48,398)
<b>Closing balance</b>	<b>(83,52,557)</b>	<b>(90,98,904)</b>

Note 9: CURRENT BORROWINGS

	31 March 2022	31 March 2021
<b>Unsecured</b>		
From related parties	50,00,000	50,00,000
<b>Total current borrowings</b>	<b>50,00,000</b>	<b>50,00,000</b>
<b>Total</b>	<b>50,00,000</b>	<b>50,00,000</b>

RECONCILIATION OF BORROWINGS

	31 March 2022	31 March 2021
Non-current borrowings	-	-
Current borrowings	50,00,000	50,00,000
	<b>50,00,000</b>	<b>50,00,000</b>

Note 10: TRADE PAYABLES

	31 March 2022	31 March 2021
Trade payables		
(a) total outstanding dues of micro and small enterprises	-	-
(b) total outstanding dues of creditors other than micro and small enterprises	40,54,941	38,38,846
<b>Total</b>	<b>40,54,941</b>	<b>38,38,846</b>

Trade Payables Ageing (31st March 2022)	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) MSME	-	-	-	-	-
(ii) Others	5,88,364	11,89,518	3,44,137	19,32,822	40,54,941
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payables Ageing (31st March 2022)	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) MSME	-	-	-	-	-
(ii) Others	15,61,787	3,44,137	1,88,932	17,43,990	38,38,846
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note 11: OTHER FINANCIAL LIABILITIES

	31 March 2022	31 March 2021
Interest Payable	47,60,592	43,33,452
<b>Total</b>	<b>48,05,243</b>	<b>43,77,738</b>

Note 12: OTHER CURRENT LIABILITIES

	31 March 2022	31 March 2021
Statutory dues payable	2,00,041	95,465
<b>Total</b>	<b>2,00,041</b>	<b>95,465</b>





**SCM Fertichem Limited**

Notes to the financial statements for the year ended 31 March 2022

(All amounts in ₹ unless otherwise stated)

**Note 13: REVENUE FROM OPERATIONS**

	31 March 2022	31 March 2021
<b>Sale of products</b>		
Finished goods	-	1,200
<b>Total</b>	-	<b>1,200</b>

**Note 14: OTHER INCOME**

	31 March 2022	31 March 2021
Other non-operating income	12,71,187	4,75,42,924
<b>Total</b>	<b>12,71,187</b>	<b>4,75,42,924</b>

**Note 15: COST OF MATERIALS CONSUMED**

	31 March 2022	31 March 2021
Raw materials as at the beginning of the year	-	-
Add: Purchases during the year	-	8,71,097
Less: Raw material as at the end of the year	-	-
<b>Total</b>	-	<b>8,71,097</b>

**Note 16: FINANCE COSTS**

	31 March 2022	31 March 2021
Interest and finance charges	4,76,421	41,64,861
Less: Interest capitalised	-	-
<b>Total</b>	<b>4,76,421</b>	<b>41,64,861</b>

**Note 17: DEPRECIATION AND AMORTISATION EXPENSE**

	31 March 2022	31 March 2021
Depreciation on property, plant and equipment	-	43,94,731
Amortisation on intangible assets	-	-
<b>Total</b>	-	<b>43,94,731</b>

**Note 18: OTHER EXPENSES (NET)**

	31 March 2022	31 March 2021
Repairs to :		
- Others	-	30,742
Rent	-	(7,64,673)
Insurance	-	-
Rates, taxes and duties	-	10,773
Travelling and conveyance	-	25,276
Legal and professional fees	11,400	39,556
Payments to auditors (note 37(a) below)	35,400	64,000
Carriage outward (net)	-	-
Loss on disposal of property, plant and equipment	-	4,46,42,098
Electricity charges	-	1,64,808
Utility services	-	59,136
Miscellaneous expenses	1,620	2,64,228
<b>Total</b>	<b>48,420</b>	<b>4,45,35,944</b>

**Note 18(a): DETAILS OF PAYMENTS TO AUDITORS**

	31 March 2022	31 March 2021
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	35,400	64,000
<b>Total</b>	<b>35,400</b>	<b>64,000</b>



**SCM Fertichem Limited**

**Note 19: Related Party transactions**

Notes to the financial statements for the year ended 31 March 2022  
(All amounts in ₹ unless otherwise stated)

**Names of the related parties and relationships**

**A. Holding Company**

Deepak Fertilisers and Petrochemicals Corporation Limited

**B. Key Management Personnel**

Shri Amitabh Bhargava

Shri K Subharaman (till 30.03.22)

Shri A P Shah

Shri Ritesh Chaudhry (from 29.03.22)

**C. Fellow subsidiary**

Smartchem Technologies Limited

Ishanya Brand Services Limited

Deepak Mining Services Private Limited

Complete Mining Solutions Private Limited

Yerowda Investments Ltd.

