



**44<sup>th</sup> ANNUAL REPORT  
2014 - 15**

**SOUTHERN PETROCHEMICAL INDUSTRIES  
CORPORATION LIMITED**



**SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED****Board of Directors**

Ashwin C Muthiah	DIN 00255679	Chairman
T K Arun	DIN 02163427	Director
B Elangovan	DIN 00133452	Director
G Latha I.A.S	DIN 02860567	Director
B Narendran	DIN 01159394	Independent Director
S Shankar	DIN 06591908	Independent Director
Harish Chandra Chawla	DIN 00085415	Independent Director
Sashikala Srikanth	DIN 01678374	Independent Director
Sumanjit Chaudhry	DIN 06752672	Independent Director
K K Rajagopalan	DIN 00050446	Whole-time Director (Upto 30 <sup>th</sup> September 2014)
S R Ramakrishnan	DIN 00120126	Whole-time Director (w.e.f. 30 <sup>th</sup> July 2014)

**Secretary**

M B Ganesh

**Chief Financial Officer**

A V Kumar

**Auditors**

Deloitte Haskins & Sells  
Chartered Accountants  
ASV N Ramana Tower  
52 Venkatnarayana Road  
Chennai 600 017

**Registered Office**

SPIC House, 88 Mount Road  
Guindy, Chennai 600 032  
CIN: L11101TN1969PLC005778  
Phone : +91 44 22350245  
Fax : +91 44 22352163  
Website : www.spic.in  
E-mail : spiccorp@spic.co.in

## CONTENTS

Notice	3
Directors' Report and Management Discussion & Analysis Report	9
Secretarial Audit Report	30
Corporate Governance Report	33
Auditors' Report	42
Balance Sheet	46
Statement of Profit and Loss	47
Cash Flow Statement	48
Notes to Financial Statements	50
Consolidated Financial Statements	81
(a) Auditors' Report	82
(b) Balance Sheet	88
(c) Statement of Profit and Loss	89
(d) Cashflow Statement	90
(e) Notes to Financial Statements	92

## SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Registered Office: "SPIC House", 88 Mount Road, Guindy, Chennai - 600 032.

CIN:L11101TN1969PLC005778; E-mail: spiccorp@spic.co.in; website:www.spic.in, Ph: 044-22350245

### NOTICE

**NOTICE** is hereby given that the FORTY FOURTH ANNUAL GENERAL MEETING of the Members of Southern Petrochemical Industries Corporation Limited will be held at 4.00 P.M. on Monday the 21 September, 2015 at Rajah Annamalai Mandram, No. 5, Esplanade Road, Chennai - 600 108 to transact the following business:

#### ORDINARY BUSINESS:

##### 1. Adoption of Financial Statement

###### RESOLVED THAT

- the audited financial statement of the Company for the financial year ended 31 March 2015 and the Reports of the Board of Directors and Auditors thereon;
- the audited consolidated financial statement of the Company for the financial year ended 31 March 2015 and the Report of the Auditors thereon,

be and are hereby received and adopted.

##### 2. Appointment of Director

**"RESOLVED THAT** Thiru S R Ramakrishnan (DIN:00120126), who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as Director of the Company".

##### 3. Appointment of Statutory Auditors

To consider and if thought fit, to pass, with or without modification, the following Resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, the appointment of M/s Deloitte Haskins & Sells (DHS), Chartered Accountants, Chennai (Firm Registration No. 008072S), as Statutory Auditors of the Company to hold Office from the conclusion of this Meeting till the conclusion of the 45<sup>th</sup> Annual General Meeting of the Company on a remuneration as may be fixed by the Board of Directors of the Company be and is hereby ratified."

#### SPECIAL BUSINESS:

- To consider and if thought fit, to pass, with or without modification, the following Resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** Tmt G Latha, I.A.S., (DIN: 02860567), Nominee of Tamilnadu Industrial Development Corporation Limited appointed in terms Section 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

- To consider and if thought fit, to pass, with or without modification, the following Resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made there under including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV of the Act and Clause 49 of the Listing Agreement, the appointment of Thiru Harish Chandra Chawla (DIN : 00085415) as Independent Director of the Company to hold office for a period of five years from 8<sup>th</sup> September 2014 be and is hereby approved."

- To consider and if thought fit, to pass, with or without modification, the following Resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made there under including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV of the Act and Clause 49 of the Listing Agreement, the appointment of Tmt Sashikala Srikanth (DIN : 01678374) as Independent Director of the Company to hold office for a period of five years from 8<sup>th</sup> September 2014 be and is hereby approved."

- To consider and if thought fit, to pass, with or without modification, the following Resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made there under including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV of the Act and Clause 49 of the Listing Agreement, the appointment of Thiru Sumanjit Chaudhry (DIN : 06752672) as Independent Director of the Company to hold office for a period of five years from 10<sup>th</sup> February 2015 be and is hereby approved."

- To consider and if thought fit, to pass with or without modification, the following Resolutions as **ORDINARY RESOLUTIONS:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and Rules made there under read with the provisions of Companies (Cost Records and Audit) Rules, 2014 including any statutory amendment(s), modification(s) and re-enactment thereof for the time being in force, the appointment of Thiru P.R.Tantri (M.No.2403) as Cost Auditor to conduct the Cost Audit pertaining to

cost accounts and records of the Fertilizer Division of the Company for the financial year ending 31 March, 2016, on a remuneration of Rs. 1,00,000/- (Rupees one lakh only) be and is hereby approved and ratified;

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and deeds and take all steps as may be necessary, proper or expedient to give effect to this Resolution.

- 9 To consider and if thought fit to pass with or without modification the following Resolution as **SPECIAL RESOLUTION:**

“**RESOLVED THAT** the approval be and is hereby accorded pursuant to Clause 49 of the Listing Agreement with the National Stock Exchange of India Limited and applicable provisions of the Companies Act, 2013 if any, for the transactions entered into by the Company with the related parties during the year 2014-15 which are in the ordinary course of business and at arms length basis but considered material as per Clause 49 of the Listing Agreement, as mentioned herein below:-

Name of the Related Party	Nature of Transactions	Amount (Rs .in lacs)
Greenstar Fertilizers Limited	Sale / Purchase of goods, availing / rendering of services and availing of loan	30223.53
Wilson International Trading Pte Ltd. Singapore	Purchase of raw-materials	64836.70

(By Order of the Board)  
For SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LTD.

Place: Chennai  
Date : 4 Aug 2015

M B GANESH  
Secretary

## NOTES:

- (A). a. Share Transfer Register of the Company will remain closed from 8th September 2015 to 21st September 2015 (both days inclusive).
- b. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of items 4 to 9 is annexed hereto.
- c. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY / PROXIES TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the AGM. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate

resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person shall not act as a proxy for more than 50 (fifty) Members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. However, a single person may act as a proxy for a Member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person / shareholder.

- d. Members holding shares in physical form are advised to inform the Company of any change in address or demise of any Member.
- e. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) of Members holding shares in demat form and should submit self attested copy of their PAN details to the Company while sending physical share certificates for transfer / transmission.
- f. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the AGM forms integral part of the Notice. Such Directors have furnished the requisite declarations for their appointment / re-appointment.
- g. Electronic copy of the Notice of the 44th AGM of the Company inter alia indicating the process and manner of electronic-voting (e-voting) along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 44th AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy form are being sent in the permitted mode.
- h. Members may also note that the Notice of the 44th AGM and the Annual Report will be available on the Company's website [www.spic.in](http://www.spic.in).
- i. A person who has participated in e-voting is not debarred from participating in the Meeting physically though he shall not be eligible to vote in the Meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109, there will be no voting by show of hands at the Meeting and hence the provisions relating to demand for poll by the Members would not be relevant. The Chairman of the meeting will regulate the Meeting and voting on the resolutions in accordance with the provisions of the Act and the applicable Rules.
- j. The facility for voting through ballot paper shall be made available at the meeting and Members attending

the Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

- k. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off-date, 14th September 2015.
- l. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013 read with the Rules made thereunder. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled to the Company. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.	

\* Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

# If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

#### Inspection of Documents:

All material documents relating to the aforesaid items of business of the Notice are available for inspection by the Members at the Registered Office of the Company on all working days between 11.00 A.M. and 1.00 P.M. prior to the date of the Meeting except Saturday and Sunday.

#### (B) Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing to its Members facility to exercise their right to vote at the 44th AGM by electronic means and the business may be transacted through electronic-Voting Services provided by CDSL.

#### INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-

- (a) In case of Members receiving Notice of AGM by e-mail:
- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID), Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on <Company Name> on which you choose to vote.

(xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

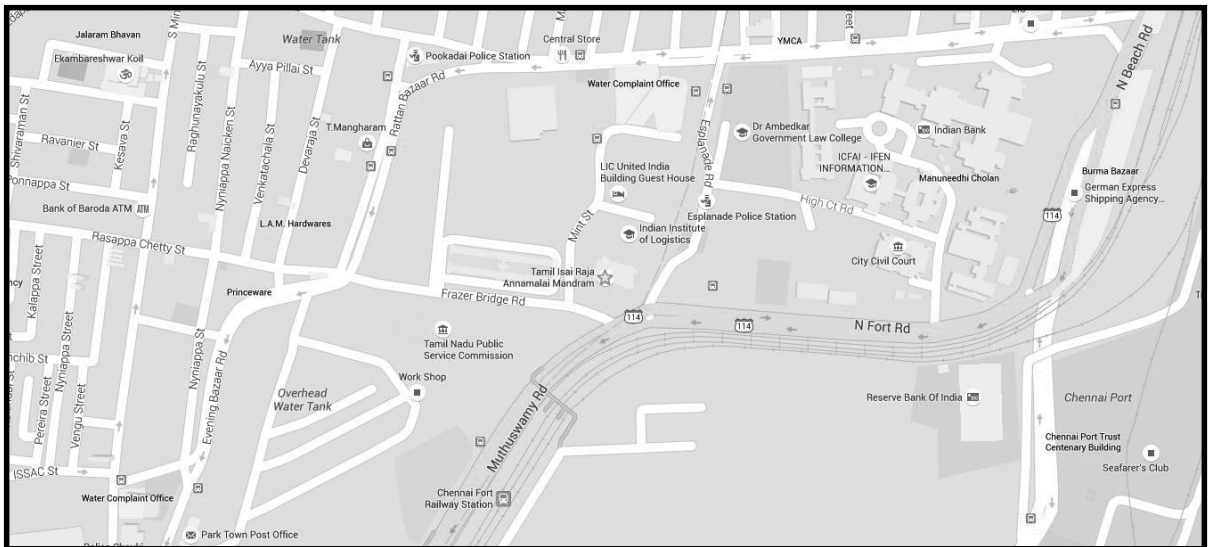
(xiii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take print out of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xix) Any person who becomes a Member of the Company after despatch of the Notice of the Meeting and holding shares as on the cut-off date, 14<sup>th</sup> September 2015, may obtain login ID and password by sending an email to [investor@cameoindia.com](mailto:investor@cameoindia.com), [shares.dep@spic.co.in](mailto:shares.dep@spic.co.in) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning your Folio No. / Client ID and DP ID. However, if already registered with CDSL for remote e-voting, then you can use your existing ID and password for casting your vote.
- (xx) The Scrutiniser, after scrutinising the votes cast at the meeting and through remote e-voting will, not later than three days of conclusion of the Meeting, make a consolidated scrutiniser’s report and submit the same to the Chairman or to the Director authorised by the Chairman.
- (xxi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 21<sup>st</sup> September 2015.
- (b) In case of Members receiving the physical copy of Notice of AGM, please follow all steps from sl. no. (i) to sl. no. (xxi) above to cast vote.
- (c) Smt. B. Chandra, Practicing Company Secretary (CP No. 7859) has been appointed as the Scrutinizer to scrutinize the e-voting process and the poll at the venue in a fair and transparent manner.
- (d) The voting begins on 18<sup>th</sup> September 2015 (9.00 a.m.) and ends on 20<sup>th</sup> September 2015 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e., 14<sup>th</sup> September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (e) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

As per the Companies Act 2013 and Rules made there under, a Company may give Notice through electronic mode to its Members. The e-mail shall be addressed to the person entitled to receive such e-mail as per the records of the Company or as provided by the Depository. Hence Members are advised to register/update their e-mail address and enable the Company to send Notice, Financial Statements and other documents in electronic form.

## ROUTE MAP FOR AGM VENUE





**Annexure to Notice**  
**EXPLANATORY STATEMENT**

**PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, READ WITH  
ARTICLE 76 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

The following Explanatory Statement sets out the material facts referred to in Item Nos. 4 to 9 of the Notice convening the 44th Annual General Meeting (AGM):

**ITEM No. 4**

The Board of Directors, at their Meeting held on 14th November 2014 had appointed Tmt G Latha I A S. (DIN: 02860567), nominee of TIDCO as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 ("the Act") and will hold office upto the date of the AGM. Notice proposing her candidature has been received along with requisite deposit from a Member under Section 160 of the Act. The Board recommends the Resolution in relation to appointment of Tmt G Latha I A S. as Director for approval by the Members of the Company.

**Memorandum of Interest:**

Except Tmt G Latha and her relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in this Resolution.

**ITEM No. 5 and 6**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee had appointed Brig (Retd) Harish Chandra Chawla (DIN: 00085415) and Tmt. Sashikala Srikanth (DIN: 01678374) as Independent Directors for a period of five years from 8<sup>th</sup> September 2014 pursuant to applicable provisions of the Act and Clause 49 of the Listing Agreement. Pursuant to proviso to Section 152 (5) of the Act, in the opinion of the Board, Brig (Retd) Harish Chandra Chawla and Tmt Sashikala Srikanth fulfil the conditions specified in the Act and Rules made there under for appointment as Independent Directors of the Company and are independent of the Management. Notices proposing their candidature have been received along with requisite deposit from a Member under Section 160 of the Act. The Board recommends the Resolutions in relation to appointment of Brig (Retd) Harish Chandra Chawla and Tmt. Sashikala Srikanth as Independent Directors, for approval by the Members of the Company.

**Memorandum of Interest:**

Except Brig (Retd) Harish Chandra Chawla, and Tmt. Sashikala Srikanth and their relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in this Resolution.

**ITEM No. 7**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee had appointed Thiru Sumanjit Chaudhry (DIN: 06752672) as an Independent Director for a period of five years from 10th February 2015 pursuant to applicable provisions of the Act and Clause 49 of the Listing Agreement. Pursuant to proviso to Section 152 (5) of the Act, in the opinion of the Board, Thiru Sumanjit Chaudhry fulfils the conditions specified in the Act, and Rules made there under for appointment as an Independent Director of the Company and is independent of the Management. Notice proposing his candidature has been received along with requisite deposit from a Member under Section 160 of the Act. The Board recommends the Resolution in relation to appointment of Thiru Sumanjit Chaudhry as an

Independent Director, for approval by the Members of the Company.

**Memorandum of Interest:**

Except Thiru Sumanjit Chaudhry and his relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in this Resolution.

(In respect of Item Nos. 4,5,6 & 7 relating to appointment of Directors, details as required under Secretarial Standard - 2 are provided hereunder in a separate Statement pursuant to Clause 49 (VIII) (E) of the Listing Agreement and in the Report on Corporate Governance).

**ITEM No. 8**

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on 21<sup>st</sup> May, 2015, appointed Thiru P.R.Tantri as Cost Auditor at a remuneration of Rs.1,00,000/- (Rupees one lakh only) to conduct the audit of the cost accounts and records of the Fertilizers Division of the Company for the financial year ending 31<sup>st</sup> March, 2016. In accordance with the provisions of Section 148 of the Act and Rules made thereunder read with the provisions of Companies (Audit and Auditors) Rules 2014 and Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors shall be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31<sup>st</sup> March, 2016.

**Memorandum of Interest:**

None of the Directors, Key Managerial Personnel of the Company and their relatives is interested in this Resolution.

**ITEM No. 9**

The Companies Act, 2013 and the Listing Agreement aim to ensure transparency in the transactions and dealings with the Related Parties ("RP") of the Company. Effective 1<sup>st</sup> October 2014, the Listing Agreement brought about changes governing the transactions with RP and in particular material related party transactions. As per Section 188 of the Companies Act 2013, approval of the Members is not required for transactions with a RP, if it is in the ordinary course of business and at arm's length basis.

The following transactions are material in nature as per Listing Agreement and require the approval of Members of the Company by a Special Resolution and the details of the transactions are given hereunder:

Name of the Related Party	Nature of Transactions	Amount (Rs. in lacs)	Material Terms
Greenstar Fertilizers Limited	Sale / Purchase of goods and availing / rendering of services.	15829.12	Prevailing market price
Greenstar Fertilizers Limited	Availing of loan	14394.41	Term - 1 year Rate of Interest - 11.50% p.a.
Wilson International Trading Pte. Ltd Singapore	Purchase of raw- materials	64836.70	Prevailing market price

The above contracts / arrangements / transactions were approved by the Audit Committee / Board of Directors as required under the Company's Policy on Related Party Transactions and are in ordinary course of business and at arm's length basis.

The transactions are mainly for purchase of raw materials, sale of goods, etc., and availing of loan on terms favourable to the Company. The short term loans availed carry an interest rate of 11.50% per annum and are unsecured. This is beneficial to the Company as generally any financial assistance towards working capital from commercial banks is secured by hypothecation of movables and second charge on immovable properties, carrying an interest rate of atleast 13% to 15% per annum. Considering the delays in receipt of subsidy and need to pay our suppliers to keep the plant operating continuously, the said transactions were immensely beneficial and facilitated to carry on the business effectively during 2014-15.

As per Clause 49(VII)(E) of the Listing Agreement and the Act, all Related Parties shall abstain from voting on resolution(s) seeking approval of Members for material Related Party Transactions. Wilson

International Trading Pte Limited, Singapore and Greenstar Fertilizers Limited do not hold any shares in the Company.

The Board recommends the Special Resolution seeking consent of the Members as set out at Item No. 9 of the Notice for approving the transactions entered into by the Company with RP during the financial year 2014-15.

#### Memorandum of Interest

Except Thiru Ashwin C Muthiah and his relatives, None of the Directors, Key Managerial Personnel of the Company and their relatives of the Company is interested in this Resolution.

(By Order of the Board)  
For SOUTHERN PETROCHEMICAL  
INDUSTRIES CORPORATION LTD.

Place: Chennai  
Date : 4 Aug 2015

M B GANESH  
Secretary

## Details of the Directors seeking re-election/appointment at the 44th Annual General Meeting

[Pursuant to Clause 49(VIII) (E) of the Listing Agreement

**Thiru S R Ramakrishnan** aged around 66 years, is B.Tech (Chem) from IIT Madras. He joined SPIC in 1972; worked in various departments including operation, process engineering, Technical services, R&D, Corporate Planning, etc., left SPIC in August 1999 as Executive Director (Corporate Planning) to join PSA SICAL Terminals Limited as MD; to manage a container terminal in Tuticorin Port Trust on BOT basis; ran the business till August 2007 as CEO (Ports) and for some time as CEO (Ports & Logistics); left SICAL to join Bharath Coal Chemicals Ltd (belonging to Shriram Group) as its Managing Director; worked till July 2014 and during that period was involved in developing a coal based Ammonia - Urea project in Paradip. Has an overall 42 years of experience in technical management & business management with the last fifteen years in Board position. He does not hold any shares in the Company.

**Tmt G Latha I A S.** aged around 45 years is a Deputy Secretary, Industries Department, Govt. of Tamilnadu. She is one of the nominee directors of the Company representing TIDCO. She also holds directorship in the following companies viz., Southern Structurals Limited, TIDEL Park Coimbatore Ltd, TICEL Bio Park Limited, TIDEL Park limited, Tamilnadu Telecommunication Limited, Tamilnadu Forest Plantation Corporation Limited, Tamilnadu Polymer Industries Park Limited, TIDCO. She does not hold any shares in the Company.

**Brig. (Retd) Harish Chandra Chawla** aged around 70 years holds Master's degree in Science and is an M.Tech from IIT, Delhi, a Fellow of the Institute of Electronic and Telecom Engineers and a Member of Computer society of India. He has done Finance course in IIM, Bangalore and Executive Management Course in ISB, Hyderabad. He served Indian Army in various capacities for 36 years and retired as a Brigadier. During his tenure with the Army, he has handled managerial, administrative and technical functions. Post retirement, Thiru Chawla has 11 years of experience in various capacities as Managing Director / Director. He was the Chairman of Modern Protection and Investigation, Mumbai, a security services company and Managing Director of ISS SDB Services Pvt Ltd., and Director of Innovative Salary Services and Payroll Advisor Pvt. Ltd.

At present he is a Director of Sciencetec Pharmaceuticals Pvt Ltd. Sicagen India Limited, Fun Robic Entertainment Pvt. Ltd, Manali Petrochemicals Limited and Rayce Electronics Intelligence India Private Limited. He is also Chairman of the Nomination & Remuneration Committee and Member of the Audit Committee of Sicagen India Limited. He does not hold any shares in the Company.

**Tmt Sashikala Srikanth**, aged around 59 years, is a Chartered Accountant. At present she is providing consultancy services to various corporates including in the area of CSR. Prior to this, she was Senior General Manager – Resources of IAL Group and Group Financial Controller of Shattaff Group, in Dubai from 2003 to 2005 and held various Senior Management level positions in leading Companies from 1996 to 2003. She was associated with A F Ferguson and Co., Chartered Accountants, Chennai from 1987 to 1995 where she had also done her articles during 1984-87. Tmt. Sashikala Srikanth is a Director in EDAC Engineering Ltd., Greenstar Fertilizers Ltd., Manali Petrochemicals Limited, Mercantile Ventures Ltd., Sicagen India Limited, Tamilnadu Petroproducts Ltd. She is also the Chairman of Audit Committee and Member of Nomination & Remuneration Committee in Greesntar Fertilizers Limited and Member of Audit Committee and Nomination and Remuneration Committee in Sicagen India Limited. She does not hold any shares in the Company.