Deepak Nitrochem Pty.Ltd.

Platinum Blasting Services Pty Ltd.

Australian Mining Explosives Pty Ltd.

Performance Chemiserve Limited.

Mahadhan Farm Technologies Private Limited.

Sr. No.	Nature of Transactions	31 March 2022		31 March 2021	
		Holding Entity	Total	Holding Entity	Total
1	<b>Reimbursement of expenses</b> Deepak fertilisers and petrochemicals corporation ltd.	-	-	(52,49,276)	(52,49,276)
2	<b>Interest expense on loan taken</b> Deepak fertilisers and petrochemicals corporation ltd.	(4,75,000)	(4,75,000)	(35,79,178)	(35,79,178)
3	<b>Asset Purchase</b> Deepak fertilisers and petrochemicals corporation ltd.	-	-	-	-
4	<b>Loan or Advances Taken/(Write back)</b> Deepak fertilisers and petrochemicals corporation ltd.	-	-	(4,50,00,000)	(4,50,00,000)
8	<b>Amount outstanding as on 31-03-2020</b>				
	<b>Unsecured Loan</b> Deepak fertilisers and petrochemicals corporation ltd.	(50,00,000)	(50,00,000)	(50,00,000)	(50,00,000)
	<b>Interest Payable</b> Deepak fertilisers and petrochemicals corporation ltd.	(47,60,592)	(47,60,592)	(43,33,452)	(43,33,452)
	<b>Other Receivables</b> Deepak fertilisers and petrochemicals corporation ltd.	(36,41,498)	(36,41,498)	(34,61,263)	(34,61,263)

Note: Figures in bracket are outflows/payables/ Book Entry for extinguishment of liability

All transaction are in ordinary course and on an arm's length basis

**Note 20: Contingent Liabilities Commitments - Nil**

**Note 21:** The Company is in the business of manufacturing and trading of fertilisers, petroleum and agricultural activity, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment.

**Note 22:** Previous year figures have been regrouped wherever necessary, to correspond with the current year's classification / disclosure.

*Yana*



SCM FertiChem Limited

Notes to the financial statements for the year ended 31 March 2022

Note 23: Ratios

Particulars	Current Year	Previous Year	Items included in numerator	Items included in denominator	Explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year
(a) Current Ratio	0.44	0.24	Current investments, Inventories, Cash and bank balances, Short-term loans and advances and Other current assets	Trade payables, Other current liabilities (excluding current maturities of LTB) and Short-term provisions	Security deposit & lease income from farm received in cash.
(b) Debt-Equity Ratio	(0.64)	(0.58)	Long Term Borrowings, Long Term Borrowings - current maturities and Short Term Borrowings	Share capital and Reserves and surplus	-
(c) Debt Service Coverage Ratio	(0.01)	(9.09)	EBITDA/Profit Before share of (loss) of Equity accounted investees and Income Tax + Depreciation and amortisation expense + Finance Costs - Other Income	Long Term Borrowings, Long Term Borrowings - current maturities, Finance Cost	Loan reduced by 4.5 cr.
(d) Return on Equity Ratio	(0.09)	1.20	Profit after tax for the current year	Average of net worth current and previous year	Sub lease income.
(e) Inventory turnover ratio	-	-	COGS	Average of inventory current and previous year	-
(f) Trade Receivables turnover ratio	-	-	Revenue from operations	Average of receivables current and previous year	-
(g) Trade payables turnover ratio	-	-	Purchase of RMPM and stock in trade	Average of payable current and previous year	-
(h) Net capital turnover ratio	-	-	Revenue from operations	Average of net working capital current and previous year	-
(i) Net profit ratio	-	-	Profit after tax for the current year	Revenue from operations	-
(j) Return on Capital employed	(0.16)	0.27	Profit before tax & interest	Net worth	-
(k) Return on investment.	-	-	Return on Investment	Average of Net worth current and previous year	-

Note : Disclosures related to Benami Property held, Willful Defaulter, Relationship with Struck off Companies, Registration of charges or satisfaction with Registrar of Companies (ROC), Compliance with number of layers of companies, Compliance with approved Scheme(s) of Arrangements and Details of Crypto Currency or Virtual Currency are not applicable during the year ended 31st March, 2022