**Thiru Sumanjit Chaudhry** aged around 68 years, is a Chemical Engineer from Cambridge University U K. He has wide experience in general management & entrepreneurial skills. He has wide experience of domestic and international marketing. At present he is a Consultant in K12 School Education and Vocational Education. Before he worked as Head Special Projects, Global Indian International Schools (GIIS), Delhi, Chief Sales, Fortis Healthcare Limited, Delhi, Chief Executive Officer, Fortis Healthstaff Limited, Delhi, Chief Executive Officer, Bharti Telenet Ltd, Gurgaon, Chief Executive Officer, Delta Services, New Delhi. Indian Public Schools Society. He does not hold any shares in the Company.

There is no relationships between the Directors inter-se.

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Directors present their 44th Annual Report together with the Audited Financial Statement of the Company for the year ended 31 March 2015.

### FINANCIAL SUMMARY

Particulars	(Rs. in Crores)	
	31.03.2015	31.03.2014
Revenue from operations	2094.16	1345.47
Add: Other income	8.64	8.48
Total Income	2102.80	1353.95
Profit before interest, depreciation and tax	76.23	45.74
Less: Finance cost	28.26	20.92
Less: Depreciation and amortisation expense	30.39	43.67
Add: Exceptional items	-	84.71
Profit Before Tax	17.59	65.86
Less: Tax expenses	-	-
Profit After Tax	17.59	65.86

### DIVIDEND

In view of the accumulated losses, the Board of Directors are not in a position to recommend dividend on the Preference Share Capital and Equity Share Capital of the Company.

### RESERVES

There is no transfer of profits to the reserves.

### STATE OF COMPANY'S AFFAIR

#### Production

During the year under review, the plant had a steady run between 1 April 2014 to 30 September 2014 and again between 11 January 2015 to 31 March 2015. The stoppage of plant for 102 days was mainly due to delay in Government according approval for continuation of subsidy for Naphtha based Urea Plants. Urea production achieved during the year 2014-15 was 491,405 MTs compared to 285,923 MTs in the previous year.

Your Company earned a profit before tax of Rs.17.59 crores during the year under review and the performance would have been much better but for the stoppage of plant. Efforts are continuously being made to augment working capital to enable sustained operations of your Ammonia and Urea Plants. The plant operations were carried out mainly by importing Naphtha and Furnace Oil. The reliability of plant operation is expected to improve with the commissioning of a Naphtha Handling Facility in the Tuticorin Port premises which will be taken on lease by your Company. During the shutdown of Ammonia and Urea plants in the third quarter of 2014-15, your Company undertook repairs and maintenance activities to improve reliability, energy efficiency levels and increase production.

### Progress in conversion of ammonia plant from naphtha to gas:

Government is in the process of identifying the party to lay the gas pipe line from Ennore to Tuticorin. Meanwhile, the Department of Fertilizers has permitted the Naphtha based Urea plants to run on Naphtha till such time the gas connectivity is established; but with a cap on the Naphtha price which is linked to the average delivered RLNG (Re-gasified Liquefied Natural Gas) price to the recently converted plants. Your Company is in a state of readiness to complete the process of conversion activities to use natural gas / mixed feedstock as and when gas connectivity / availability is established.

### PUBLIC DEPOSITS

There are no deposits covered under Chapter V of the Companies Act, 2013 ("the Act") during the year 2014-15, the details of which are required to be furnished.

### FINANCIAL STATEMENT OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's subsidiaries, associates and joint ventures (in Form AOC-1) is attached to the Financial Statement. As regards the annual accounts of subsidiaries, refer Notes to the Form AOC-1. During the year under review, no company has become or ceased to be subsidiaries, associates and joint ventures companies.

The Board had approved the policy on Material Subsidiary as per the Listing Agreement and is available on the Company's website under the web link:

<http://www.spic.in/Determining%20Material%20Subsidiary%20Policy.pdf>

### CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of the Company are prepared in accordance with Section 129 (3) of the Act and relevant Accounting Standards Viz., AS-21 (Consolidated Financial Statements), AS-23 (Accounting for Investment in Associates in Consolidated Financial Statements) and AS-27 (Financial Reporting of Interests in Joint Ventures) issued by the Institute of Chartered Accountants of India and forms part of the Annual Report.

### SAFETY, HEALTH AND ENVIRONMENT

Adequate care and attention have been bestowed on matters relating to safety, health and environment in the plant. Your Company has bagged 4 safety awards from Director of Industrial Safety and Health at a function held in Chennai in November 2014, for the lowest accident days during the previous years. Certification of ISO 9001 and ISO 14001 stage audit by External Auditors M/s. Det Norske Veritas (DNV) have been completed and your Company is certified for ISO 9001 and ISO 14001.

## HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company considers its human resources as important asset and endeavours to nurture, groom and retain talent to meet the current and future needs of its business. The Company continues to provide a conducive work environment and opportunities for professional development of its employees through training and development. Industrial Relations in the Company have been cordial during the year under review. The number of employees as on 31st March, 2015 is 517.

## EXTRACT OF ANNUAL RETURN

Form MGT-9 as on 31st March 2015 as required under Section 92 of the Act is given in Annexure - I to this Report.

## DIRECTORS

The Board of Directors, pursuant to Section 149 of the Act and on the recommendation of the Nomination and Remuneration Committee appointed Tmt Sashikala Srikanth and Brig (Retd) Harish Chandra Chawla as Independent Directors on 8th September 2014 and Mr. Sumanjit Chaudhry on 10th February 2015 for a period of five years subject to the approval of the Members. The Board of Directors at their Meeting held on 14th November 2014 appointed Tmt G Latha I.A.S, Nominee of TIDCO as an Additional Director of the Company. Thiru S R Ramakrishnan, Whole-time Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-election. Thiru K K Rajagopalan, Whole-time Director resigned from the services of the Company and also as a Director with effect from 30th September 2014. The Directors placed on record the appreciation for the invaluable services rendered by Thiru K K Rajagopalan during his tenure as Whole-time Director of the Company.

Particulars relating to the appointment of Thiru S R Ramakrishnan, Tmt Sashikala Srikanth, Brig (Retd) Harish Chandra Chawla, Thiru Sumanjit Chaudhry and Tmt G Latha I.A.S are given in the annexure to the Notice.

All the Independent Directors of the Company on the date of this Report have duly submitted the disclosures to the Board stating that they fulfil the requirements enumerated under Section 149 (6) of the Act and Listing Agreement, so as to qualify themselves to be appointed as Independent Directors.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Documents/Brochures, Reports and Internal Policies of your Company are provided to the Directors to familiarise with the Company's procedures and practices. Presentations are made at the Board/Committee Meetings, on Company's performance, business strategy, risks involved and global business environment. Presentations are also made to the Independent Directors separately on the Company's business segments. Site visits to plant location were organized to help the Independent Directors to enhance their understanding of the

operations of the Company. The details of such familiarization programmes for Independent Directors are available on the Company's website under weblink:

<http://www.spic.in/Familiarisation%20Program%20for%20Independent%20Directors.pdf>

## KEY MANAGERIAL PERSONNEL

During the year under review, the following changes took place in the appointment / resignation of the Key Managerial Personnel (KMP) of your Company:

Sl. No.	Name of the KMP	Designation
1	S R Ramakrishnan	Appointed as Whole-time Director w.e.f 30 July 2014
2	K K Rajagopalan	Ceased to be Whole-time Director and Director from 30th September 2014
3	A V Kumar	Appointed as Chief Financial Officer w.e.f. 1st June 2014 in the place of Mr. M S Sridhar, CFO

## NOMINATION AND REMUNERATION POLICY

Your Company has a Nomination and Remuneration Policy for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters as required under Section 178(3) of the Act and the Listing Agreement. The details of the Policy are given in Annexure - II to this Report.

## PARTICULARS OF REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES

The information required under section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2015 is given in Annexure - III to this Report.

## STATUTORY AUDITORS

At the 43rd Annual General Meeting (AGM) held on 8th September 2014, M/s. Deloitte Haskins & Sells, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office until the conclusion of the 45th AGM of the Company. The Company has received a certificate from the Auditors to the effect that it would be in accordance with the provisions of Section 141 of the Act if they are re-appointed at the 44th AGM. In terms of Section 139 of the Companies Act, 2013, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company shall be ratified by the Members at every AGM and the resolution seeking ratification is being proposed.

**DIRECTOR'S REPLY TO AUDIT QUALIFICATION****Audit Qualification-I**

Attention is invited to Note 2(b)(i) to the consolidated financial statements describing non consolidation of the financial statements of a subsidiary to reflect the adjustments relating to the period 1 April 2011 to 31 March 2015, as the said financial statements are not available to the Company for the reasons explained in the said Note. Our audit report for the previous year was also similarly qualified.

**Reply**

As Jebel Ali Free Zone Authorities (JAFZA) had taken over the assets of SPIC Fertilizers and Chemicals (SFC) FZE, Dubai, the holding Company SFCL Mauritius lost control over the subsidiary. Full provision has been made for these investments in earlier years. The Company is considering writing off the investments in SFCL Mauritius and is in the process of getting the approval of the Regulatory Authorities concerned, to write off the aforesaid investment in the books of account. The accounts relating to the subsidiary company, SFCL Mauritius included, in the consolidated financial statement is as at 31 March 2011 which are based on Management accounts and since the financial statements from 1 April 2011 to 31 March 2015 are under preparation, adjustments, if any, to liabilities, in the consolidated financial statement for the said period has not been made in respect of these two subsidiaries.

For the reasons mentioned in Note 2(b)(i) of the Notes to the Consolidated Financial Statements since the Company has already made provision in full for the said investment, the proposal to write off, subject to requisite approval of Regulatory Authorities concerned is not likely to affect the financial statements of your Company. Subsequent to the date of the Statutory Auditors' Report, the annual accounts of SFCL, Mauritius for the year ended 31 March 2010, 31 March 2011, 31 March 2012 and 31 March 2013 were approved by the Directors of SFCL Mauritius on 29th May 2015 and also adopted by their Shareholders on 2nd June, 2015.

**Audit Qualification-II**

With respect to a jointly controlled entity, the consolidated financial statements carry long term loans and advances amounting to Rs. 211.59 lac, short term loans and advances of Rs.578.93 lac and current liabilities of Rs. 160.86 lac relating to the consolidated financial statements of the subsidiary company - Certus Investment & Trading Limited, Mauritius and its two subsidiaries.

Based on the disclaimer of opinion given by the independent auditors of the subsidiary of the jointly controlled entity, Certus Investment & Trading Limited, Mauritius, we are unable to express our opinion on the long term loans and advances amounting to Rs. 211.59 lac, short term loans and advances of Rs.578.93 lacs and current liabilities amounting to Rs. 160.86 lac included in the consolidated financial statements.

**Reply**

The Board of Directors of Tamilnadu Petroproducts Limited, a jointly controlled entity have given the following reply with reference to the qualification made by their Statutory Auditors:

"As regards the short term advance of Rs.3419.54 lakhs (proportionate share of Rs.578.93 lakhs) carried in the Consolidated Financial Statement (CFS), it has been confirmed that as on date the subsidiary has recovered the entire dues. As regards the long term loans and advances of Rs.1249.80 lakhs (proportionate share of Rs.211.59 lakhs) in the CFS, which represent the advance paid to the technology partner for knowhow, there is time till December 2016 to avail the same. It is also being explored if the rights can be transferred to other interested parties and hence at present no adjustment is deemed necessary.

In the light of the above, it is expected that these matters will have no impact on the Consolidated Financial Statement."

**COST AUDITOR**

Thiru P R Tantri, Cost Accountant was appointed as the Cost Auditor of the Company for 2014-15 to carry out the audit of your Company's cost accounts and records. The Cost Audit Report for the year ended 31st March 2014 was filed within the time stipulated under the Act. The Board of Directors, on the recommendation of the Audit Committee, have appointed Thiru P R Tantri, Cost Accountant as Cost Auditor to audit the cost accounts and records of the fertilizer business of your Company for the Financial Year 2015-16 at a remuneration of Rs.1,00,000/- plus reimbursement of actual out-of-pocket expenses for travelling and other expenses. As required under Rule 14 of the Companies (Audit & Auditors) Rules, 2014, approval of Members is sought for the payment of remuneration to the Cost Auditor.

**SECRETARIAL AUDIT REPORT**

Secretarial Audit under Section 204 of the Act, for financial year 2014-15 was conducted by Ms. B Chandra, Practising Company Secretary, Chennai. The Secretarial Audit Report as furnished is given as Annexure - IV to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in the Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions contained in Section 134 (3) of the Act, your Directors to the best of their knowledge and belief and according to information and explanations obtained from the management, confirm that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

- (b) the Directors have selected such accounting policies and applied them 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 as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Act during the year under review.

## RELATED PARTY TRANSACTIONS

The transactions entered into during the financial year with related parties as defined under the Act were in the ordinary course of business and at arm's length basis. There are no material contracts / arrangements / transactions to be disclosed. Hence the provisions of Section 188 of the Act would not apply and disclosure in form AOC-2 is not required.

The approval of the Members is being sought at the 44th AGM for the transactions considered material as per Clause 49 of the Listing Agreement. The policy on Related Party Transaction as required under the Listing Agreement is available on the Company's website under the weblink:  
<http://www.spic.in/Policy%20on%20Related%20Parties.pdf>.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitments affecting the financial position of your Company that has occurred between the end of the financial year i.e., 31st March 2015 and the date of this Report.

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

### Conservation of Energy

An Energy Audit group, consisting of senior executives and certified energy auditors, is focusing on various energy saving measures. This group identifies potential areas for improvement, scans the environment for innovative and reliable solutions and considers proposal for implementation. Efforts are continuously being taken to reduce energy consumption in the plants.

Some of the activities implemented during the year are:

- To avoid the energy loss through the exchangers, the coolers of loop refrigeration condenser (bottom), the material of construction has been upgraded with Duplex Stainless steel make. Similarly, syn gas coolers (I/II Stage) & PAC intercooler (III Stage), the material of construction has been upgraded with Austenitic Stainless steel make in the Ammonia plant.
- To prepare the plant towards natural gas operation, all the reformer and fired heater - burners were replaced with dual fuel fired burners. These burners were designed for higher efficiency and lowest emission.
- To reduce the stack temperature and to conserve energy, tubes of the leaky cold air heater bundles of Ammonia plant boilers (3 boilers) were replaced.
- As energy conservation activity, two of the old generation cooling tower cells have been replaced in the Ammonia plant.
- Performance of all pumps and compressors were studied with our energy Audit group. Various energy saving technologies like provision of VFD, speed reduction, impeller trimming and smoothening the fluid passage with special coatings were implemented.

**Technology Absorption** - Nil

## Foreign Exchange Earnings and Outgo:

The foreign exchange earned in terms of actual inflows and the foreign exchange outgo in terms of actual outflows during the year:

Rs.in Lakhs

Particulars	2014-15	2013-14
Foreign Exchange earned	35.87	66.67
Foreign Exchange outgo	1,44,982.17	80,920.17

## INTERNAL FINANCIAL CONTROL & RISK MANAGEMENT SYSTEM

The Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed by the Audit Committee of the Board, for identification of deficiencies and necessary time bound actions are taken to improve efficiency at all the levels.

The Committee also reviews the internal auditors' report, key issues, significant processes and accounting policies.

Risk Management is an integral part of the business process. The Company has constituted a Risk Management Committee and adopted a policy on risk management, identified and drawn mitigation plans to manage risk. The Audit Committee of the Board reviews the risk management report periodically.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, your Company in its endeavour to contribute for the sustained development and growth of the Society has set out in its Corporate Social Responsibility (CSR) Policy, plans in line with the provisions of the Act and the Rules thereon. The details of CSR initiatives undertaken by your Company is given in Annexure - V to this Report

## PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

The Board on recommendation of the Nomination and Remuneration Committee has structured a framework for evaluation of the Individual Directors, Chairperson, Board as a whole and its Committees.

The Independent Directors at their Meeting held during March 2015 evaluated the performance of Non Executive Directors, Chairperson and assessing the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The evaluation of the Directors and the Board as a whole and its Committees were done through circulation of questionnaires, which assessed the performance on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees. The evaluation criterion was based on the participation, contribution and offering guidance to and understanding of the areas which are relevant to the Directors in their capacity as Members of the Board/Committees.

## NUMBER OF MEETINGS OF THE BOARD

During the year under review, six Board Meetings were held on 28th May 2014, 30th July 2014, 8th September 2014, 14th November 2014, 10th February 2015 and 24th March 2015.

## AUDIT COMMITTEE

The Audit Committee comprises of 4 Members with 3 Independent Directors and 1 Non-Executive Director viz.,

Name of the Director	Designation	Category
Thiruvallargal S Shankar	Chairman	Independent
B Narendran	Member	Independent
Tmt Sashikala Srikanth (w.e.f. 8th Sept' 2014)	Member	Independent
T K Arun	Member	Non-Executive

## VIGIL MECHANISM

Pursuant to the provisions of Section 177 (9) and (10) of the Act and the Listing Agreement, Whistle Blower Policy for Directors and employees to report genuine concerns or grievances is put in place and a Vigil Mechanism established, the details of which are available on the website of the Company under weblink: <http://www.spic.in/Whistle%20Blower%20Policy%20and%20Vigil%20Mechanism.pdf>.

## POLICY ON INSIDER TRADING

Your Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company in line with SEBI (Prohibition of Insider Trading) Regulations, 2015.

## POLICY ON SEXUAL HARASSMENT OF WOMEN (POSH) AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

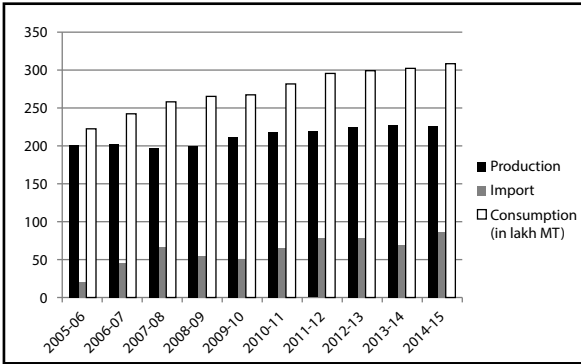
The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. An Internal Complaints Committee has been constituted and Orientation Programmes were conducted in the Registered Office and the Plant site at Tuticorin, for all female employees. The Members of the committee also attended a Workshop conducted by CII's Women Network to familiarize themselves with practices and procedures. There were no complaints reported under the POSH.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Overview

Indian Fertilizer Industry has been the backbone of Indian agriculture since the era of green revolution in 1960s. It has emerged as a world class industry in terms of state-of-the-art production technologies, high energy efficiency with excellent record in the areas of safety and environment supporting the ever growing demand for food grain. Currently, India is the second largest consumer of fertilisers and third largest producer of nitrogenous and phosphatic fertilisers in the world.

For the year 2014-15 crop year (July – June period), India is expected to record a decline in food-grain production of 3% at 257.07 MT, compared to the highest ever food-grain production of 265.57 MT in 2013-14. The decline is due to lower production of rice, coarse cereals and pulses on account of erratic rainfall conditions during the monsoon season in 2014. Despite the indigenous production and import of fertilisers which is on the rise, there is still a huge deficit in indigenous production of fertilisers to meet the agricultural needs of Indian farmers. The urea production for 2014-15 was 225.85 lakh MT as compared to 227.15 lakh MT in the previous year while the GoI has imported 72.89 lakh MT during 2014-15 compared to 70.88 lakh MT in 2013-14. (Source – Press Information Bureau, Ministry of Chemicals and Fertilizers, GoI).



Globally, the nitrogenous fertiliser raw material prices have been on a declining trend over the last one year. A comparison with the margins of 2013-14 fiscal year shows that Indian fertilisers companies have started reflecting the comfort of lower crude oil prices. Also, the volatility in INR against USD throughout the year enabled the companies to insulate from facing large fluctuations in the forex market. With falling crude oil and natural gas prices, the quantum of subsidy will come down. This factor along with growing demand for fertilisers might benefit the fertiliser companies.

### Challenges

During the year under review, your company did face some uncertainties/challenges in the policy front due to delays in the notification of subsidy continuation resulting in the stoppage of the plants for 102 days. In the coming years Naphtha based Urea units, would continue to face uncertainties for continuous operation; especially in the procurement of Naphtha and Furnace Oil since the price of gas to be considered for eligible subsidy would not be known in advance. The frequent start-stop of an Ammonia/Urea complex due to uneconomical price of Naphtha/Furnace Oil can be a deterrent in addition to detrimental effects on the catalysts and equipment operating at high temperatures and pressures. This would disrupt the availability of much needed fertilizers. Hence your Company has flagged the above issues to the GoI.

Regarding gas connectivity to your plant, Indian Oil Corporation has been short listed by PNGRB (Petroleum and Natural Gas Regulatory Board) to lay the Gas pipeline from Ennore to Tuticorin via Ramnad. Once the contract is formally awarded,

the Tuticorin – Ramnad section is likely to be completed on priority in about 15 months time. This would help your company to source about 0.6 - 0.9 MMSCMD of gas from ONGC, ahead of the completion of IOC LNG Terminal at Ennore in mid 2018.

Since the Government has proposed to reduce the pre-set energy norm to 6.5 G Cal/MT of urea by 2018 from the present norm of 7.382 G Cal/MT, your Company on a priority basis, has already initiated corrective action to bring down the energy consumption.

During the current year (2015-16) the budget allocation for subsidy for indigenous urea is only Rs.34000 crore against Rs.36200 crore allocated last year. If we factor in the carry over liability of last year, increase in domestic gas price and the exchange rate fluctuations, there could be an adverse impact on the disbursement of Urea subsidy and consequently managing the working capital needs would be a challenge.

### ACKNOWLEDGEMENT

Your Company is grateful for the co-operation and continued support extended by the Department of Fertilizers, Ministry of Chemicals and Fertilizers, Ministry of Petroleum and Natural Gas, Ministry of Agriculture, Ministry of Corporate Affairs and other Departments of the Central Government, the Government of Tamilnadu, Governments of other States, Tamilnadu Industrial Development Corporation Limited, Tamilnadu Generation and Distribution Corporation Ltd, Financial Institutions and Banks. The Directors appreciate the dedicated and sincere services rendered by all the employees of your Company.

For and on behalf of the Board of Directors

**ASHWIN C MUTHIAH**

(DIN:00255679)

Chairman

Place : Chennai

Date : 4 August, 2015

#### Cautionary Statement

*This Report is based on information available to the Company in its business and assumptions based on the experience in regard to domestic and global economic conditions and Government and regulatory policies. The performance of the Company is dependent on these factors. It may be materially influenced by macro environment changes, which may be beyond Company's control, affecting the views expressed or perceived in this Report.*



**ANNEXURE – I**
**Form No. MGT - 9**
**EXTRACT OF ANNUAL RETURN** as on the financial year ended on 31/03/2015

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*
**I. REGISTRATION AND OTHER DETAILS:**

- (i) CIN : L11101TN1969PLC005778
- (ii) Registration Date : 18 December 1969
- (iii) Name of the Company : Southern Petrochemical Industries Corporation Limited
- (iv) Category / Sub-Category of the Company : Company limited by Shares / Indian Non-Government Company
- (v) Address of the Registered office and contact details: : “SPIC House” No 88 Mount Road Guindy, Chennai 600 032.  
E-mail: spiccorp@spic.co.in; website:www.spic.in  
Ph: 044-22350245
- (vi) Whether listed company : Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: : M/s Cameo Corporate Services Ltd “Subramanian Building”  
No 1 Club House Road, Chennai 600 032.  
Mr. P Muralidharan, Assistant Manager  
Ph: 044-28460718

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

S.No	Name and Description of	NIC Code of the product / service	% to total turnover of the Company
1	UREA	20121	99%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	SPIC Fertilizers and Chemicals Limited (SFCL) Mauritius	N.A	Subsidiary	83.54	2(87)
2	SPIC Fertilizers and Chemicals Dubai	N.A	Subsidiary	83.54	2(87)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	45950	-	45950	0.02	45450	-	45450	0.02	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	8840000	-	8840000	4.34	8840000	-	8840000	4.34	-
(d) Bodies Corp.	43153265	6221454	49374719	24.25	70570419	6510604	77081023	37.85	13.60
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	<b>52039215</b>	<b>6221454</b>	<b>58260669</b>	<b>28.61</b>	<b>79455869</b>	<b>6510604</b>	<b>85966473</b>	<b>42.21</b>	<b>13.60</b>
<b>(2) Foreign</b>									
(a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	46910229	-	46910229	23.04	18914775	-	18914775	9.29	13.75
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>46910229</b>	<b>-</b>	<b>46910229</b>	<b>23.04</b>	<b>18914775</b>	<b>-</b>	<b>18914775</b>	<b>9.29</b>	<b>13.75</b>
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>98949444</b>	<b>6221454</b>	<b>105170898</b>	<b>51.65</b>	<b>98370644</b>	<b>6510604</b>	<b>104881248</b>	<b>51.50</b>	<b>0.15</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	171774	12300	184074	0.09	25795	12300	38095	0.02	0.07
(b) Banks/FI	5250271	12525	5262796	2.58	4716661	14925	4731586	2.32	0.26
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	744447	-	744447	0.37	304220	-	304220	0.15	0.22
(g) FIs	789413	8150	797563	0.39	351413	8150	359563	0.18	0.21

(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	<b>6955905</b>	<b>32975</b>	<b>6988880</b>	<b>3.43</b>	<b>5398089</b>	<b>35375</b>	<b>5433464</b>	<b>2.67</b>	<b>0.76</b>
<b>(2) Non- Institutions</b>									
<b>(a) Bodies Corp</b>									
i. Indian	9570698	251080	9821778	4.82	7276237	251030	7527267	3.70	1.12
ii. Overseas	-	-	-	-	-	-	-	-	-
<b>(b) Individuals</b>									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	28245254	4666298	32911552	16.16	24835483	4230194	29065677	14.27	1.89
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	29149826	15500	29304826	14.39	37777595	155000	37932595	18.63	4.24
<b>(C) Others (Specify)</b>									
(a) Clearing Member	438234	-	438234	0.22	132571	-	132571	0.07	0.15
(b) NRIs	1726567	-	1726567	0.85	1530968	12946	1543914	0.76	0.09
(c) OCBs	39150	650	39150	0.02	39150	650	39850	0.02	-
(d) Trusts	171001	-	171001	0.08	17000	-	17000	0.01	0.07
<b>Sub-Total (B)(2)</b>	<b>69340730</b>	<b>5073028</b>	<b>74413758</b>	<b>36.54</b>	<b>71609004</b>	<b>4649820</b>	<b>76258824</b>	<b>37.45</b>	<b>0.91</b>
<b>Total Shareholding of Public = (B) (1) + (B) (2)</b>	<b>76296635</b>	<b>5106003</b>	<b>81402638</b>	<b>39.97</b>	<b>77007093</b>	<b>4685195</b>	<b>81692288</b>	<b>40.12</b>	<b>0.15</b>
C. Shares held by custodian for GDRs & ADRs	17066800	-	17066800	8.38	17066800	-	17066800	8.38	-
<b>Grand Total (A+B+C)</b>	<b>192312879</b>	<b>11327457</b>	<b>203640336</b>	<b>100</b>	<b>192444537</b>	<b>11195799</b>	<b>203640336</b>	<b>100</b>	<b>-</b>

(ii) Shareholding of Promoters:

S.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change 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	Directors & Relatives	45950	0.02	-	45450	0.02	-	-
2	FICON Holdings Limited	43678229	21.45	-	15682775	7.7	-	13.75
3	Ranford Investments Limited	1910000	0.94	-	1910000	0.94	-	-
4	Darnolly Investments Limited	1322000	0.65	-	1322000	0.65	-	-
5	SICAGEN India Limited	6840949	3.36	84.95	6840949	3.36	84.95	-
6	Gold Nest Trading Company Limited	2423400	1.19	100	2423400	1.19	100	-
7	South India House Estates & Properties Ltd	2099600	1.03	86.23	1810450	0.89	100	0.14

8	SPIC Group Companies Employees Welfare Foundation	240460	0.12	-	240460	0.12	-	-
9	South India Travels Pvt. Ltd	208985	0.1	-	208985	0.1	-	-
10	SPIC Officers and Staff Welfare Foundation	150550	0.07	-	150550	0.07	-	-
11	ACM Educational Foundation	134075	0.07	-	134075	0.07	-	-
12	AMI Holdings Private Limited	37276700	18.31	-	37276700	18.31	-	-
13	Tamilnadu Industrial Development Corporation Ltd	8840000	4.34	-	8840000	4.34	-	-
14	Lotus Fertilisers Pvt Ltd	-	-	-	27995454	13.75	-	13.75
<b>Total</b>		105170898	51.65	-	104881248	51.50	-	0.15

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

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	105170898	51.65	105170898	51.65
	Date wise Increase / Decrease in Promoters	289150 (Transfer)	0.15	104881748	51.50
	Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	500 (ceased to be PAC) (30.09.2014)	0	104881248	51.50
	At the end of the year	105170898	51.65	104881248	51.50

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

Sl. No	For each of the top 10 Shareholders	Date of Transfer / purchase	Shareholding at the beginning of the year		Shareholding at the end of the year		Reason for increase / decrease
			No. of Shares	% to total shares of the company	No. of Shares	% to total shares of the company	
1	LIFE INSURANCE CORP OF INDIA	04 04 2014	3,926,725	1.93	3,926,725	1.93	NIL
2	SHAREKHAN LIMITED	04 04 2014	1,916,215				
		11 04 2014	1,915,847	0.94			Transfer
		18 04 2014	1,915,872	0.94			Purchase
		25 04 2014	1,915,847	0.94			Transfer
		02 05 2014	2,193,611	1.08			Purchase
		09 05 2014	2,188,197	1.07			Transfer
		16 05 2014	2,200,894	1.08			Purchase
		23 05 2014	302,515	0.15			Transfer
		30 05 2014	311,933	0.15			Purchase
		06 06 2014	356,681	0.18			Purchase
		13 06 2014	340,425	0.17			Transfer
		20 06 2014	334,697	0.16			Transfer
		30 06 2014	345,515	0.17			Purchase

Sl. No	For each of the top 10 Shareholders	Date of Transfer / purchase	Shareholding at the beginning of the year		Shareholding at the end of the year		Reason for increase / decrease
			No. of Shares	% to total shares of the company	No. of Shares	% to total shares of the company	
		04 07 2014	338,105	0.17			Transfer
		11 07 2014	387,662	0.19			Purchase
		18 07 2014	479,795	0.24			Purchase
		25 07 2014	502,457	0.25			Purchase
		01 08 2014	501,842	0.25			Transfer
		08 08 2014	543,279	0.27			Purchase
		14 08 2014	554,120	0.27			Purchase
		22 08 2014	475,673	0.23			Transfer
		25 08 2014	477,730	0.23			Purchase
		29 08 2014	294,768	0.14			Transfer
		05 09 2014	281,625	0.14			Transfer
		12 09 2014	203,860	0.10			Transfer
		19 05 2014	167,048	0.08			Transfer
		30 09 2014	244,171	0.12			Purchase
		03 10 2014	234,584	0.12			Transfer
		10 10 2014	172,003	0.08			Transfer
		17 10 2014	164,350	0.08			Transfer
		24 10 2014	149,881	0.07			Transfer
		31 10 2014	144,496	0.07			Transfer
		07 11 2014	139,821	0.07			Transfer
		14 11 2014	176,203	0.09			Purchase
		21 11 2014	182,123	0.09			Purchase
		28 11 2014	193,427	0.09			Purchase
		05 12 2014	164,790	0.08			Transfer
		12 12 2014	156,202	0.08			Transfer
		31 12 2014	217,003	0.11			Purchase
		23 01 2015	114,045	0.06			Transfer
		30 01 2015	69,473	0.03			Transfer
		06 02 2015	48,394	0.02			Transfer
		13 02 2015	38,496	0.02			Transfer
		20 02 2015	77,656	0.04			Purchase
		27 02 2015	48,542	0.02			Transfer
		06 03 2015	41,967	0.02			Transfer
		13 03 2015	45,370	0.02			Purchase
		20 03 2015	50,483	0.02			Purchase
		27 03 2015	47,511	0.02			Transfer
		31 03 2015	25,220	0.01	25,220	0.01	
3	SHAREKHAN LIMITED	04 04 2014	1,662,263	0.82			
		11 04 2014	1,656,988	0.81			Transfer
		25 04 2014	1,657,088	0.81			Purchase
		02 05 2014	1,657,688	0.81			Purchase
		09 05 2014	1,658,238	0.81			Transfer
		16 05 2014	1,657,238	0.81			Transfer
		23 05 2014	1,042,808	0.51			Transfer

Sl. No	For each of the top 10 Shareholders	Date of Transfer / purchase	Shareholding at the beginning of the year		Shareholding at the end of the year		Reason for increase / decrease
			No. of Shares	% to total shares of the company	No. of Shares	% to total shares of the company	
		30 05 2014	1,086,608	0.53			Purchase
		06 06 2014	1,075,770	0.53			Transfer
		13 06 2014	1,082,195	0.53			Purchase
		20 06 2014	1,051,513	0.52			Transfer
		30 06 2014	966,813	0.47			Transfer
		04 07 2014	942,213	0.46			Transfer
		11 07 2014	932,813	0.46			Transfer
		18 07 2014	974,191	0.48			Purchase
		25 07 2014	974,791	0.48			Purchase
		01 08 2014	973,691	0.48			Transfer
		08 08 2014	970,191	0.48			Transfer
		14 08 2014	969,191	0.48			Transfer
		22 08 2014	425,443	0.21			Transfer
		29 08 2014	409,106	0.20			Transfer
		05 09 2014	220,796	0.11			Transfer
		12 09 2014	193,956	0.10			Transfer
		19 05 2014	175,661	0.09			Transfer
		30 09 2014	170,281	0.08			Transfer
		03 10 2014	160,281	0.08			Transfer
		10 10 2014	135,120	0.07			Transfer
		17 10 2014	120,574	0.06			Transfer
		24 10 2014	124,945	0.06			Purchase
		31 10 2014	41,453	0.02			Transfer
		07 11 2014	85,956	0.04			Purchase
		14 11 2014	87,689	0.04			Purchase
		21 11 2014	108,311	0.05			Purchase
		28 11 2014	619,915	0.30			Purchase
		05 12 2014	649,542	0.32			Purchase
		12 12 2014	659,099	0.32			Purchase
		31 12 2014	168,093	0.08			Purchase
		23 01 2015	131,926	0.06			Transfer
		30 01 2015	79,902	0.04			Transfer
		06 02 2015	467,488	0.23			Purchase
		13 02 2015	460,429	0.23			Transfer
		20 02 2015	462,855	0.23			Purchase
		27 02 2015	475,512	0.23			Purchase
		06 03 2015	427,718	0.21			Transfer
		13 03 2015	1,402,570	0.69			Purchase
		20 03 2015	1,407,131	0.69			Purchase
		27 03 2015	1,416,481	0.70			Purchase
		31 03 2015	1,023,838	0.50	1,023,838	0.50	
4	SHAREKHAN LIMITED	04 04 2014	135,189	0.07			
		18 04 2014	1,355,189	0.67			Purchase
		02 05 2014	1,360,189	0.67			Purchase

Sl. No	For each of the top 10 Shareholders	Date of Transfer / purchase	Shareholding at the beginning of the year		Shareholding at the end of the year		Reason for increase / decrease
			No. of Shares	% to total shares of the company	No. of Shares	% to total shares of the company	
		23 05 2014	1,370,189	0.67			Purchase
		30 05 2014	1,389,689	0.68			Purchase
		06 06 2014	1,412,189	0.69			Purchase
		13 06 2014	1,404,210	0.69			Purchase
		20 06 2014	1,404,110	0.69			Purchase
		04 07 2014	1,386,410	0.68			Transfer
		11 07 2014	1,386,510	0.68			Purchase
		25 07 2014	1,382,003	0.68			Transfer
		01 08 2014	1,381,858	0.68			Transfer
		14 08 2014	1,384,358	0.68			Purchase
		22 08 2014	1,351,239	0.66			Transfer
		29 08 2014	1,341,239	0.66			Purchase
		05 09 2014	1,151,610	0.57			Transfer
		12 09 2014	1,131,145	0.56			Transfer
		19 09 2014	1,143,106	0.56			Purchase
		30 09 2014	1,117,035	0.55			Transfer
		03 10 2014	1,117,535	0.55			Purchase
		10 10 2014	18,660	0.01			Transfer
		17 10 2014	34,796	0.02			Purchase
		24 10 2014	33,363	0.02			Transfer
		31 10 2014	18,563	0.01			Transfer
		07 11 2014	14,038	0.01			Transfer
		14 11 2014	18,900	0.01			Purchase
		21 11 2014	21,000	0.01			Purchase
		28 11 2014	22,000	0.01			Purchase
		05 12 2014	21,751	0.01			Transfer
		31 12 2014	20,351	0.01			Transfer
		23 01 2015	10,350	0.01			Purchase
		30 01 2015	11,984	0.01			Transfer
		06 02 2015	10,050	0.00			Purchase
		20 02 2015	10,550	0.01			Purchase
		27 02 2015	10,750	0.01			Purchase
		06 03 2015	12,500	0.01			Purchase
		13 06 2015	14,500	0.01			Transfer
		27 03 2015	14,100	0.01			Transfer
		31 03 2015	10,800	0.01	10,800	0.01	
5	HITESH RAMJI JAVERI	04 04 2014	1,400,000	0.69			
		30 09 2014	1,401,000	0.69			Purchase
		19 12 2014	0	0.00			Transfer
		31 12 2014	1,401,000	0.69			Purchase
		31 03 2015	1,401,000	0.69	1,401,000	0.69	
6	ANIL VISHANJI DEDHIA	04 04 2014	1,300,000	0.64			
		30 09 2014	1,600,000	0.79			Purchase
		03 10 2014	1,700,000	0.83			Purchase

Sl. No	For each of the top 10 Shareholders	Date of Transfer / purchase	Shareholding at the beginning of the year		Shareholding at the end of the year		Reason for increase / decrease
			No. of Shares	% to total shares of the company	No. of Shares	% to total shares of the company	
		24 10 2014	1,885,000	0.93			Purchase
		31 10 2014	1,935,000	0.95			Purchase
		14 11 2014	1,985,000	0.97			Purchase
		28 11 2014	2,185,000	1.07			Transfer
		31 12 2014	0	0.00			
		31 03 2015	0	0.00	0	0.00	
7	FINQUEST SECURITIES PVT LTD	04 04 2014	1,309,613	0.64			
		11 04 2014	1,340,613	0.66			Purchase
		23 05 2014	1,445,613	0.71			Purchase
		04 07 2014	1,245,613	0.61			Transfer
		18 07 2014	1,246,792	0.61			Purchase
		08 08 2014	1,344,329	0.66			Purchase
		14 08 2014	1,434,329	0.70			Purchase
		22 08 2014	1,504,329	0.74			Purchase
		29 08 2014	1,404,329	0.69			Transfer
		05 09 2014	1,011,000	0.50			Transfer
		12 09 2014	0	0.00			Transfer
		17 10 2014	10,119	0.00			Purchase
		05 12 2014	0	0.00			Transfer
		12 12 2014	5,000	0.00			Purchase
		31 12 2014	0	0.00			Transfer
		09 01 2015	200	0.00			Purchase
		16 01 2015	0	0.00			Transfer
		31 03 2015	0	0.00	0	0.00	
8	RUCHIT BHARAT PATEL	04 04 2014	889,263	0.44			
		20 06 2014	1,589,263	0.78			Purchase
		05 05 2014	1,748,263	0.86			Purchase
		19 09 2014	995,847	0.49			Transfer
		10 10 2014	1,664,047	0.82			Purchase
		12 12 2014	1,013,847	0.50			Transfer
		31 12 2014	1,443,847	0.71			Purchase
		31 03 2015	1,443,847	0.71	1,443,847	0.71	
9	HARSHA HITESH JAVERI	04 04 2014	1,000,000	0.49			
		31 03 2015	1,000,000	0.49	1,000,000	0.49	NIL
				0.00			
10	RADHABAI RAMJI JAVERI	04 04 2014	900,000	0.44			
		31 03 2015	900,000	0.44	900,000	0.44	NIL



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
1	Thiru Ashwin C Muthiah	45	0	45	0
2	Thiru M B Ganesh	50	0	50	0
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/ sweat equity etc):		Nil			
At the end of the year					
1	Thiru Ashwin C Muthiah	45	0	45	0
2	Thiru M B Ganesh	50	0	50	0

No other Director/KMP was holding shares at the beginning or end of the year.

**V. INDEBTEDNESS:**

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

(Rs. in.Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	40121.35	6629.70	2326.49	49077.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	455.04	40.55	197.50	693.09
Total (i+ii+iii)	40576.39	6670.25	2523.99	49770.63
Change in Indebtedness during the financial year				
Addition		18963.19		18963.19
Reduction	-40576.39	-13554.64	-969.3	(55100.33)
Net Change	-40576.39	5408.55	-969.3	-36137.14
Indebtedness at the end of the financial year				
i) Principal Amount	-	12019.76	1512.72	13532.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	59.04	41.97	101.01
Total (i+ii+iii)	-	12078.8	1554.69	13633.49

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S.No	Particulars of Remuneration	Name of MD/WTD/Manager		
		K K Rajagopalan Whole-time Director	S R Ramakrishnan Whole-time Director	Total Amount (in Rs.)
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,30,625.00 (upto 30 09 14)	26,63,894.00 (from 30 07 2014)	49,94,519.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,375.00	5,71,877.00	5,81,252.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-

S.No	Particulars of Remuneration	Name of MD/WTD/Manager		
		K K Rajagopalan Whole-time Director	S R Ramakrishnan Whole-time Director	Total Amount (in Rs.)
4	Commission			
	- as % of profit	-	-	-
	- others, specify...			
5	Others, please specify	-	-	-
<b>Total (A)</b>		23,40,000.00	32,35,771.00	55,75,771.00
<b>Ceiling as per the Act</b>		48,00,000.00	60,00,000.00	60,00,000.00

## B. Remuneration to other Directors:

Sl. No	Name of the Director	Fee for attending Board / committee meetings (Amt. in Rs.)	Commission	Others
<b>Independent Directors</b>				
1	Thiru B Narendran	2,90,000	-	-
2	Thiru S Shankar	1,70,000	-	-
3	Thiru Harish Chandra Chawla	60,000	-	-
4	Tmt Sashikala Srikanth	1,20,000	-	-
5	Thiru Sumanjit Chaudhry	1,00,000	-	-
<b>Other Non Executive Directors</b>				
6	Thiru T K Arun	2,90,000	-	-
7	Thiru B Elangovan	60,000	-	-
8	Tmt G Latha I A S	0	-	-
9	Thiru Ashwin C Muthiah	1,70,000	-	-
	<b>Total</b>	12,60,000	-	-

## C. Remuneration to other Directors, Key Managerial Personnel other than MD/WTD/MANAGER:

S.No	Particulars of Remuneration	Key Managerial Personnel		
		M.B. Ganesh Company Secretary	A.V. Kumar Chief Financial Officer	Total (Amount in Rs.)
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,97,499.00	32,01,566.00	45,99,065.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	15,000.00	1,16,090.00	1,31,090.00
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-

S.No	Particulars of Remuneration	Key Managerial Personnel		
		M.B. Ganesh Company Secretary	A.V. Kumar Chief Financial Officer	Total (Amount in Rs.)
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify			
5	Others, please specify	-	-	-
Total (A)		14,12,499.00	33,17,656.00	47,30,155.00

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

For and on behalf of the Board of Directors

**ASHWIN C MUTHIAH**

(DIN:00255679)

Chairman

Place : Chennai

Date : 4 August, 2015

## NOMINATION & REMUNERATION POLICY

### Objective

The Nomination and Remuneration Committee (NRC) constituted under the Companies Act, 2013 (the Act) and the Listing Agreement is to guide the Board to identify persons who are qualified to become Director and who may be appointed in Sr. Management and recommend to the Board the appointment and removal of Director, KMP and Senior Management Personnel as well in accordance with the criteria laid down for determining qualification, position attribute and independence of a Director and recommend to the Board a Policy relating to remuneration of Director, Key Managerial Personnel and other employees.

The Nomination and Remuneration Policy (Policy) of Southern Petrochemical Industries Corporation Limited (SPIC) has been formulated with the objective of guiding the Board in identifying talent, recognise talent and retain talent for achieving Organisational goals with growth for all the Employees and Stakeholder value enhancement. SPIC acknowledges that it is important to provide a mix of reasonable remuneration, an atmosphere congenial for decision making by the Directors / Sr. Management Personnel and working atmosphere to the Employees.

The Policy applies to the Board of Directors, Key Managerial Personnel, Senior Management and the Employees of the Company.

Senior Management means employees of the Company who are members of its core management team excluding the Board of Directors including Functional Heads.

### Criteria for appointment of Independent Directors / Non-Executive Directors

The proposed appointee as Independent Director shall meet the criteria specified in the relevant provisions of the Companies Act, 2013 and the Listing Agreement with stock exchanges. He shall declare his independent status prior to his appointment to the Board and maintain the same during his tenure as an Independent Director. The Independent Director and the Non-Executive Director shall possess adequate qualification, necessary skills, and expertise and business experience including board procedures.

### Criteria for appointment of Executive Directors

The Executive Director could be a Managing Director (MD), Manager with substantial powers of Management as defined under the Companies Act, 2013 or Whole-time Director.

The appointee(s) shall have requisite educational qualification with exposure in the business line of the Company. He shall have adequate skills and leadership qualities to lead a team of professionals or as the case may be the function assigned to him. Depending on the role and responsibility, he shall have had hands-on experience in the relevant field. The suitability of a candidate shall be determined on a case to case basis and recommended by the NRC for consideration of the Board. After his appointment, being a Director of the Company, he shall adhere to the Code of Business Conduct and Ethics stipulated for Directors, Senior Management Personnel, Officers and Employees.

### Remuneration for Directors

#### (a) For Executive Directors:

The remuneration of the Whole-time / Executive Directors shall comprise of a fixed component and a performance linked pay, as may be recommended by the NRC and approved by the Board of Directors / Shareholders. Remuneration trend in the industry and in the region for a similar position, academic background, qualifications, experience and contribution expected of the individual will be considered in fixing the remuneration. The Executive Directors are not eligible to receive sitting fees for attending the meetings of the Board and Committees of the Board.

#### (b) For Non-Executive Directors including Independent Directors:

The Non-Executive Directors will be paid sitting fees for attending the Board Meetings and Meetings of the Committees of the Board as per the provisions of the Act, the Articles of Association of the Company and as recommended by the NRC. The fees payable to the Independent Directors and Women Directors shall not be lower than the fee payable to other categories of Directors. In addition to this, the travel and other expenses incurred for attending the Meetings are to be met by the Company. Subject to the provisions of the Act and the Articles of Association, the Company in General Meeting may by special resolution also sanction and pay to the Non-Executive Directors remuneration / commission in accordance with the relevant provisions of the Act. The Company shall have no pecuniary relationship or transactions with any Non-Executive Directors.

**Criteria for appointment of Key Managerial Personnel (KMP)**

The Company is required to appoint a MD/Manager/CEO and in their absence a Whole-time Director as one of the KMPs besides a Company Secretary (CS) and a Chief Financial Officer (CFO). The Chief Executive Officer (CEO) can also be a Member of the Board.

The qualification, experience and stature of the CEO could be in line with that of the Executive Directors. Where the CEO is the KMP, he shall act subject to the superintendence and control of the Board and have the substantial powers of Management.

The CS shall have the qualification prescribed under the Companies Act, 2013 and requisite experience to discharge the duties specified in law and as may be assigned by the Board/MD from time to time.

The CFO shall hold Degree/Diploma in Finance from reputed institutions such as the ICAI, ICMA, IIMs, leading recognised Universities, etc., with good work experience, in finance function including but not limited to funding, taxation, forex and other core matters. As required under the Listing Agreement, the appointment of CFO shall be subject to the approval of the Audit Committee and recommendation of the NRC.

**Discretionary Power**

The NRC in exceptional circumstances shall have the discretion to decide whether the qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position and to decide the remuneration payable to an appointee under this Policy on a need base, while recommending to the Board.

**Evaluation**

The Committee shall evaluate at least once in a year the performance of every Director and Key Managerial Personnel.

**Criteria for appointment of Staff, Officers and Senior Management Personnel**

Manpower resource requirement for various functions shall be determined and approved by the Managing Director or WTD or such other persons delegated with the powers. The functional heads shall be involved in the process of selection of candidates and their recommendations duly considered by the HR Department.

The qualification, experience and skill expected of a Sr. Management personnel shall be determined on case to case basis depending on the position, role and responsibility.

**Manner of appointment**

The Functional Head shall decide the job description for a position and the requisite qualification and experience expected of the candidates. Candidates may be called for through references, HR Consultants, leading portals, advertisements, etc., depending on the exigencies. Screening shall be done by the HR Department in consultation with Functional Head. The shortlisted candidates may be interviewed by the Functional Head or some other Senior Departmental Person as may be nominated by him along with the HR Representative. Experts or Consultants can also be engaged in this process, if required.

Upon deciding the remuneration, joining time, etc. Offer letter shall be issued to the selected candidate. On due acceptance by the candidate and on his joining the Company, a final appointment letter shall be issued.

The Employees of the Company shall be governed by the Service conditions set out in the Service Rules/Standing Orders of the Company as amended from time to time.

**Guidelines for fixing remuneration to Employees who are not Directors**

The remuneration and other terms of employment are aimed to invite, inspire and retain talent for performing the requisite role.

The remuneration package and other terms, amenities, perquisites, etc. for an employee in Senior Management, Key Managerial Persons and Officer cadre may be determined on case to case basis depending on the position, role, responsibility, qualification and previous experience of the appointee and availability of persons willing to accept the offer. Evaluation of Senior Management Personnel will be conditional on successfully completing the period of probation as may be considered appropriate.

The eligibility to receive performance pay shall be decided based on appraisal of the individual concerned by his immediate superior and approved by the Functional Head or the Whole-time Director with reference to the targets fixed and achieved. The Chairman or the Whole-time Director shall have the authority to moderate the ratings in line with the Organizational performance.

Remuneration and other benefits to staff cadre employees shall be in terms of the wage settlements entered into between the Management and the representatives of the Staff/recognised Union from time to time.

In fixing the remuneration structure to the employees, due regard shall be given to ensure best possible benefits to the employees within the framework of law and considering the Organisational goals, performance of the Company and sustainability to pay.

The package shall maintain a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

Employees will also be covered under Group Accident Insurance, Health Insurance and Directors and Officers Liability Insurance as may be applicable to the respective cadre.

## Changes to the Policy

The Board may vary the above criteria on need basis. The NRC on its own or at the request of the Board may review and recommend the Policy from time to time and introduce changes depending on the prevailing economic scenario and manpower requirements and the performance of the Company.

For and on behalf of the Board of Directors

**ASHWIN C MUTHIAH**

(DIN:00255679)

Chairman

Place : Chennai

Date : 4 August, 2015

## ANNEXURE - III

### SCHEDULE V, PART II, PARA IV & RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.

Name of the Director	Designation	Ratio
S R Ramakrishnan	Whole Time Director	15.94

ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Name	Designation	Remuneration % Increase for the FY 2014-15
S R Ramakrishnan	Whole Time Director	0
A V Kumar	Chief Financial Officer	15
M B Ganesh	Company Secretary	30

- The non executive directors are paid sitting fees of Rs. 10000 for each meeting of the board and its committees in addition to reimbursement of travelling and out of pocket expenses. With effect from 10th FEBRUARY 2015, the sitting fees to non executive directors was increased from Rs. 10000 to Rs. 50000 for attending each meeting of the Board in addition to reimbursement of travelling and out of pocket expenses. However, no sitting fee is payable for attending the meetings of the committees of the Board.

iii) The percentage increase in the median remuneration of employees in the financial year was 6%.

iv) the number of permanent employees on the rolls of Company is 517.

v) the explanation on the relationship between average increase in remuneration and Company performance - Against SPIC turnover of Rs. 2094 crores, the inflation has been given and subsequently the compensation has increased.

vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Agregate remuneration of Key Managerial Personnel (KMP) in FY 15 (in Crore)	1.19
Reveue (in Crore)	2094
Remuneration of KMPs (as % of revenue)	0.057
Profit Before Tax (PBT) (in Crore)	17.59
Remuneration of KMP (as % of PBT)	6.77

Considering the seniority, position held, responsibility and accountability of the key managerial personnel, average increase of 23% has been given against the turnover of 2094 crores during the financial year 2014-2015.

vii) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

	31.03.2014	31.03.2015	% Change
Market Capitalization of the Company (in Crore)	252.51	368.59	45.97
Closing Price at the NSE	12.40	18.10	45.96
Price Earnings Ratio as at the closing date	3.94	23.50	496.44

viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The increase has been given, based on the inflation rate during Mar'15 and this has been effected our employees, across the organization.

ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

Name	Designation	DOJ	Current_CTC_WEF	Current_CTC
S R Ramakrishnan	Whole Time Director	30/07/2014	30/07/2014	65,73,940
A V Kumar	Chief Financial Officer	01/02/1982	01/06/2014	39,15,100
M B Ganesh	Company Secretary	12/12/2013	01/07/2014	15,00,000
				1,19,89,040

Remuneration has been fixed by considering the seniority position and performance.

x) the key parameters for any variable component of remuneration availed by the directors;

S R Ramakrishnan Whole-time Director	Performance linked pay – part of the CTC	Rs. 1500000 / annum
---	--	---------------------

For Non Executive Director, there is no variable component as they are paid only sitting fees.

xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and

0.65:1.52	S R Ramakrishnan: Sanjay Tanwani
-----------	----------------------------------

xii) If remuneration is as per the remuneration policy of the Company - Yes

(xiii) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees - Nil

(xiv) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;

Name	Designation	Date of Joining	Date of Leaving	Annual CTC
S R Ramakrishnan	Whole Time Director	30-Jul-14	--	65,73,940
Sanjay Tanwani	Country Head	15-Oct-13	10-Feb-15	1,00,00,000

(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. - Nil

For and on behalf of the Board of Directors

**ASHWIN C MUTHIAH**

(DIN:00255679)

Chairman

Place : Chennai

Date : 4 August, 2015

## ANNEXURE – IV

### SECRETARIAL AUDIT REPORT OF M/S SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

(Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014)

To

The Members

M/s. SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED,  
"SPIC HOUSE", 88 MOUNT ROAD,  
GUINDY, CHENNAI - 600032

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED, CIN L11101TN1969PLC005778 ("the Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-



- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi. The Other laws as may be applicable specifically to the company:

Based on a review of the copies of the compliance reports by the functional heads of the Company including in the factory located in Tuticorin to the Top Management/Board of Directors of the Company, I report that the Company has substantially complied with the provisions of those Acts that are applicable to it such as the Factories Act, 1948, The Payment of Wages Act, 1936, The Industrial Disputes Act, 1947, The Minimum Wages Act, 1948, The Explosives Act 1884, The Employees Provident Fund and Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948, The Environment (Protection) Act, 1986 and other Pollution Control Laws and other laws mentioned in the said checklists.

vii. No specific violation in respect of Tax laws came to the notice of the undersigned from the review of the said check list. However, I report that I have not carried out the audit with reference to the applicable Financial Laws, such as the Direct and Indirect Tax Laws, as the same falls under the review of statutory audit and by other designated professionals.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard on Meetings of the Board of Directors (SS- 1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange (NSE).

During the period under review the Company has complied with the provisions of the Act, other applicable Acts, Rules, Regulations, Listing Agreement with National Stock Exchange, Guidelines, Standards, etc. mentioned above subject to the following observations:

### **I further report that**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
3. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Chennai  
Date : 15th July, 2015

B Chandra  
Company Secretary in practice  
ACS No.: 20879 CP No.: 7859

## ANNUAL REPORT ON CSR ACTIVITIES

### 1 Brief Outline of Company's CSR Policy and activities undertaken:

SPIC believes that business objectives should include overall development of the communities around its area of operations. Therefore, the Company lays high emphasis on understanding the requirements of the local community and embark on initiatives which create long-term societal benefits.

### 2 Composition of CSR Committee

1. Mr. Ashwin C Muthiah (Chairman – Non Executive Director)
2. Mr. B Narendran (Independent Director)
3. Mr. T K Arun (Non Executive Director)
4. Mr. S R Ramakrishnan (Whole-time Director)

### 3 Average net profit of the Company for the last three financial years

Year	2011-12	2012-13	2013-14	Avg.Loss
Profit/(Loss) (Rs. in Crores)	(1481.80)	(1549.20)	(1568.22)	(1533.07)

### 4 Prescribed CSR expenditure (two percent of the amount as in item 3 above)

Does not arise as the Company has incurred loss.

### 5 Details of amount spent towards CSR during the financial year:

Your Company was not required to spend towards CSR activities in view of absence of profit calculated as per Section 198 of the Act. However, to continue with its activities to the society as is being carried out in the past, several initiatives have been taken as detailed below:

- Supporting farmers by offering this as a free service by way of Soil testing, an important management practice on all farms.
- Twelve training programmes on modern farm practices and techniques in the areas allied to agriculture were conducted.
- Publish bi-monthly farm journal (Pannai Cheidhi Malar) for the benefit of farmers.
- Soil health cards with the complete history of the soil profile ie soil problems, nutrient deficiency, soil organic status, soil texture, suitable crops, etc were issued to farmers.
- Sponsoring events in schools, distribution of educational aids and kits, recognition of achievers in board exams by presenting awards, free courses on English speaking for rural school children are some of the key activities taken up by the Company under education. Other initiatives include donation of free notebooks to children by a charity unit sponsored by SPIC employees.
- In association with Rotary Club and Lions Club, projects to improve the health of the communities, free medical camps for eyes, general health and diabetes were undertaken.
- Supported State Government's polio immunisation drive through which more than 3400 children benefitted. Blood group testing and blood donation camp were organised for which awards were presented by the State Government.
- Organising various awareness campaigns viz.,
  - Coastal clean-up project, Tambaraparani River clean-up campaign, dengue and road safety awareness programmes.
  - Supported a school in Tuticorin by providing chairs, tables and public address system.
  - Consumer appliances were donated to Pasakarangal, an old age home in Tuticorin.

In view of the above the responsibility statement to be given by CSR Committee does not arise.

Place : Chennai  
Date : 4 August, 2015

S R RAMAKRISHNAN  
Whole-time Director

ASHWIN C MUTHIAH  
Chairman

## CORPORATE GOVERNANCE REPORT (2014-15)

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

As a responsible corporate citizen, your Company is conscious that a business runs on principles of fairness, transparency and accountability goes a long way in fostering a healthy relationship amongst all stakeholders. In its abiding commitment to adopt and follow the best practices of governance, your Company has been proactive to the changes introduced by SEBI for promoting a responsive and responsible business culture through the Corporate Governance Code. Your Company endeavours to constantly upgrade the management practices for ideal corporate governance.

### 2. BOARD OF DIRECTORS

On 31 March 2015, the Board of Directors of the Company had 10 (ten) Members. During the financial year 1 April 2014 to 31 March 2015, 6 (Six) Board meetings were held on 28th May 2014, 30th July 2014, 8th September 2014, 14th November 2014, 10th February 2015 and 24th March 2015. .

#### COMPOSITION, DIRECTORS' ATTENDANCE AND OTHER DIRECTORSHIPS HELD

Name of the Director, designation, category and DIN	Attendance at Board Meetings	Attendance at previous AGM on 8th Sept 2014	No. of other Director Ship(s) (*)	No. of membership in Board Committees' in other Companies (**)	
				As Chairman	As Member
Thiruvallargal Ashwin C Muthiah, (00255679) Chairman, Non-Executive Promoter Nominee	6	Yes	4(3)	-	
T K Arun (02163427) TIDCO Nominee Non-Executive	6	Yes	9	1	8
B Elangovan (00133452) TIDCO Nominee Non-Executive	2	Yes	3	-	2
G Latha, IAS (02860567) TIDCO Nominee Non-Executive (w.e.f 14 Nov 2014)	0	No	9 (1)	-	-
S Shankar (06591908) Non-Executive Independent	4	Yes	1	-	1
B Narendran (01159394) Non-Executive Independent	6	Yes	5	4	3
Sashikala Srikanth (01678374) Non-Executive Independent (w.e.f 8 Sept 2014)	3	No	6	1	2
Harish Chandra Chawla (00085415) Non-Executive Independent (w.e.f 8 Sept 2014)	2	No	2	-	-
Sumanjit Chaudhry (06752672) Non-Executive Independent (w.e.f 10 Feb 2015)	2	No	0	-	-
S R Ramakrishnan (00120126) Whole-Time Director Professional (w.e.f 30 07 2014)	5	Yes	0	-	-
K K Rajagopalan (00050446) Whole-Time Director Professional (upto 30.09.2014)	3	Yes	1	-	-
M S Shanmugam (02475286) (Ceased to be Director on 28.5.2014)			N.A.		

(\*) includes directorships held in public limited companies only. Directorships held in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 are excluded.

(\*\*) includes only positions held in Audit Committee and Stakeholders' Relationship Committee.

Figures mentioned in brackets indicate the number of companies in which the Director is Chairman.

None of the Directors of the Company is the Chairman of more than five Board-Committees or Member of more than ten Board-Committees.

TIDCO is a Public Financial Institution under Section 2 (72) of the Companies Act 2013 (the Act) and their nominees are not considered Independent as provided under Section 149 (6) of the Act.

There is no inter-se relationships between the Directors.

### 3. COMMITTEES OF THE BOARD

#### (a) AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors primarily oversees the Company's financial reporting process and disclosure of its financial information to ensure the correctness and adequacy. The Committee provides reassurance to the Board on the existence of effective internal control systems.

#### TERMS OF REFERENCE

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of auditors of the company;
- Review the adequacy of the internal control systems;
- Review with the Management, the quarterly, half-yearly and annual financial statements before submission to the Board of Directors;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Review the adequacy of the internal audit function, reporting structure coverage and frequency of internal audit;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review the functioning of the Whistle Blower Mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Review the findings of any internal investigations by the internal auditors and report the matter to the Board of Directors;
- Review the Company's financial and risk management policies; and
- Discuss with the Statutory Auditors periodically about the nature and scope of audit.

#### COMPOSITION

The Audit Committee comprises of 4 members with 3 Independent Directors and 1 Non-Executive Director, having sound financial management expertise. Thiru S Shankar, Independent Director is the Chairman of the Audit Committee. During the year under review the Committee met 6 ( Six ) times on 28th May 2014, 30th July 2014, 8th September 2014, 14th November 2014, 10th February 2015 and 24th March 2015. The Statutory Auditors, Internal Auditor, Cost Auditor, Chief Financial Officer and the Chairman of the Board are invited to participate in the meetings of the Audit Committee. The Company Secretary is the Secretary of the Committee

Name of the Director	Designation	No. of Meetings attended	Category
Thiruvallargal S Shankar	Chairman	4	Independent
B Narendran	Member	6	Independent
Tmt Sashikala Srikanth (w.e.f. 8th Sept' 2014)	Member	3	Independent
T K Arun	Member	6	Non-Executive

## (b) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee constituted by the Board of Directors identifies the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. It shall formulate the criteria for determining qualifications, positive attributes and independence of a director relating to the remuneration for the directors, key managerial personnel and other employees

### TERMS OF REFERENCE

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

### COMPOSITION

The Nomination and Remuneration Committee comprises of 4 members with 3 Independent Directors and 1 Non-Executive Director. Thiru B Narendran, Independent Director is the Chairman of the Committee. During the financial year 2014-15 the Committee met 5 ( five ) times on 28th May 2014, 30th July 2014, 8th September 2014, 14th November 2014 and 10th February 2015

Name	Designation	No. of Meetings Attended	Category
Thiruvalargal B Narendran	Chairman	5	Independent
Ashwin C Muthiah	Member	4	Non-Executive
S Shankar	Member	3	Independent
T K Arun	Member	5	Independent

### DIRECTORS' REMUNERATION DURING 2014-15

Name	Salary & Perquisites (*)	Special Allowance Paid/ Payable	Performance Pay	Sitting Fees
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Thiruvalargal				
Ashwin C Muthiah	-	-	-	1,70,000
G Latha I A S	-	-	-	-
T K Arun **	-	-	-	2,90,000
B Elangovan **	-	-	-	60,000
S Shankar	-	-	-	1,70,000
B Narendran	-	-	-	2,90,000
Harish Chandra Chawla	-	-	-	60,000
Sashikala Srikanth	-	-	-	1,20,000
Sumanjit Chaudhry	-	-	-	1,00,000
S R Ramakrishnan	35,00,000	7,80,000	15,00,000	-
K K Rajagopalan (upto 30th Sept' 2014)	18,72,000	-	-	-

(\*) includes Company's contribution to provident/superannuation fund, gratuity and leave encashment.

(\*\*) sitting fees paid to the financial institution which the Director represent as Nominees.

The Company does not have a scheme for grant of stock options either to the Directors or to its employees. The Non-Executive Directors are paid sitting fees and out-of-pocket expenses for attending meetings of the Board/Committees

Thiru K K Rajagopalan / Thiru S R Ramakrishnan, Whole-time Director are under contract of employment with the Company which stipulates a notice period of three months from either side for early separation. No severance fee is payable to Executive Directors.

## (c) STAKEHOLDERS' RELATIONSHIP COMMITTEE

### TERMS OF REFERENCE

- To monitor the work relating to transfer, transmission, dematerialization, rematerialisation, sub-division / consolidation of shares;
- To issue duplicate share certificates; and
- To ensure that all the investors' grievances and complaints are redressed expeditiously to strengthen the investors' relations.

### COMPOSITION

The Stakeholders' Grievance Committee comprises of 3 Independent Directors. Thiru B Narendran, Independent Director is the Chairman of the Committee. The Committee met 5 (Five) times during the financial year 2014-15, i.e. on 28th May 2014, 30th July 2014, 8th September 2014, 14th Nov 2014 and 10th February 2015.

Name	Designation	No of Meetings attended	Category
Thiruvalargal B Narendran	Chairman	5	Independent
S Shankar	Member	3	Independent
T K Arun	Member	5	Non-Executive

### INVESTOR COMPLAINTS

No. of complaints pending at the beginning of the year	- Nil
No. of complaints received during the year	- Nil
No. of complaints redressed during the year	- N.A.
No. of complaints pending at the end of the year	- N.A.

There were no share transfers pending registration as on 31 March 2015. Thiru M B Ganesh, Secretary, is the Compliance Officer of the Company

## 4. RISK MANAGEMENT COMMITTEE

The Company, as required under the Listing Agreement has Risk Management Committee consisting of two Member viz., T. T K Arun, Director and S R Ramakrishnan, Whole-time Director, who will be the Chairman. Enterprise Risk Management Framework has been formulated and Executive Risk Management Committee headed by Chief Risk Officer would monitor the Risks identified and implementation of the mitigation plans.

## 5. CODE OF CONDUCT

The Code of Conduct applicable to all Board Members, Senior Management Personnel and all the Employees of the Company is a comprehensive code laying down its standards of business conduct, ethics and governance and the compliance of the same has been affirmed by them annually. The details of Code of Conduct is provided in the website of the Company.

## 6. WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour actual or suspected fraud or violation of the company's code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of director(s) / employee(s) who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The details of whistleblower policy have been disclosed in the company's website.

## 7. RECONCILIATION OF SHARE CAPITAL AUDIT

The Company has obtained a certificate from a qualified Practising Company Secretary reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

## 8. ANNUAL GENERAL MEETINGS

Year	Date	Time	Venue
2012	26 September 2012	10.00 A.M.	Rajah Annamalai Hall, Chennai 600 108
2013	2 September 2013	3.00 P.M.	Rajah Annamalai Hall, Chennai 600 108
2014	8 September 2014	10.00 A.M.	Rajah Annamalai Hall, Chennai 600 108

The following special resolutions were passed in the previous three Annual General Meetings:

26 September 2012	<ul style="list-style-type: none"> <li>Appointment and payment of remuneration to Thiru K K Rajagopalan, as the Whole-time Director of the Company for a period of 2 years from 16 November 2011 to 15 November 2013;</li> <li>Issue and allotment of 1,49,10,700 Convertible Warrants on preferential basis to AMI Holdings Private Limited, a company belonging to Promoter group.</li> <li>Issue and allotment of 2,23,66,000 Convertible Warrants on preferential basis to AMI Holdings Private Limited, a company belong to Promoter group;</li> <li>Issue and allotment of 72,631 equity shares on preferential basis to United India Insurance Company Limited, one of the secured lenders of the Company, by way of conversion of the Company's secured debt into equity.</li> </ul>
2 September 2013	No Special Resolution was passed
8 September 2014	<ul style="list-style-type: none"> <li>Re-appointment and payment of Remuneration to Thiru K K Rajagopalan, as Whole-time Director of the Company for a period of one year from 16 November 2013 – 15 Nov 2014;</li> <li>Appointment and payment of remuneration to Thiru S R Ramakrishnan as Whole-time Director for a period of three years from 30 July 2014.</li> <li>Borrowing Powers of Board of Directors U/s 180 (1) (C) of the Companies Act 2013.</li> <li>Creation of Security on the immovable and movable properties of the Company u/s 180(1)(a) of the Companies Act, 2013.</li> <li>Amendments to Article 164 of Articles of Association of the Company.</li> </ul>

No resolution was passed through postal ballot during 2014-15.

No special resolution is proposed to be conducted through postal ballot.

## 9. DISCLOSURES

- There was no materially significant related party transaction i.e., transactions of the Company of material nature, with its promoters, the Directors, or the Management, their subsidiaries or relatives etc., having potential conflict with the interests of the Company at large.
- There is no instance of non-compliance by the Company or penalties/strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- There was no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.
- The Company has established a whistle blower policy for directors and employees to report concerns about unethical behaviour actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.
- Equity Shares of the Company held by Non-Executive Directors as on 31 March 2015: - Thiru Ashwin C Muthiah 45 shares.

## 10. MEANS OF COMMUNICATION

The Financial Results (Unaudited quarterly results and Audited annual results) of the Company are submitted to National Stock Exchange of India Limited in accordance with the requirements of the Listing Agreement and are generally published in a leading newspaper in English language (Business Standard) and Tamil language (Makkal Kural). The Financial Results are also posted on the Company's website [www.spic.in](http://www.spic.in).

## 11. GENERAL SHAREHOLDERS' INFORMATION

- (a) **DATE, TIME AND VENUE OF THE ANNUAL GENERAL MEETING** : 21<sup>st</sup> September 2015 at 4.00 PM at Rajah Annamalai Mandram, Chennai - 600 108.
- (b) **DATES OF BOOK CLOSURE** : 8<sup>th</sup> September 2015 to 21<sup>st</sup> September 2015
- (c) **DIVIDEND DECLARED** : NIL
- (d) **LISTING ON STOCK EXCHANGES** : National Stock Exchange of India Limited

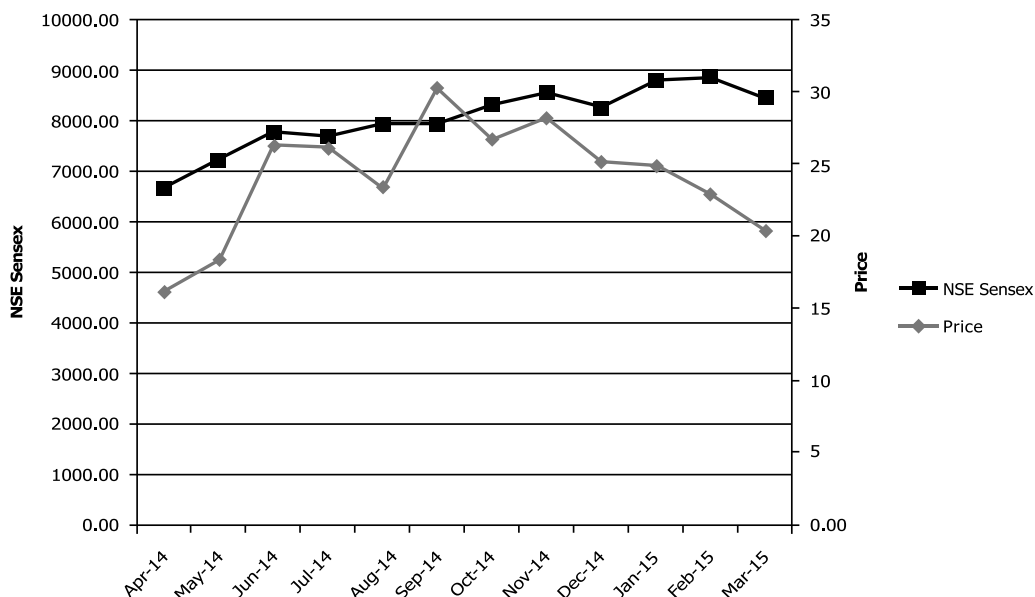
The equity shares of the Company are listed on the National Stock Exchange of India Ltd, Mumbai 400 051 [NSE] [Stock Symbol/ Code: SPIC]. The Global Depository Receipts (GDRs) of the Company are listed at Societe de la Bourse de Luxembourg, Luxembourg (Code : US8436131002). The Company paid the listing fees for the financial year 2014-15 to NSE and Luxembourg Stock Exchange.

Demat International Securities Identification Number (ISIN) for equity shares is INE147A01011.

### (e) MARKET/SHARE PRICE DATA (In Rs.)

Month	14-Apr	14-May	14-Jun	14-Jul	14-Aug	14-Sep	14-Oct	Nov. 14	14-Dec	15-Jan	15-Feb	15-Mar
High	16.15	18.4	26.3	26.2	23.35	30.25	26.7	28.2	25.2	24.9	22.9	20.45
Low	12.2	12.9	16.9	20.25	19.75	20.8	22.7	22.5	20.5	20.05	19.1	16.7

### (f) PERFORMANCE OF SPIC'S EQUITY SHARES VIS-À-VIS THE NSE NIFTY INDEX



### (g) SHARE TRANSFER SYSTEM

The Stakeholders' Relationship Committee approve, inter alia, transfer of shares, transmission of shares etc., in physical form and also ratify the confirmations made to the demat requests and redress complaints from shareholders and investors received by the Company. During the year, 5 (five) meetings were held. The entire process including dispatch of share certificates to the shareholders, were completed within the time stipulated under the Listing Agreement.



**(i) DISTRIBUTION OF SHAREHOLDING AS OF 31 MARCH 2015.**

Sl. No	Range	No. of Shares held	% to paid up Capital	No. of Members	% to total Members
1	Up to 500	86,36,545	4.24	57,292	81.93
2	501-1000	51,82,780	2.55	6,095	8.72
3	1001-2000	48,29,392	2.37	3,032	4.34
4	2001-3000	27,03,152	1.33	1,027	1.47
5	3001-4000	18,81,093	0.92	514	0.74
6	4001-5000	28,82,991	1.42	598	0.86
7	5001-10000	53,21,615	2.61	688	0.98
8	10001 and above	17,22,02,768	84.56	678	0.97
	<b>Total</b>	<b>20,36,40,336</b>	<b>100.00</b>	<b>69,924</b>	<b>100.00</b>

**(ii) SHAREHOLDING PATTERN AS OF 31 MARCH 2015**

Particulars	Equity shares held	% to paid-up Capital
<b>PROMOTERS:</b>		
(a) TIDCO	88,40,000	4.34
(b) Dr M A Chidambaram Group	9,60,41,248	47.16
Financial Institutions & Nationalised Banks	47,31,586	2.32
The Bank of New York Mellon (as depository for Global Depository Receipts)	1,70,66,800	8.38
Foreign Institutional Investors	3,59,563	0.18
Non-Resident Individuals	15,43,914	0.76
Foreign Companies	39,800	0.02
Mutual Funds	35,645	0.02
Public & Others	7,49,81,780	36.82
<b>Total</b>	<b>20,36,40,336</b>	<b>100.00</b>

**(h) OUTSTANDING GDRs/ADRs**

The equity shares of the underlying GDRs are held by The Bank of New York, Mellon, as depository for the GDRs, as shown in the shareholding pattern. The Company has not issued ADRs.

**(i) DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The Company's equity shares are in the compulsory demat segment and are available for trading in the depository systems of National Securities Depository Limited and Central Depository Services (India) Limited. 19,24,44,537 equity shares, constituting 94.50 per cent of the paid-up equity capital of the Company, stood dematerialized as on 31 March 2015. The Company's equity shares are regularly traded on the National Stock Exchange of India Limited in the compulsory demat form.

**(j) NOMINATION OF PHYSICAL SHARES:**

Members holding shares in physical form are requested to nominate a person to whom the shares in the Company shall vest in the event of death. Nomination forms can be downloaded from the Company's website- [www.spic.in](http://www.spic.in) under the Section 'For investors' or on request, will be sent to the Members

**(k) UNCLAIMED SUSPENSE ACCOUNT:**

As on 27 December 2010, 2,06,122 equity shares of 2,315 shareholders were lying unclaimed with the Company. In compliance with legal provisions, the Company has sent 3 reminders, i.e., on 21 January 2011, 21 March 2011 and 1 June 2011. Till date 548 shareholders have claimed their shares and 195 shareholders have reported loss of original allotment letter. The Company is in the process of despatching Indemnity Bonds to those shareholders who have reported loss of allotment letters. The Company will dematerialize the unclaimed shares and keep it in 'Unclaimed Shares Account'. The voting rights on these shares shall remain frozen till the rightful owners claim the shares.

## (l) PLANT LOCATION

Fertilizer Division : SPIC Nagar, Tuticorin 628 005

## (m) FINANCIAL CALENDAR (TENTATIVE)

Financial year : 1 April 2015 to 31 March 2016  
First quarter results : July/August 2015  
Half-yearly results : October/November 2015  
Third quarter results : January/February 2016  
Annual results : May 2016  
45th Annual General Meeting : September 2016

## (n) ADDRESS FOR CORRESPONDENCE

### i) REGISTRAR AND TRANSFER AGENTS

Cameo Corporate Services Ltd.  
"Subramanian Building" 1 Club House Road , Chennai - 600002.  
Tel: 044-28460390 / 28460718; Fax : 044-28460129;  
E-mail : investor@cameoindia.com

### ii) SECRETARIAL DEPARTMENT

Southern Petrochemical Industries Corporation Ltd  
SPIC HOUSE, 88 Mount Road, Guindy, Chennai 600 032  
Phone No.044-22350245; Fax No.044-22352163  
E-mail: (a) General : spiccorp@spic.co.in  
(b) Investor complaints/grievance redressal: shares.dep@spic.co.in

## 10. Non-Mandatory Requirements

The following non-mandatory requirements have been adopted/complied with by the Company

- a. The Company has appointed separate persons for the post of Chairman and Whole-time Director.
- b. The Company has appointed a third party firm as the internal Auditors which carries out the audit and the report is presented to the Audit Committee for review and further directions.

### DECLARATION ON CODE OF CONDUCT

To the Members of Southern Petrochemical Industries Corporation Limited

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, this is to certify that all Members of the Board and designated Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, for the year ended 31 March 2015.

For Southern Petrochemical  
Industries Corporation Limited

Place : Chennai  
Date : 04 August 2015

S R RAMAKRISHNAN  
Whole-time Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****To the Members of Southern Petrochemical Industries Corporation Limited**

We have examined the compliance of conditions of Corporate Governance by Southern Petrochemical Industries Corporation Limited ("the Company") for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Registration Number: 008072S)

BHAVANI BALASUBRAMANIAN  
Partner  
(Membership Number: 22156)

Place: Chennai  
Date: August 4, 2015

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

### Management's Responsibility for the Standalone Financial Statements

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

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to Note No. 27 of the financial statements regarding computation of subsidy based on the provisional Retention Price (RP) in line with the Government's policy dated 7 January 2015, as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, will be made when the final retention price is notified by the Department of Fertilizers.

Our opinion is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Notes 29 (a) and 29 (d) to the financial statements;
  - ii. The company did not have any material foreseeable losses in regard to any long-term contracts including derivative contracts, which have not been provided for;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration Number: 008072S)

**Bhavani Balasubramanian**  
Partner  
(Membership Number: 22156)

Place : Chennai  
Date : 21 May 2015

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) The Company has not accepted any deposits during the financial year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and The Cost Accounting Records (Fertilizer Industry) Rules, 2011 prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
  - Details of dues of Value Added Tax, Service Tax, Excise Duty and Cess which have not been deposited as at 31 March 2015 on account of disputes are given below:

Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lac)
The Central Excise Act, 1944	Excise duty	Commissioner of Central Excise (Appeals) / Customs, Excise and Service Tax Appellate Tribunal	1998-99 to 2006-07	492.18

The Finance Act, 1994	Service Tax	Commissioner of Central Excise(Appeals) / Customs, Excise and Service Tax Appellate Tribunal/Hon'ble Madras High Court	2003-04 to 2011-12	306.39
The Sales Tax Act under various State enactments	Local Sales Tax	Deputy Commissioner (Appeals) / Additional Commissioner (Appeals) / Sales Tax Appellate Tribunal/ Hon'ble Andhra Pradesh and Madras High Court	1996-97 to 2012-13	3769.73

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken loans from financial institutions during the current year and has not issued any debentures.
- (x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Company does not have any term loans.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration Number: 008072S)

**Bhavani Balasubramanian**  
Partner  
(Membership Number: 22156)

Place : Chennai  
Date : 21 May 2015

## BALANCE SHEET AS AT 31 MARCH 2015

(Rupees in lac)

S. No.	Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	<b>21614.03</b>	21614.03
	(b) Reserves and surplus	4	<b>542.82</b>	(1215.86)
			<b>22156.85</b>	20398.17
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	-	5700.04
	(b) Other long-term liabilities	6	<b>3036.22</b>	2804.22
			<b>3036.22</b>	8504.26
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	<b>12019.76</b>	36768.47
	(b) Trade payables	8	<b>90892.45</b>	63519.74
	(c) Other current liabilities	9	<b>4600.98</b>	12566.77
	(d) Short-term provisions	10	<b>362.95</b>	310.39
			<b>107876.14</b>	113165.37
	<b>TOTAL</b>		<b>133069.21</b>	142067.80
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets	11		
	(i) Tangible assets		<b>30006.75</b>	30877.35
	(ii) Capital work-in-progress		<b>1253.63</b>	657.74
			<b>31260.38</b>	31535.09
	(b) Non-current investments	12	<b>3198.42</b>	3198.42
	(c) Long-term loans and advances	13	<b>3948.58</b>	3734.14
			<b>38407.38</b>	38467.65
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	14	<b>13265.81</b>	18374.88
	(b) Trade receivables	15	<b>1970.46</b>	1526.72
	(c) Cash and cash equivalents	16	<b>990.16</b>	1608.41
	(d) Short-term loans and advances	17	<b>77961.25</b>	78083.80
	(e) Other current assets	18	<b>474.15</b>	4006.34
			<b>94661.83</b>	103600.15
	<b>TOTAL</b>		<b>133069.21</b>	142067.80
	<b>See accompanying notes forming part of the financial statements</b>			

For and on behalf of the Board of Directors

In terms of our report attached.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

**BHAVANI BALASUBRAMANIAN**  
Partner

Place : Chennai  
Date : 21 May 2015

**ASHWIN C MUTHIAH**  
Chairman

**S SHANKAR**  
Director

**A V KUMAR**  
Chief Financial Officer

**T K ARUN**  
Director

**S R RAMAKRISHNAN**  
Whole-Time Director

**M B GANESH**  
Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

(Rupees in lac)

S. No	Particulars	Note No.	Year ended 31 March 2015	Year ended 31 March 2014
1	Revenue from operations (gross)	19	209738.91	134715.58
	Less: Excise duty		322.48	168.39
	Revenue from operations (net)		209416.43	134547.19
2	Other income	20	864.01	847.58
3	<b>Total revenue (1+2)</b>		<b>210280.44</b>	<b>135394.77</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	21	126328.29	79485.86
	(b) Changes in inventories of finished goods and work-in-progress	22	(80.01)	(187.08)
	(c) Employee benefits expense	23	4381.42	3730.04
	(d) Finance costs	24	2825.89	2091.82
	(e) Depreciation and amortisation expense	11	3038.53	4367.21
	(f) Other expenses	25	72027.64	47791.74
	<b>Total expenses</b>		<b>208521.76</b>	<b>137279.59</b>
5	<b>Profit / (Loss) before exceptional items and tax (3-4)</b>		<b>1758.68</b>	<b>(1884.82)</b>
6	Exceptional items	26	-	8471.00
7	<b>Profit before tax (5+6)</b>		<b>1758.68</b>	<b>6586.18</b>
8	<b>Tax expense</b>		-	-
9	<b>Profit after Tax (7-8)</b>		<b>1758.68</b>	<b>6586.18</b>
10	<b>Earnings per share of Rs. 10 each</b>	37		
	(a) Basic		0.77	3.15
	(b) Diluted		0.77	3.15
	<b>See accompanying notes forming part of the financial statements</b>			

For and on behalf of the Board of Directors

In terms of our report attached.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

**BHAVANI BALASUBRAMANIAN**  
Partner

Place : Chennai  
Date : 21 May 2015

**ASHWIN C MUTHIAH**  
Chairman

**S SHANKAR**  
Director

**A V KUMAR**  
Chief Financial Officer

**T K ARUN**  
Director

**S R RAMAKRISHNAN**  
Whole-Time Director

**M B GANESH**  
Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	<b>Profit / (Loss) for the year before exceptional items and tax</b>	<b>1758.68</b>	(1884.82)
	Add : Exceptional items		
	Loss on Sale of Investment	-	(5772.15)
	Loss on sale of Business Undertaking	-	(1275.00)
	Provision for Impairment Loss	-	(2289.81)
	Excess Liability written back	-	11692.51
	Provision for diminution in value of investment written back	-	6115.45
	Profit for the year before tax and after exceptional item	<b>1758.68</b>	6586.18
	Adjustment for :		
	Depreciation	<b>3038.53</b>	4367.21
	Loss on sale / retirement of assets (Net)	<b>159.46</b>	21.54
	Loss / (Profit) on sale of Investment	-	5772.15
	Excess liability written back	-	(11692.51)
	Provision for Impairment Loss	-	2289.81
	Provision for doubtful debts and advances	<b>1.86</b>	58.00
	Provisions no longer required written back	<b>(246.29)</b>	(369.78)
	Bad debts and advances written off	<b>0.61</b>	-
	Exchange differences	<b>1413.55</b>	(1101.46)
	Finance Costs	<b>2825.89</b>	2091.82
	Income from investments	<b>(5.75)</b>	(5.90)
	Interest income	<b>(110.95)</b>	(152.16)
	Investment provision written back	-	(6115.45)
	Operating profit before working capital changes	<b>7076.91</b>	(4836.73)
	Adjustments for :	<b>8835.59</b>	1749.45
	(Increase) / Decrease in trade receivables	<b>(438.20)</b>	(164.80)
	(Increase) / Decrease in inventories	<b>5109.07</b>	(12832.54)
	(Increase) / Decrease in long-term loans and advances	<b>(95.68)</b>	(0.46)
	(Increase) / Decrease in short-term loans and advances	<b>120.76</b>	(68894.45)
	(Increase) / Decrease in other current assets	<b>245.29</b>	(0.98)
	Increase / (Decrease) in long-term liabilities	<b>466.54</b>	(283.08)
	Increase / (Decrease) in long-term provisions	-	4.95
	Increase / (Decrease) in trade payables	<b>25964.68</b>	43779.69
	Increase / (Decrease) in other current liabilities	<b>(1336.17)</b>	2118.83
	Increase / (Decrease) in short-term provisions	<b>52.56</b>	(105.26)
	Cash Flow from / (used in) operations	<b>30088.85</b>	(36378.10)
	Direct taxes (paid) / Refund received	<b>38924.44</b>	(34628.65)
		<b>(52.17)</b>	(7.17)
	<b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>38872.27</b>	(34635.82)

Cash Flow Statement (Continued)

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2015		Year ended 31 March 2014	
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>				
	Purchase of fixed assets	(1390.48)		(607.69)	
	Proceeds from sale of fixed assets	0.61		3.77	
	Income from investments	5.75		5.90	
	Proceeds from sale of investments	-		1966.81	
	Interest income	42.86		152.16	
	Bank balances not considered as cash and cash equivalents	(11.52)		(96.69)	
			(1352.78)		1424.26
	<b>NET CASH (USED IN) / FROM INVESTING ACTIVITIES (B)</b>		(1352.78)		1424.26
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>				
	Long term borrowings	-		2835.00	
	Repayment of Long term borrowings	(9982.58)		-	
	Repayment under 391 Scheme	-		(6962.97)	
	Short term borrowings	18904.15		36768.47	
	Repayment of Short term borrowings	(43652.86)		-	
	Deposits paid	-		(0.52)	
	Finance Costs	(3417.97)		(1826.69)	
			(38149.26)		30813.29
	<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES (C)</b>		(38149.26)		30813.29
	<b>NET CASH FLOWS DURING THE YEAR (A+B+C)</b>		(629.77)		(2398.27)
	<b>Cash and cash equivalents (opening balance) *</b>		1251.58		3649.85
	<b>Cash and cash equivalents (closing balance) *</b>		621.81		1251.58
	<b>Disclosure of non cash transactions</b>				
	Purchase of fixed assets	1600.00		-	
	Excess liability written back	-		11692.51	

\* Excludes Margin Money Deposit with Scheduled Banks Rs. 364.51 lac (Previous Year Rs. 324.25 lac) and Escrow account balance of Rs. 3.84 lac (Previous Year Rs. 32.58 lac).

Previous year's figures have been restated, wherever necessary, to conform to this year's classification.

For and on behalf of the Board of Directors

In terms of our report attached.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

**BHAVANI BALASUBRAMANIAN**

Partner

Place : Chennai

Date : 21 May 2015

**ASHWIN C MUTHIAH**

Chairman

**S SHANKAR**

Director

**A V KUMAR**

Chief Financial Officer

**T K ARUN**

Director

**S R RAMAKRISHNAN**

Whole-Time Director

**M B GANESH**

Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### Note 1 CORPORATE INFORMATION

Southern Petrochemical Industries Corporation Limited ('the Company' / 'SPIC'), having its registered office at Chennai is a Public Limited Company, incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange of India. The Company is manufacturing and selling Urea, a Nitrogenous chemical fertilizer and has its manufacturing facility at Tuticorin.

### Note 2 SIGNIFICANT ACCOUNTING POLICIES

#### (i) Basis of Accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April 2006, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### (ii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenditure during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### (iii) Inventories

Inventories are valued at the lower of cost on FIFO / weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty.

#### (iv) Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### (v) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### (vi) Revenue recognition and Other income

- a) Sales are recognised, net of returns on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.
- b) Under the New Pricing Scheme for Urea, the Government of India reimburses, in the form of subsidy, to the Fertilizer Industry, the difference between the cost of production and the selling price realized from the farmers, as fixed by the Government from time to time. This has been accounted on the basis of movement of fertilizer from the factory and receipt of the same at the warehouse / dealer point, as per the procedure prescribed by the Government and not on the basis of ultimate sales. The said amount has been further adjusted for input price escalation / de-escalation as estimated by the Management based on prescribed norms.
- c) Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

#### (vii) Fixed Assets and Depreciation

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up

to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The Company revalued all its Land and Buildings and Plant and Machinery as on 31 March 1996, 31 March 1999, 31 March 2000, 1 April 2002, 1 April 2003 and 31 March 2006. The revalued assets are carried at the revalued amounts less accumulated depreciation until 31 March 2014 and impairment losses, if any.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight line method as per the useful life prescribed in Schedule II of the Companies Act 2013, except in respect of the assets pertaining to Tuticorin manufacturing plant in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Asset	Useful life
Building – Factory	25 - 65 years
Building – Others	45 - 75 years
Plant and Machinery	15 - 49 years
Furniture and Fixtures	12 - 33 years
Vehicles	8 - 26 years
Office Equipments	7 - 38 years
Roads	34 - 44 years
Railway sidings	40 years

#### **Capital work in progress:**

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### **(viii) Foreign Currency Transactions**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

#### **(ix) Investments**

Long-term investments are carried individually at cost less provision for diminution other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

#### **(x) Employee Benefits**

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

#### **a. Defined Contribution Plan**

- (i) The Company contributes a sum of the eligible employees salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognizes such contributions as an expense in the year in which the services are rendered.
- (ii) The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

## **b. Defined Benefit Plan**

The Company makes annual contribution to a Gratuity Fund administered by trustees and managed by LIC. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

## **c. Long Term Compensated Absences**

The Company treats its liability for long-term compensated absences based on actuarial valuation, as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur.

While the long-term compensated absences is treated as long-term employee benefit for measurement purpose, it is presented as current provision in the Balance Sheet since, the Company does not have an unconditional right to defer its settlement for 12 months after its reporting date.

## **d. Short Term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (ii) in case of non-accumulating compensated absences, when the absences occur.

## **(xi) Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

## **(xii) Segment Reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

## **xiii) Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

**(xiv) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

**(xv) Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves, are recognised in reserves and not in the Statement of Profit and Loss.

**(xvi) Impairment of Assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

**(xvii) Provisions and Contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements

**(xviii) Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

**(xix) Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## Note 3 Share Capital

(Rupees in lac)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Authorised:</b>		
31,60,00,000 (31,60,00,000) Equity shares of Rs.10 each	<b>31600.00</b>	31600.00
55,00,000 (55,00,000) Redeemable cumulative preference shares of Rs.100 each	<b>5500.00</b>	5500.00
3,00,00,000 (3,00,00,000) Fully Compulsorily Convertible Preference (FCCP) shares of Rs.18 each	<b>5400.00</b>	5400.00
	<b>42500.00</b>	42500.00
<b>Issued, subscribed and fully paid up:</b>		
20,36,40,336 ( 20,36,40,336 ) Equity shares of Rs.10 each	<b>20364.03</b>	20364.03
3,00,000 (3,00,000) 14.50% Redeemable cumulative non-convertible preference shares of Rs.100 each	<b>300.00</b>	300.00
8,50,000 (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of Rs.100 each	<b>850.00</b>	850.00
1,00,000 (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of Rs.100 each	<b>100.00</b>	100.00
<b>Total</b>	<b>21614.03</b>	21614.03
(Refer Notes 3(i) to 3(iv) below)		

3 (i) There is no movement in the number of equity shares and preference shares during the year and in the previous year.

3 (ii) **Details of Shareholders holding more than 5% shares in the Company**

Class of shares / Name of the shareholder	As at 31 March 2015		As at 31 March 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
FICON Holdings Limited	<b>15682775</b>	<b>7.70</b>	43678229	21.45
The Bank of Newyork Mellon	<b>17066800</b>	<b>8.38</b>	17066800	8.38
AMI Holdings Private Limited	<b>37276700</b>	<b>18.31</b>	37276700	18.31
Lotus Fertilisers Pvt Ltd	<b>27995454</b>	<b>13.75</b>	-	-
<b>Preference Shares</b>				
14.50% Redeemable cumulative non-convertible preference shares				
Bajaj Auto Ltd	<b>300000</b>	<b>100.00</b>	300000	100.00
11.50% Redeemable cumulative non-convertible preference shares				
Punjab and Sind Bank	<b>150000</b>	<b>17.65</b>	150000	17.65
State Bank of Mysore	<b>100000</b>	<b>11.76</b>	100000	11.76
United India Insurance Company Ltd	<b>100000</b>	<b>11.76</b>	100000	11.76
The Jammu and Kashmir Bank Ltd	<b>500000</b>	<b>58.83</b>	500000	58.83
10.00% Redeemable cumulative non-convertible preference shares				
Mrs. Brish Darbari Seth & Mrs Biya Sanjay Thukral	<b>25000</b>	<b>25.00</b>	25000	25.00
Ms Mina Rohit Chand	<b>25000</b>	<b>25.00</b>	25000	25.00
Mrs Dolly Lai	<b>25000</b>	<b>25.00</b>	25000	25.00
Mrs Sindhu Seth	<b>25000</b>	<b>25.00</b>	25000	25.00



**3 (iii) Equity shares include :**

- (a) 1,66,66,666 shares of Rs.10 each fully paid up, issued in the year 2009-10 to Asset Reconstruction Company (India) Ltd., (ARCIL) at an issue price of Rs.18 per share inclusive of a premium of Rs.8 per share in accordance with Issue of Capital and Disclosure Requirements Regulations, 2009 ("SEBI ICDR Regulations") by conversion of secured debts of a sum of Rs. 3000 lac in to equity at the meeting of the Board of Directors held on 30 March 2010.
- (b) 32,14,734 shares of Rs 10 each fully paid up, at an issue price of Rs.19 per share inclusive of premium of Rs. 9 per share in accordance with SEBI ICDR Regulations,2009 allotted to secured lenders on conversion of secured debts of Rs. 610.80 lac at the meeting of the Board of Directors held on 8 November 2010. The above allotment is in pursuant to the approval of the Board at its meeting held on 6 August 2010 and the shareholders at the AGM held on 21 September 2010.
- (c) 1,06,71,001 shares of Rs.10 each fully paid up, at an issue price of Rs. 20 per share inclusive of premium of Rs.10 per share in accordance with SEBI ICDR Regulations, 2009 allotted to ARCIL on conversion of secured debts of Rs. 2134.20 lac at the meeting of the Board of Directors held on 8 December 2010. The above allotment is in pursuant to the approval of the Board at its meeting held on 28 October 2010 and the shareholders at the EGM held on 29 November 2010.
- (d) 12,631 equity shares of Rs.10 each fully paid up issued to Industrial Investment Bank of India, on preferential basis, at an issue price of Rs.19 per share, which includes a premium of Rs.9 per share by way of conversion of secured debt of Rs 2.40 lac, at the meeting of the Shareholders' / Investor's Grievance Committee held on 27 April 2012.
- (e) 72,631 equity shares of Rs.10 each fully paid up issued to United India Insurance Company Ltd., on preferential basis, at an issue price of Rs.19 per share, which includes a premium of Rs.9 per share by way of conversion of secured debt of Rs.13.80 lac, at the meeting of the Shareholders' / Investor's Grievance Committee held on 9 November 2012.
- (f) 3,72,76,700 equity shares of Rs.10 each fully paid up were issued to AMI Holdings Pvt Ltd, a company belonging to promoter group, on preferential basis, at an issue price of Rs.17.50 per share, which included a premium of Rs. 7.50 per share by way of conversion of 3,72,76,700 warrants, at the meeting of Shareholders' / Investor's Grievance Committee held on 10 January 2013 and 13 March 2013.
- (g) 1,70,66,800 equity shares were issued against the Global Depository Receipts (GDRs) and is held by The Bank of New York, Mellon, as depository for the GDRs.

**Terms / rights attached to Equity Shares:**

The company has only one class of equity shares having a par value of Rs.10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.

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

**3 (iv) Preference shares:**

- (a) 14.50% Redeemable cumulative non-convertible preference shares of Rs.300 lac issued on private placement basis, redeemable at par after the expiry of 60 months from the date (s) of allotment, have fallen due for redemption during the year 2001-02.
- (b) 11.50% Redeemable cumulative non-convertible preference shares of Rs.850 lac issued on private placement basis, redeemable at par after the expiry of 36 months from the date (s) of allotment, have fallen due for redemption during the year 2002-03.
- (c) 10.00% Redeemable cumulative non-convertible preference shares of Rs.100 lac issued on private placement basis, redeemable at par after the expiry of 36 months from the date (s) of allotment, have fallen due for redemption during the year 2003-04.

**Terms / rights attached to Preference Shares**

In the event of non-declaration of dividend in respect of any financial year, arrears of dividend will be declared in the subsequent financial years subject to the provisions of the Companies Act and / or any statutory modifications thereto, or re-enactments thereof as may be in force from time to time, prior to payment of dividend on equity shares.

## Note 4 Reserves and Surplus

(Rupees in lac)

Particulars	As at 31 March 2015		As at 31 March 2014	
Capital Reserve		97.24		97.24
Capital Redemption Reserve		6500.00		6500.00
Securities Premium Account		21047.71		21047.71
Debenture Redemption Reserve		3800.00		3800.00
Statutory Reserve		41.33		41.33
(Deficit) in Statement of Profit and Loss				
Opening balance	(32702.14)		(39288.32)	
Add: Profit for the year	1758.68		6586.18	
		(30943.46)		(32702.14)
<b>Total</b>		<b>542.82</b>		<b>(1215.86)</b>

## Note 5 Long-term borrowings

Particulars	As at	
	31 March 2015	31 March 2014
Term loans - Secured		
From Related Parties (Refer Note 35 (ii))	-	5700.04
<b>Total</b>	-	<b>5700.04</b>

## Note 6 Other long-term liabilities

Particulars	As at	
	31 March 2015	31 March 2014
Trade / security deposits received	1283.28	1132.82
Liabilities for expenses	1752.94	1671.40
<b>Total</b>	<b>3036.22</b>	<b>2804.22</b>

## Note 7 Short Term borrowings

Particulars	As at	
	31 March 2015	31 March 2014
Term loans		
From banks- Secured	-	30138.77
From banks- Unsecured	-	6629.70
Loans repayable on demand		
From Related Parties- Unsecured (Refer Note 35(ii))	7022.00	-
From other parties- Unsecured	4997.76	-
<b>Total</b>	<b>12019.76</b>	<b>36768.47</b>

**Note 8 Trade payables**

(Rupees in lac)

Particulars	As at 31 March 2015	As at 31 March 2014
Trade payables:		
Other than acceptances (Refer Note 8(i) below)	90892.45	63519.74
<b>Total</b>	<b>90892.45</b>	<b>63519.74</b>

8(i) There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at 31 March 2015 and as at 31 March 2014 which is on the basis of such parties having been identified by the Management and relied upon by the auditors.

**Note 9 Other current liabilities**

Particulars	As at 31 March 2015	As at 31 March 2014
Current maturities of long-term debt (Refer Note 35 (ii))	-	4282.54
Interest accrued but not due on borrowings	59.04	495.59
Retention Money	29.29	21.37
Other payables		
- Statutory remittances	160.88	177.56
- Payable on purchase of fixed assets (Refer Note 11 (i))	1600.00	-
- Trade / security deposits received	229.44	1193.67
- Interest accrued on security deposit	41.97	197.50
- Advances from customers and other parties	2119.73	4853.23
- Gratuity payable (Refer Note 30 (ii))	144.82	86.77
- Superannuation fund payable	215.81	164.90
- Other claims payable	-	1093.64
<b>Total</b>	<b>4600.98</b>	<b>12566.77</b>

**Note 10 Short-term provisions**

Particulars	As at 31 March 2015	As at 31 March 2014
Provision for employee benefits:		
- Provision for compensated absences (Refer Note 30 (iii))	362.95	310.39
<b>Total</b>	<b>362.95</b>	<b>310.39</b>

**Note 11.Fixed Assets (Previous Year's figures are given in brackets)**


Particulars	Gross block						Accumulated depreciation and impairment				Net block		
	Opening Balance as at 1 April, 2014	Additions/ Adjustments	Deletions/ Adjustments	Reclassified as held for sale	Closing Balance as at 31 March, 2015	Opening Balance as at 1 April, 2014	Additions/ Adjustments	Impairment Loss	Deletions/ Adjustments	Eliminated on reclassification as held for sale 31 March, 2015	Closing Balance as at 31 March, 2015	As at 31 March, 2015	As at 31 March, 2014
<b>Tangible Assets - Owned</b>													
(a) Land - Freehold	3429.54 (5899.28)	1262.97** (-)	- (-)	- (2469.74)	4692.51 (3429.54)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	4692.51 (3429.54)	3429.54 (5899.28)
(b) Buildings	7294.81 (12847.66)	337.03** (-)	- (-)	- (5552.85)	7631.84 (7294.81)	4240.86 (6074.43)	124.70 (164.45)	- (2201.23)	- (-)	- (4199.25)	4365.56 (4240.86)	3266.28 (3053.95)	3065.95 (6773.23)
(c) Plant and Equipment	121490.01 (121478.04)	620.80 (145.33)	691.02 (91.46)	- (41.90)	121419.79 (121490.01)	98695.43 (94873.91)	2667.02 (3934.99)	- (1.80)	561.59 (73.37)	- (41.90)	100800.86 (98695.43)	20618.93 (22794.58)	22794.58 (26604.13)
(d) Furniture and Fixtures	456.09 (460.30)	0.60 (-)	159.41 (4.21)	- (-)	297.28 (456.09)	429.01 (427.54)	6.96 (5.65)	- (-)	152.25 (4.18)	- (-)	283.72 (429.01)	13.56 (27.08)	27.08 (32.76)
(e) Vehicles	150.32 (157.68)	33.01 (8.36)	7.98 (15.72)	- (-)	175.35 (150.32)	113.03 (116.38)	8.04 (9.64)	- (-)	7.47 (12.99)	- (-)	113.60 (113.03)	61.75 (37.29)	37.29 (41.30)
(f) Office equipments	6873.88 (7131.03)	73.58 (15.85)	570.15 (46.53)	- (226.47)	6377.31 (6873.88)	5750.17 (5700.90)	201.24 (231.03)	- (86.78)	547.19 (42.07)	- (226.47)	5404.22 (5750.17)	973.09 (1123.71)	1123.71 (1430.13)
(g) Roads	218.41 (218.41)	- (-)	- (-)	- (-)	218.41 (218.41)	132.99 (125.73)	16.75 (7.26)	- (-)	- (-)	- (-)	149.74 (132.99)	68.67 (85.42)	65.42 (92.68)
(h) Railway Sidings	582.26 (582.26)	- (-)	- (-)	- (-)	582.26 (582.26)	256.48 (242.29)	13.82 (14.19)	- (-)	- (-)	- (-)	270.30 (256.48)	311.96 (325.78)	325.78 (339.97)
<b>TOTAL</b>	140495.32 (148774.66)	2327.99 (169.54)	1428.56 (157.92)	- (8290.96)	141394.75 (140495.32)	109617.97 (107561.18)	3038.53 (4367.21)	- (2289.81)	1268.50 (132.61)	- (4467.62)	111385.00 (109617.97)	30006.75	30877.35
Capital Work-in-progress												1253.63	657.74

\*\* Refer Note 11(i) below.

- 11(i) The prospects for Tissue Culture business has shown significant improvement recently and the Company has decided to focus on the agri divisions operations which has necessitated taking repossession of the related land and building handed over in 2011-12, from the purchaser.

#### 11(ii) Depreciation

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1 April 2014, the Company also revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II other than the assets pertaining to Tuticorin manufacturing plant for which depreciation has been provided based on the useful life of assets determined by a technical evaluation. Management believes that the revised useful life of the assets reflect the period over which these assets are to be used. Further, assets individually costing Rs. 5000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life for the respective category of assets.

The details of previously applied depreciation rates are as follows

Asset	Previous depreciation rate as per Schedule XIV to the Act, 1956	Revised useful life as per Schedule II to the Companies Act, 2013	Assets pertaining to Tuticorin plant (Useful life)
Buildings – Factory	3.34%/ ~28 years	30 years	25 - 65 years
Building – Others	1.63%/ ~58 years	60 years	45 - 75 years
Plant and Machinery	5.28%/ ~18 years	15 years	15 - 49 years
Furniture and Fixtures	6.33%/ ~15 years	10 years	12 - 33 years
Vehicles	9.50%/ ~10 years	8 years	8 - 26 years
Office equipments	4.75%/ ~20 years	5 years	7 - 38 years
Roads	1.63%/ ~58 years	10 years	34 - 44 years
Railway sidings	4.75%/ ~20 years	15 years	40 years

Consequent to the change in the useful life of the assets as given above, the depreciation expense in the Statement of Profit and Loss for the year is lower by Rs. 1179.22 lac, which is net of depreciation on the assets where the remaining useful life was determined as Nil as on 1 April 2014.

#### 11. (iii) Asset Held for Sale:

Certain assets of the Company were identified as held for sale in the previous year. The details of assets held for sale, are as below (also refer Note 18):

(Rupees in lac)

Details of Fixed Assets Held for Sale	As at 31 March 2015	As at 31 March 2014
Land – Freehold*	223.34	2469.74
Building*	-	1353.60
<b>Total</b>	<b>223.34</b>	<b>3823.34</b>

\* During the year the Company has completed the sale of Land and Building for the total consideration of Rs. 3600 lac and the sale has been registered on 5 June 2014.

#### Note 12 Non-Current Investments

(Rupees in lac)

Particulars	As at 31 March 2015			As at 31 March 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>NON-CURRENT INVESTMENTS (At cost)</b>						
<b>A Trade Investments (unless otherwise stated)</b>						
<b>(i) Investment in equity instruments - fully paid up</b>						
<b>(i) of subsidiaries</b>						
- SPIC Fertilizers and Chemicals Limited, Mauritius (Refer Note 12 (i) below)						
3,26,40,000 (3,26,40,000) Equity Shares of USD 1 each	-	18453.62	18453.62	-	18453.62	18453.62
<b>Total Investment in Equity instruments in Subsidiaries</b>	-	<b>18453.62</b>	<b>18453.62</b>	-	18453.62	18453.62
<b>(ii) of associates</b>						
- Tuticorin Alkali Chemicals and Fertilizers Limited (Refer Note 12(ii) below)						
66,80,113 (66,80,113) Equity Shares of Rs. 10 each	1935.67	-	1935.67	1935.67	-	1935.67

Particulars	As at 31 March 2015			As at 31 March 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
- Gold Nest Trading Company Limited 2,49,000 (2,49,000) Equity Shares of Rs. 100 each	-	250.25	250.25	-	250.25	250.25
<b>Total Investment in Equity instruments in Associates</b>	<b>1935.67</b>	<b>250.25</b>	<b>2185.92</b>	1935.67	250.25	2185.92
<b>(iii) of joint venture companies - jointly controlled entities</b>						
- Tamilnadu Petroproducts Limited 1,52,34,375 (1,52,34,375) Equity Shares of Rs. 10 each	1980.47	-	1980.47	1980.47	-	1980.47
- National Aromatics and Petrochemicals Corporation Ltd 25,000 (25,000) Equity Shares of Rs. 10 each	-	2.50	2.50	-	2.50	2.50
<b>Total Investment in Equity instruments in Joint Ventures-Jointly controlled entities</b>	<b>1980.47</b>	<b>2.50</b>	<b>1982.97</b>	1980.47	2.50	1982.97
<b>(iv) of other entities</b>						
- Manali Petrochemicals Limited 10,000 (10,000) Equity shares of Rs. 5 each (Non- trade)	0.68	-	0.68	0.68	-	0.68
- SICAGEN India Limited (Refer Note 12(iii) below) 5,77,681 (5,77,681) Equity Shares of Rs. 10 each (Non-trade)	-	-	-	-	-	-
- State Bank of Bikaner and Jaipur 3,450 (3,450) Equity Shares of Rs. 10 each (Non - trade)	1.86	-	1.86	1.86	-	1.86
- ICICI Bank Limited 1915 (383 of Rs. 10 each) Equity Shares of Rs. 2 each (Non - trade)	0.20	-	0.20	0.20	-	0.20
- SPIC Petrochemicals Limited (Refer Note 12 (iv) below) 25,37,50,009 (25,37,50,009) Equity Shares of Rs. 10 each	-	25375.00	25375.00	-	25375.00	25375.00
- Biotech Consortium India Limited 2,50,000 (2,50,000) Equity Shares of Rs. 10 each (Non-trade)	-	25.00	25.00	-	25.00	25.00
- Chennai Willington Corporate Foundation 50 (50) Equity Shares of Rs. 10 each costing Rs. 450 (Non-trade)	-	0.00	0.00	-	0.00	0.00
- Mercantile Ventures Limited 92,20,000 (92,20,000) Equity Shares of Rs. 10 each (Non-trade)	922.00	-	922.00	-	922.00	922.00
<b>Total Investment in Equity instruments in other entities</b>	<b>924.74</b>	<b>25400.00</b>	<b>26324.74</b>	2.74	26322.00	26324.74
<b>(II) Investment in preference shares - fully paid up</b>						
<b>(i) of associates</b>						
- Tuticorin Alkali Chemicals and Fertilisers Limited 20,00,000 (20,00,000) 5% Redeemable Cumulative Preference Shares of Rs. 100 each	-	2000.00	2000.00	-	2000.00	2000.00
<b>Total Investment in preference shares in associates</b>	-	<b>2000.00</b>	<b>2000.00</b>	-	2000.00	2000.00
<b>(ii) of other entities</b>						
- SPIC Petrochemicals Limited (Refer Note 12 (iv) below) 5,000 (5,000) 8% Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100 each	-	5.00	5.00	-	5.00	5.00
<b>Total Investment in preference shares in other entities</b>	-	<b>5.00</b>	<b>5.00</b>	-	5.00	5.00

## Non-Current Investments (Continued)

(Rupees in lac)

Particulars	As at 31 March 2015			As at 31 March 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>(B) Other Investments</b>						
<b>(I) Investment in bonds - fully paid up of other entities</b>						
- SPIC Petrochemicals Limited* (Refer Note 12 (iv) below) [Zero interest non-transferable bonds] * Repayable in ten equal half-yearly instalments after 12 years from the commencement of commercial production or total re-payment of the term loan to the lenders whichever is earlier. The carrying value of this investment has been fully provided for.	-	30609.63	30609.63	-	30609.63	30609.63
<b>Total Investment in Bonds</b>	-	30609.63	30609.63	-	30609.63	30609.63
<b>(II) Investment in mutual funds</b>						
- Canara Robecco Equity Diversified - Growth Plan (formerly known as Canara Robecco Fortune 94 units) 12,760 (12,760) Units of Rs. 10 each	-	1.00	1.00	-	1.00	1.00
<b>Total Investment in Mutual Funds</b>	-	1.00	1.00	-	1.00	1.00
<b>GROSS VALUE OF INVESTMENTS</b>	4840.88	76722.00	81562.88	3918.88	77644.00	81562.88
Less: Provision for diminution in value of investments	1668.46	76696.00	78364.46	1668.46	76696.00	78364.46
<b>NET VALUE OF INVESTMENTS</b>	3172.42	26.00	3198.42	2250.42	948.00	3198.42
Aggregate amount of quoted investments			3172.42			2250.42
Aggregate market value of quoted investments			4760.92			1892.76
Aggregate amount of unquoted investments			26.00			948.00

**12 (i)** The Company's investments included Rs.18453.62 lac (Previous year Rs.18453.62 lac) in equity share capital of SPIC Fertilizer and Chemicals Limited, Mauritius (SFCL, Mauritius), which had invested in a wholly owned subsidiary company, viz. SPIC Fertilizers and Chemicals FZE, Dubai (SFC FZE, Dubai) in the earlier years, whose objective was production of ammonia and urea in Jebel Ali Free Zone, Dubai. Since the project did not materialize due to non allocation of gas, the said subsidiary company had commenced activities for dismantling the existing plant and machinery at the project site with a view to relocate the same where assured gas supply could be obtained.

As Jebel Ali Free Zone Authorities (JAFZA) had taken over the assets of SPIC Fertilizers and Chemicals (SFC) FZE, Dubai, the holding company SFCL Mauritius lost control over the subsidiary. Full provision has been made for these investments in earlier years. The Company is considering writing off the investments in SFCL Mauritius and is in the process of getting the approval of the concerned Regulatory Authorities to write off the aforesaid investment in the books of account.

**12(ii)** The Company has given an undertaking to the lenders of Tuticorin Alkali Chemicals and Fertilisers Limited for non disposal of its shareholdings in the said Company without their prior approval.

**12(iii)** Consequent to the Scheme of Arrangement (Demerger) between SICAL Logistics Limited and SICAGEN India Limited, sanctioned by the Hon'ble High Court of Madras, by its order dated 20 December 2007, the Company was allotted 5,77,681 Equity Shares of the face value of Rs.10 each in SICAGEN India Limited.

**12(iv)** The Company promoted SPIC Petrochemicals Limited (SPIC Petro) in 1994-95 for the manufacture of Polyester Filament Yarn and Purified Terephthalic Acid. The Company had invested Rs.25375.00 lac in the equity share capital, Rs.5.00 lac in 8% redeemable cumulative non convertible preference share capital, Rs.30609.63 lac in Unsecured Zero Interest Bonds redeemable after 12 years from the date of commencement of commercial production. Consequent to the litigation between Chennai Petroleum Corporation Limited (CPCL) and the Company and winding up petitions filed by certain unsecured creditors, the Hon'ble Madras High Court ordered the winding up of the Company on 17 April 2009.

Against the above winding up order, SPIC Petro filed an appeal before the Division Bench of the Hon'ble Madras High Court. The Division Bench of the Hon'ble Madras High Court, dismissed the appeal on 26 April 2010. Meanwhile, ARCIL issued a notice on 19 March 2009, u/s 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), directing SPIC Petro to make payment of the dues to ARCIL within sixty days from the date of the notice. As SPIC Petro could not make the payment, ARCIL took over the possession of the assets of SPIC Petro, under SARFAESI Act on 13 May 2010. Consequent to the above, the nominee directors of SPIC Limited have ceased to be directors of SPIC Petro with effect from 14 May 2010. Hence the Company had lost its control over SPIC Petro and full provision had already been made in the earlier years for the carrying value of investments and also for all other dues from this Company.

## Note 13 Long-term loans and advances

(Unsecured, Considered Good unless otherwise stated)

(Rupees in lac)

Particulars	As at 31 March 2015		As at 31 March 2014	
Capital advances		<b>289.43</b>		222.84
Deposits				
Considered good	<b>3168.67</b>		3147.48	
Doubtful	<b>35.78</b>		35.78	
	<b>3204.45</b>		3183.26	
Less: Provision for doubtful deposits	<b>35.78</b>		35.78	
		<b>3168.67</b>		3147.48
Loans and advances to employees				
Considered good	<b>0.60</b>		3.03	
Doubtful	<b>5.35</b>		5.35	
	<b>5.95</b>		8.38	
Less: Provision for doubtful loans and advances	<b>5.35</b>		5.35	
		<b>0.60</b>		3.03
Advance income tax (Net of provisions Rs. 4135.56 lac (previous year Rs. 4135.56 lac))		<b>412.96</b>		360.79
Balances with government authorities				
Considered good	<b>76.92</b>		-	
Doubtful	<b>210.22</b>		210.22	
	<b>287.14</b>		210.22	
Less: Provision for doubtful receivables	<b>210.22</b>		210.22	
		<b>76.92</b>		-
<b>Total</b>		<b>3948.58</b>		3734.14

## Note 14 Inventories (At lower of cost and net realisable value)

Particulars	As at 31 March 2015		As at 31 March 2014	
Raw materials	<b>6789.73</b>		12359.55	
Goods-in-transit	<b>4336.11</b>		-	
		<b>11125.84</b>		12359.55
Work-in-progress (Refer Note 14(i) below)		<b>132.87</b>		224.09
Finished goods		<b>298.79</b>		127.56
Stores and spares	<b>1139.62</b>		1506.45	
Goods-in-transit	<b>0.45</b>		12.55	
		<b>1140.07</b>		1519.00
Loose tools		<b>12.55</b>		14.40
Fuel Oil		<b>555.69</b>		4130.28
<b>Total</b>		<b>13265.81</b>		18374.88

### 14 (i) Details of work-in-progress

Particulars	As at	
	31 March 2015	31 March 2014
Tissue Culture	<b>51.71</b>	101.72
Urea	<b>81.16</b>	122.37
<b>Total</b>	<b>132.87</b>	224.09



**Note 15 Trade receivables**

(Unsecured, Considered Good unless otherwise stated)

(Rupees in lac)

Particulars	As at 31 March 2015		As at 31 March 2014	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Refer Note 15(i) below)				
Considered good	<b>1361.51</b>		929.65	
Doubtful	<b>781.14</b>		807.01	
	<b>2142.65</b>		1736.66	
Less: Provision for doubtful trade receivables	<b>781.14</b>		807.01	
		<b>1361.51</b>		929.65
Other Trade receivables - Considered good		<b>608.95</b>		597.07
<b>Total</b>		<b>1970.46</b>		1526.72

**15 (i)** Trade receivables of Rs.1,494.42 lac and Short term loans and advances of Rs.54.64 lac (net of provision of Rs.702.45 lac created in earlier years) represent dues receivable from an associate company. The Company is pursuing the settlement of dues and a Memorandum of Understanding has been executed with the associate company.

**Note 16 Cash and cash equivalents**

Particulars	As at 31 March 2015	As at 31 March 2014
Cash on hand	<b>7.45</b>	4.06
Cheques, drafts on hand	-	0.53
Balances with banks		
- In current accounts	<b>613.53</b>	1246.19
- In EEFC accounts	<b>0.83</b>	0.80
- In earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	<b>364.51</b>	324.25
-Balance in Escrow Account	<b>3.84</b>	32.58
<b>Total</b>	<b>990.16</b>	1608.41
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statement is	<b>621.81</b>	1251.58

## Note 17 Short-term loans and advances

(Unsecured, Considered Good unless otherwise stated)

(Rupees in lac)

Particulars	As at 31 March 2015		As at 31 March 2014	
Loans and advances to related parties (Refer Note 15(i) & 35 (ii))				
Considered good	54.74		51.82	
Doubtful	4282.70		4279.05	
	4337.44		4330.87	
Less: Provision for doubtful loans and advances	4282.70		4279.05	
		54.74		51.82
Loans and advances to employees				
Considered good	1.46		0.26	
Doubtful	18.37		18.37	
	19.83		18.63	
Less: Provision for doubtful loans and advances	18.37		18.37	
		1.46		0.26
Prepaid expenses		148.65		259.33
Subsidy Receivable (Refer Note 27(ii))		76740.35		76737.79
Balances with government authorities				
Considered good	616.11		581.39	
Doubtful	37.40		37.40	
	653.51		618.79	
Less: Provision for doubtful receivables	37.40		37.40	
		616.11		581.39
Advances to Suppliers		148.92		125.70
Loans and Advances to other parties				
Considered good	251.02		327.51	
Doubtful	435.71		637.13	
	686.73		964.64	
Less: Provision for doubtful loans and advances	435.71		637.13	
		251.02		327.51
<b>Total</b>		<b>77961.25</b>		<b>78083.80</b>

**Note 18 Other current assets**

(Rupees in lac)

Particulars	As at 31 March 2015		As at 31 March 2014	
Interest accrued on deposits		250.72		182.62
Others				
- Insurance claims				
Considered good	0.09		0.08	
Doubtful	0.71		0.71	
	0.80		0.79	
Less: Provision for doubtful claims	0.71		0.71	
		0.09		0.08
- Fixed assets held for sale (Refer Note 11 (iii))		223.34		3823.34
- Others receivables				
Considered good	-		0.30	
Doubtful	6.58		79.17	
	6.58		79.47	
Less: Provision for doubtful receivables	6.58		79.17	
		-		0.30
<b>Total</b>		<b>474.15</b>		<b>4006.34</b>

**Note 19 Revenue from operations**

Particulars	Year ended	Year ended
	31 March 2015	31 March 2014
Sale of products	27585.08	16185.33
Subsidy Income (Refer Note 27(ii))	181081.55	117357.61
Sales (Refer Note 19 (i) below)	208666.63	133542.94
Other operating revenues (Refer Note 19 (ii) below)	1072.28	1172.64
	209738.91	134715.58
Less: Excise duty	322.48	168.39
<b>Total</b>	<b>209416.43</b>	<b>134547.19</b>

**19 (i) Sales**

Particulars	Year ended	Year ended
	31 March 2015	31 March 2014
<b>Manufactured goods</b>		
Urea	26359.45	15472.33
Fertiliser and Transport Subsidy (Urea)	181081.55	117357.61
Others	1225.63	713.00
<b>Total</b>	<b>208666.63</b>	<b>133542.94</b>

**19 (ii) Other Operating Revenues**

Particulars	Year ended	Year ended
	31 March 2015	31 March 2014
Facility Sharing Income	975.27	859.97
Sale of scrap	75.11	140.45
Others	21.90	172.22
<b>Total</b>	<b>1072.28</b>	<b>1172.64</b>

## Note 20 Other income

(Rupees in lac)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest income (Refer Note 20 (i) below)	110.95	152.16
Dividend income - from long-term investments	5.75	5.90
Liabilities / Provisions no longer required written back	246.29	369.78
Rental Income	66.65	217.27
Profit on sale of assets (Net)	0.99	-
Bad debts written off in earlier year, now recovered	233.11	-
Others	200.27	102.47
<b>Total</b>	<b>864.01</b>	<b>847.58</b>

### 20 (i) Interest income

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest from banks deposits	20.82	29.39
Other interest	90.13	122.77
<b>Total</b>	<b>110.95</b>	<b>152.16</b>

## Note 21 Cost of materials consumed

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Naphtha		
Opening stock	12359.55	2510.89
Add: Purchases	120758.47	89334.52
	133118.02	91845.41
Less: Closing stock	6789.73	12359.55
<b>Total</b>	<b>126328.29</b>	<b>79485.86</b>

## Note 22 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>Inventories at the beginning of the year:</b>		
Finished goods	127.56	100.88
Work-in-progress	224.09	63.69
	351.65	164.57
<b>Inventories at the end of the year:</b>		
Finished goods	298.79	127.56
Work-in-progress	132.87	224.09
	431.66	351.65
<b>Net (Increase)</b>	<b>(80.01)</b>	<b>(187.08)</b>

## Note 23 Employee benefits expense

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Salaries and wages	3379.44	3115.13
Contributions to provident and other funds	623.98	241.59
Staff welfare expenses	378.00	373.32
<b>Total</b>	<b>4381.42</b>	<b>3730.04</b>

**Note 24 Finance costs**

(Rupees in lac)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest expense on:		
- Borrowings	<b>2156.14</b>	1482.29
- Trade payables / Trade advances	<b>370.56</b>	336.90
- Deposits	<b>181.30</b>	167.05
- Others	<b>33.52</b>	21.22
Other borrowing costs	<b>84.37</b>	84.36
<b>Total</b>	<b>2825.89</b>	2091.82

**Note 25 Other expenses**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Consumption of stores and spare parts	<b>843.63</b>	380.32
Packing, transportation and handling	<b>8904.57</b>	4877.98
Power and fuel	<b>51782.59</b>	35101.44
Water	<b>1751.51</b>	648.39
Rent	<b>466.38</b>	423.48
Repairs to		
- Buildings	<b>339.40</b>	296.77
- Machinery	<b>962.33</b>	782.98
- Others	<b>324.23</b>	240.84
	<b>1625.96</b>	1320.59
Insurance	<b>213.01</b>	228.39
Rates and taxes	<b>324.17</b>	292.18
Travelling and conveyance	<b>315.32</b>	248.35
Marketing service charges	<b>448.28</b>	374.16
Rebates and discount	<b>1773.76</b>	1298.52
Sales promotion expenses	<b>24.46</b>	1.58
Professional fees	<b>375.27</b>	400.67
Payment to auditors (Refer Note 25 (i) below)	<b>35.14</b>	41.73
Bad trade and other receivables, loans and advances written off	<b>292.42</b>	111.94
Less: Transfer from Provision	<b>291.81</b>	111.94
	<b>0.61</b>	-
Loss on sale of assets (Net)	-	21.54
Assets written off	<b>160.45</b>	-
Net loss on foreign currency transactions and translation	<b>2487.07</b>	1324.73
Provision for doubtful trade and other receivables, loans and advances (net)	<b>1.86</b>	58.00
Director's sitting fees	<b>12.60</b>	8.00
Miscellaneous expenses	<b>481.00</b>	741.69
<b>Total</b>	<b>72027.64</b>	47791.74

## 25 (i) Payment to Auditors

(Rupees in lac)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Payments to the auditors comprises (net of service tax input credit, where applicable):		
- As auditors - statutory audit	20.00	20.00
- For other services	14.20	21.05
- Reimbursement of expenses	0.94	0.68
<b>Total</b>	<b>35.14</b>	<b>41.73</b>

## Note 26 Exceptional items

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Excess liability written back	-	11692.51
Loss on sale of investment	-	(5772.15)
Impairment loss	-	(2289.81)
Loss on Sale of Business Undertaking	-	(1275.00)
Investment provision write back	-	6115.45
<b>Total</b>	<b>-</b>	<b>8471.00</b>

## Note 27 Plant Operation

- (i) Under the Modified New Pricing Scheme III the Department of Fertilizers had issued a directive mandating the Naphtha based fertilizer plants to switch over to gas based operations and that the Naphtha based plants, would be eligible for subsidy only upto 30 September 2014. In view of the above, the Ammonia and Urea Plants were stopped on 1 October 2014 and critical repair works were carried out and completed.

Government of India vide its notification dated 7 January 2015 had permitted the Company to produce Urea using Naphtha as feedstock for a period of 100 days from the date of notification i.e. upto 16 April 2015 and that the subsidy would be paid based on the Retention Price computed on the lower of naphtha or RLNG price. The Ammonia and Urea Plants recommenced operations from 7 January 2015. The Company has since shut down the plant on 17 April 2015 for carrying out maintenance work as may be required during the period of non-operation of the Urea plant.

The Company had filed a writ petition with the Hon'ble Delhi High Court on 20 April 2015. The Company has obtained an Order of the Hon'ble Delhi High Court dated 24 April 2015 which permits the Company to continue to get the subsidy till further orders are passed by the Cabinet Committee of Economic Affairs on the proposal made by the Ministry of Chemicals and Fertilizers recommending payment of subsidy till gas connectivity is established. The company has commenced the urea production on 20 May 2015.

- (ii) Subsidy for the period January 2015 to March 2015 of Rs. 36883.95 lac has been accounted based on the provisional Retention Price (RP) computed in line with the Government's policy dated 7 January 2015, as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, will be made when the final retention price is notified by the Department of Fertilizers.

## Note 28 Commitments

Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 1507.02 lac (Previous year Rs. 1029.66 lac).

## Note 29 Contingent Liabilities

- (a) Claims not acknowledged as debts

- (i) The District Collector, Tuticorin vide his letter dated, 21 August 2009 had demanded Rs. 16873.97 lac (Previous year Rs.16873.97 lac) towards lease rent for the utilization of 415.19 acres of sand quarry poramboke lands by the Company for its effluent treatment and storage of Gypsum for the period from 1975 to 2008. While raising this demand, the District Collector had ignored the proposal submitted by the Company during 1975 to the State Government seeking assignment of the said land which is still pending. The Company had filed a writ petition challenging the demand before the Hon'ble

Madras High Court and the court granted interim stay vide its order dated 21 April 2010 on further proceedings. During November 2010 the District Collector, Tuticorin has filed a counter before Hon'ble Madras High Court praying for the vacation of interim stay and the case is still pending.

- (ii) Tamilnadu Water Supply And Drainage Board (TWAD) has claimed payments for the period during which the Nitrogenous plants were not in operation, on the basis of 50% allotted quantity of water. The Company alongwith other beneficiaries has been enjoying this facility since inception of the 20 MGD Scheme for the last 39 years. Water Charges were paid to TWAD on the basis of actual receipt by individual industries. The claims including interest made by TWAD for Rs.2272.22 lac (Previous year Rs.1983.91 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2015 is not supported by any Government Order and also the other beneficiaries are objecting to such claims of TWAD.
  - (iii) The Company has received a demand from VOC Port Trust towards increase in rental charges from 1 July 2007 onwards. The amount payable as on 31.03.2015 is Rs.606.16 lac (from 01.07.2007 to 31.03.2015). The Company obtained an injunction from the Madurai Bench of the Hon'ble Madras High Court against the claim made by the VOCPT and the stay has been granted till 10 June 2015.
  - (iv) The Superintending Engineer, Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO), Cuddalore, vide letter dated 19 April 2012 has claimed Rs. 155.48 lac (Previous year Rs. 155.48 lac) towards outstanding dues relating to the erstwhile Pen-G unit of the Pharmaceutical Division at Cuddalore. The Company has requested TANGEDCO authorities to inform the basis of the above claim for taking further action.
  - (v) Other claims against the Company, which are being disputed / challenged before the Courts – Rs. 3132.08 lac (Previous year Rs. 3132.08 lac). In respect of the above claims, the Company is of the view that there are reasonable chances of successful outcome of the Appeals / Petitions filed before the Hon'ble Madras High Court / Government Authorities and accordingly no further provision is considered necessary.
- (b) Guarantees / Security given to Banks / Financial Institutions on behalf of other companies Rs. 4500 lac (Previous year Rs.4500 lac)
- (c) Other Bank Guarantees outstanding Rs. 31.78 lac (Previous year Rs. 31.78 lac).
- (d) Cumulative amount of Preference Dividend and Dividend Tax thereon not provided for the period from 1 April 2001 to 31 March 2015 is Rs. 2824.03 lac (Previous year Rs. 2641.99 lac)
- (e) No provision has been considered necessary by the Management for the following disputed Excise duty, Service tax, Sales Tax, Electricity tax and Employees State Insurance demands which are under various stages of appeal proceedings. The Company has been advised that there are reasonable chances of successful outcome of the appeals and hence no provision is considered necessary for these demands.

(Rupees in lac)

Name of the Statute	As at 31 March 2015	As at 31 March 2014
The Central Excise Act, 1944	537.01	537.01
The Finance Act, 1994 ( Service Tax)	359.01	347.40
Sales Tax Act under various State enactments	3904.82	925.32
The Tamilnadu Electricity (Taxation on Consumption) Act, 1962	1050.54	1050.54
Employees State Insurance Act, 1948*	12141.78	11793.55
<b>Total</b>	<b>17993.16</b>	<b>14653.82</b>

\* Includes disputes relating to the period 1977 to 1992 decided by the ESI Court in favour of the Company against which the Employees State Insurance Corporation has gone on an appeal before the Hon'ble Madras High Court.

Out of the above demand of Rs.17993.16 lac (Previous year Rs.14653.82 lac), an amount of Rs.918.63 lac (Previous year Rs.902.43 lac) has been deposited under protest / adjusted by relevant authorities.

### Note 30 Employee benefit plans

#### i) Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year the Company recognized Rs.178.16 lac (Previous year Rs.174.92 lac) for Provident Fund contributions, Rs. 117.25 lac (Previous year Rs.66.67 lac) for Superannuation Fund contributions and Rs.3.44 lac (Previous year Rs. 4.08 lac) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

## ii) Defined benefit plans – Gratuity

### a) Movement of Gratuity

#### Change in benefit obligations:

(Rupees in lac)

Particulars	2014-15	2013-14
Projected Benefit Obligation at the beginning of the year	845.75	1083.94
Service cost	55.37	50.96
Interest cost	72.81	71.69
Actuarial Loss / (Gain)	198.59	14.63
Benefits paid	(91.31)	(375.47)
Projected Benefit Obligation at the end of the year	1081.21	845.75
<b>Amount recognised in the Balance Sheet:</b>		
Projected benefit obligation at the end of the year	1081.21	845.75
Fair value of plan assets at the end of the year	936.39	758.98
Liability recognised in the Balance Sheet	144.82	86.77

Particulars	2014-15	2013-14
Cost of defined benefit plan for the year		
Current service cost	55.37	50.96
Interest on obligation	72.81	71.69
Expected return on plan assets	(72.30)	(82.66)
Net actuarial gain / (loss) recognized in the year	182.17	89.58
Net cost recognized in the Statement of Profit and Loss (included under Contributions to provident and other funds) Refer Note 23	238.05	129.57

#### Change in Plan assets:

Particulars	2014-15	2013-14
Fair value of plan assets at the beginning of the year	758.98	1085.74
Expected return on plan assets	72.30	82.66
Contribution	180.00	41.00
Benefits paid (claim settled)	(91.31)	(375.47)
Actuarial gain / (loss) on plan assets	16.42	(74.95)
Fair value of plan assets at the end of the year	936.39	758.98

### b) Actuarial assumptions

Particulars	2014-15	2013-14
Discount Rate	7.80%	9.10%
Salary escalation rate	7.50%	7.50%
Demographic assumptions – Mortality	IALM (2006-08) UIt	IALM (2006-08) UIt
Demographic assumptions – Withdrawal	4%	3%
Experience adjustments (Details disclosed to the extent available):		
Experience adjustments on plan liabilities – (loss) / gain	(76.28)	(113.39)
Experience adjustments on plan assets – (loss) / gain	(74.94)	16.42

Estimates of future salary increase take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



The discount rate is based on the prevailing market yield of Government of India securities as at the balance sheet date for the estimated term of the obligation.

In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Estimate of amount of contribution in the immediate next year is Rs. 42 lac (Previous year is Rs. 56.40 lac)

### iii) **Compensated absences**

The assumptions used for computing accumulated compensated absences on actuarial basis are as follows:

Particulars	2014-15	2013-14
Discount Rate	7.80%	9.10%
Salary escalation rate	7.50%	7.50%
Attrition rate	4%	3%

### Note 31 (i) Expenditure in Foreign Currency

(Rupees in lac)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Royalty	42.39	75.02
Professional & Consultancy Fees	219.49	191.27
Finance and Other Charges	256.15	59.68
Other matters	19.36	123.68

### Note 31 (ii) Earnings in Foreign Currency

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Export on FOB basis	-	66.67
Other income	35.87	-

### Note 31 (iii) Value of Imports calculated on CIF Basis

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Raw Materials (C&F)	111128.96	55368.68
Fuel Oil (C&F)	32936.30	24920.37
Components & Spare Parts	67.26	5.87
Capital Goods	312.26	175.60

### Note 31 (iv) Details of consumption of imported & indigenous items

Particulars	Year ended 31 March 2015		Year ended 31 March 2014	
	Value (Rs. In lac)	Percentage to total consumption	Value (Rs. In lac)	Percentage to total consumption
Imported				
Raw Materials	109792.43	86.91	52127.23	65.58
Components & Spare parts	41.37	7.40	126.46	23.67
Indigenous				
Raw Materials	16535.86	13.09	27359.18	34.42
Components & Spare parts	517.69	92.60	407.90	76.33

**Note 32** The deferred tax asset arising out of disallowances under section 43B of Income Tax Act 1961 amounting to Rs. 31.71 lac (Previous year Rs. 645.16 lac), de-escalation of subsidy amounting to Rs.7819.92 lac (Previous year Rs.Nil) and VRS compensation amounting to Rs. 81.63 lac (Previous year - Rs.160.34 lac) have not been recognized as a matter of prudence.

The carry forward loss / unabsorbed depreciation for the year has given rise to net deferred tax asset of Rs. 23950.39 lac (Previous year Rs. 30094.15 lac). However, in the absence of virtual certainty that sufficient future taxable income will be available, the said deferred tax asset that can be recognised is restricted to the deferred tax liability of Rs.1546.25 lac (Previous year Rs. 2423.91 lac) as given below. Accordingly, there is no net deferred tax asset or liability as at 31 March 2015 to be accounted for.

(Rupees in lac)

Particulars	As at 31 March 2015	As at 31 March 2014
Depreciation	1546.25	1753.23
Subsidy	-	670.68
Deferred tax liability	1546.25	2423.91
Carry forward business losses and unabsorbed depreciation restricted to	1546.25	2423.91
Deferred tax asset	1546.25	2423.91

**Note 33** There is no provision for tax in view of the brought forward losses / unabsorbed depreciation relating to earlier years available for set off while computing income both under the provisions of Sec 115-JB and those other than Sec 115-JB of the Income Tax Act, 1961.

### Note 34 SEGMENT REPORTING

#### Primary segment information (Business segments)

(Rupees in lac)

Particulars	Agro Inputs (Urea operations)	Others (Agribusiness)	Total
<b>Segment revenue</b>			
Sales to external Customers	207695.05	649.10	208344.15
	(132829.09)	(545.45)	(133374.54)
Operating Income	1050.38	10.92	1061.30
	(1162.11)	(2.34)	(1164.45)
Unallocated income			10.98
			(8.20)
Inter segment revenue	-	-	-
	(-)	(-)	(-)
<b>Total Revenue</b>	208745.43	660.02	209416.43
	(133991.20)	(547.79)	(134547.19)
Elimination of inter segment sales	-	-	-
	(-)	(-)	(-)
<b>Total Net Revenue</b>	208745.43	660.02	209416.43
	(133991.20)	(547.79)	(134547.19)
<b>Segment results</b>	6710.54	(399.14)	6311.40
	(4709.10)	(-183.27)	(4525.83)
<b>Unallocated income net of unallocated expenditure</b>			1726.83
			(-4152.17)
<b>Profit before interest and taxation</b>			4584.57
			(8678.00)
Finance Cost			2825.89
			(2091.82)
<b>Profit before taxation</b>			1758.68
			(6586.18)
Tax expense			-
			(-)
<b>Profit after Taxation</b>			1758.68
			(6586.18)

## Segment Reporting (Continued)

(Rupees in lac)

Particulars	Agro Inputs (Urea operations)	Others (Agribusiness)	Total
<b>Other Information</b>			
Segment assets	<b>120275.03</b> (126283.20)	<b>2159.13</b> (718.21)	<b>122434.16</b> (127001.41)
Unallocated corporate Assets			<b>10635.05</b> (15064.05)
<b>Total Assets</b>			<b>133069.21</b> (142065.46)
Segment liabilities	<b>94422.00</b> (96485.33)	<b>1810.18</b> (390.86)	<b>96232.18</b> (96876.19)
Unallocated corporate Liabilities			<b>14680.18</b> (24791.10)
<b>Total Liabilities</b>			<b>110912.35</b> (121667.29)
Capital expenditure (allocable)	<b>1267.77</b> (470.31)	<b>1619.72</b> (0.83)	<b>2887.49</b> (471.14)
Capital expenditure (Unallocable)			<b>36.40</b> (0.26)
Depreciation (allocable)	<b>2695.08</b> (4236.54)	<b>239.47</b> (37.15)	<b>2934.55</b> (4273.69)
Depreciation (Unallocable)			<b>103.98</b> (93.52)
Non-cash expenditure other than depreciation (allocable)	<b>383.94</b> (22.53)	<b>0.61</b> (6.18)	<b>384.55</b> (28.71)
Non-cash expenditure other than depreciation (unallocable)			<b>31.60</b> (2340.94)

Secondary segment Information (Geographical Segments)	Revenue	Carrying amount of segment assets	Capital Expenditure
Within India	<b>209405.45</b> (134538.99)	<b>122434.16</b> (127001.41)	<b>2887.49</b> (471.14)
Outside India	- (-)	- (-)	- (-)
Total	<b>209405.45</b> (134538.99)	<b>122434.16</b> (127001.41)	<b>2887.49</b> (471.14)

Previous year figures are given in brackets.

**NOTES**
**(a) Business segments**

The business segment has been considered as the primary segment for disclosure. The products included in each of the business segments are as follows:

- (i) Agro inputs - Urea Operations
- (ii) Others - Tissue culture and Seeds

**(b) Geographical segments**

The geographical segments considered for disclosure are as follows:

- Sales within India include Sales to customers located within India
- Sales outside India include Sales to customers located outside India.

## 35 (i) Related party disclosures under Accounting Standard - 18

The list of related parties as identified by the Management are as under:

Nature	Parties
Subsidiaries	1 SPIC Fertilizers and Chemicals Limited, Mauritius 2 SPIC Fertilizers and Chemicals FZE, Dubai
Associates	1 Tuticorin Alkali Chemicals and Fertilisers Limited 2 Gold Nest Trading Company Limited
Jointly Controlled entities	1 Tamilnadu Petroproducts Limited 2 National Aromatics and Petrochemicals Corporation Limited
Key management personnel of the Company	1 Thiru. Ashwin C Muthiah 2 Thiru. K.K. Rajagopalan (upto 30 Spetember 2014) 3 Thiru. S.R. Ramakrishnan (from 30 July 2014)
Enterprises owned by / over which Key Management Personnel is able to exercise significant influence	1 Wilson International Trading Pte Ltd, Singapore 2 Wilson International Trading India Private Limited 3 Manali Petrochemicals Limited 4 Greenstar Fertilizers Limited 5 AMI Holdings Private Limited 6 Bengal Auto Parts Private Limited 7 Sicagen India Limited 8 SPIC Officers and Staff Welfare Foundation 9 South India Travels Private Limited 10 Lotus Fertilizers Private Limited 11 EDAC Engineering Limited 12 EDAC Staffing Solution Private Limited 13 EDAC Automation Limited 14 Totalcomm Infra Services Private Limited 15 SPIC Group Companies Employees Welfare Foundation

## 35 (ii) The following transactions were carried out with the related parties

(Rupees in lac)

S.No	Particulars	Relationship	As at 31 March 2015	As at 31 March 2014
<b>A</b>	<b>BALANCE OUTSTANDING AS AT 31.03.2015</b>			
	<b>(a) Receivables including Advances</b>			
	SPIC Fertilizers and Chemicals FZE, Dubai*	Subsidiary	<b>1053.47</b>	1053.47
	SPIC Fertilizers and Chemicals Limited, Mauritius*	Subsidiary	<b>1.93</b>	1.93
	Tamilnadu Petroproducts Limited	Jointly Controlled Entity	-	2.31
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	<b>2251.50</b>	1776.91
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>0.06</b>	-

## Related party disclosures (Continued)

(Rupees in lac)

S.No	Particulars	Relationship	As at 31 March 2015	As at 31 March 2014
	National Aromatics and Petrochemicals Corporation Limited*	Jointly Controlled Entity	1486.48	1484.62
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	-	2.36
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	0.04	0.04
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	0.00	0.04
	EDAC Engineering Limited	Enterprises over which KMP exercise Significant Influence	68.93	-
	EDAC Automation Limited	Enterprises over which KMP exercise Significant Influence	16.38	-
	Totalcomm Infra Services Private Limited	Enterprises over which KMP exercise Significant Influence	0.10	-
	SPIC Group Companies Employees Welfare Foundation	Enterprises over which KMP exercise Significant Influence	0.00	-
	<b>(b) Payables</b>			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	486.12	870.08
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	1620.05	557.21
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	3.36	34.55
	Wilson International Trading Pte. Ltd, Singapore	Enterprises over which KMP exercise Significant Influence	41541.50	33950.82
	Tamilnadu Petroproducts Limited	Jointly Controlled Entity	4.29	2.35
	EDAC Staffing Solution Private Limited	Enterprises over which KMP exercise Significant Influence	0.43	-
	Lotus Fertilizers Private Limited	Enterprises over which KMP exercise Significant Influence	521.00	-
	SPIC Officers and Staff Welfare Foundation	Enterprises over which KMP exercise Significant Influence	2.96	-
	<b>(c) Advance against equity</b>			
	SPIC Fertilizers and Chemicals FZE, Dubai*	Subsidiary	1038.37	1038.37
	<b>(d) Guarantee Received</b>			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	2500.00	2500.00

S.No	Particulars	Relationship	As at 31 March 2015	As at 31 March 2014
	<b>(e) Loans including interest</b>			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	-	3222.58
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	-	7215.04
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>7022.00</b>	-
	<b>(f) Share Capital including Securities premium</b>			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	<b>6523.42</b>	6523.42

\* Dues have been fully provided for.

S.No	Particulars	Relationship	For the year 2014-15	For the year 2013-14
<b>B</b>	<b>TRANSACTIONS DURING THE YEAR</b>			
<b>1</b>	<b>Sale of goods</b>			
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	<b>473.92</b>	96.03
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>290.92</b>	218.94
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	<b>113.87</b>	82.09
<b>2</b>	<b>Purchase of materials</b>			
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	<b>0.98</b>	0.45
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	-	0.72
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>1420.24</b>	29.05
	Tamilnadu Petroproducts Limited	Jointly Controlled Entity	<b>14.94</b>	0.77
	Wilson International Trading Pte Ltd, Singapore	Enterprises over which KMP exercise Significant Influence	<b>64631.12</b>	55474.26
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	<b>184.26</b>	134.83
	Lotus Fertilizers Private Limited	Enterprises over which KMP exercise Significant Influence	<b>1775.25</b>	-
<b>3</b>	<b>Reimbursement of Expenses (Receipts)</b>			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	<b>0.01</b>	0.01
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	<b>0.01</b>	0.11
	Tamilnadu Petroproducts Limited	Jointly Controlled Entity	-	(0.02)
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>3.95</b>	12.46
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	<b>4.55</b>	24.97

## Related Party Disclosures (Continued)

(Rupees in lac)

S.No	Particulars	Relationship	For the year 2014-15	For the year 2013-14
	National Aromatics and Petrochemicals Corporation Limited	Jointly Controlled Entity	1.86	6.87
	EDAC Engineering Limited	Enterprises over which KMP exercise Significant Influence	0.28	-
	EDAC Staffing Solution Private Limited	Enterprises over which KMP exercise Significant Influence	0.05	-
	Totalcomm Infra Services Private Limited	Enterprises over which KMP exercise Significant Influence	0.19	-
<b>4</b>	<b>Reimbursement of Expenses (Payments)</b>			
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	10.54	-
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	0.82	-
<b>5</b>	<b>Income from services rendered</b>			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	2.19	1.77
	Tamilnadu Petroproducts Limited	Jointly Controlled Entity	1.28	3.08
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	8.66	3.91
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	1046.87	930.45
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	0.47	0.36
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	2.28	1.91
	SPEL Semiconductor Limited	Subsidiary	-	0.07
	EDAC Engineering Limited	Enterprises over which KMP exercise Significant Influence	20.23	-
	EDAC Automation Limited	Enterprises over which KMP exercise Significant Influence	1.55	-
	EDAC Staffing Solution Private Limited	Enterprises over which KMP exercise Significant Influence	0.31	-
	Totalcomm Infra Services Private Limited	Enterprises over which KMP exercise Significant Influence	0.83	-
<b>6</b>	<b>Services / Consultancy charges</b>			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	84.27	84.27
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	598.77	522.92
	Tamilnadu Petroproducts Limited	Jointly Controlled Entity	-	8.42
	EDAC Automation Limited	Enterprises over which KMP exercise Significant Influence	53.06	-
	EDAC Staffing Solution Private Limited	Enterprises over which KMP exercise Significant Influence	1.64	-
<b>7</b>	<b>Income from Rentals</b>			
	Tamilnadu Petroproducts Limited	Jointly Controlled Entity	-	1.24
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	96.04	101.65

S.No	Particulars	Relationship	For the year 2014-15	For the year 2013-14
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	7.19	42.37
	EDAC Engineering Limited	Enterprises over which KMP exercise Significant Influence	17.52	-
<b>8</b>	<b>Dividend Income</b>			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	0.05	0.05
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	4.62	5.78
<b>9</b>	<b>Provision for doubtful advances</b>			
	National Aromatics and Petrochemicals Corporation Limited	Jointly Controlled Entity	1.86	6.87
<b>10</b>	<b>Investment provision write back</b>			
	SPEL Semiconductor Limited	Subsidiary	-	6115.45
<b>11</b>	<b>Managerial Remuneration</b>			
	Thiru. K.K. Rajagopalan	Key Management Personnel	23.40	37.52
	Thiru. S R Ramakrishnan	Key Management Personnel	32.36	-
<b>12</b>	<b>Rent Paid</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	270.21	233.60
<b>13</b>	<b>Sitting Fees</b>			
	Thiru. Ashwin C Muthiah	Key Management Personnel	1.70	0.70
<b>14</b>	<b>Trade advance received</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	8095.71	-
<b>15</b>	<b>Trade advance paid / returned</b>			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	550.00	1550.00
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	2209.00	-
<b>16</b>	<b>Special Rebate Paid</b>			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	279.90	58.06
<b>17</b>	<b>Loans Repaid</b>			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	3147.58	-
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	6835.00	-



## Related Party Disclosures (Continued)

(Rupees in lac)

S.No	Particulars	Relationship	For the year 2014-15	For the year 2013-14
<b>18</b>	<b>Interest on Borrowings</b>			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	<b>210.84</b>	472.14
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	<b>457.85</b>	826.02
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>488.02</b>	-
<b>19</b>	<b>Interest on borrowings paid</b>			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	<b>264.76</b>	651.47
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	<b>792.10</b>	391.00
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>439.22</b>	-
<b>20</b>	<b>Borrowings</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>13906.39</b>	-
<b>21</b>	<b>Borrowings repaid</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>6884.39</b>	-
<b>22</b>	<b>Payables</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>58.87</b>	-
<b>23</b>	<b>Payables Repaid</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>58.87</b>	-
<b>24</b>	<b>Advances Received</b>			
	SPIC Officers and Staff Welfare Foundation	Enterprises over which KMP exercise Significant Influence	<b>3.00</b>	-
<b>25</b>	<b>Rental Deposits Repaid</b>			
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	<b>9.13</b>	-
<b>26</b>	<b>Demurrage Charges</b>			
	Wilson International Trading Pte. Ltd, Singapore	Enterprises over which KMP exercise Significant Influence	<b>205.58</b>	-
<b>27</b>	<b>Car Rental Charges- (Payment)</b>			
	South India Travels Private Limited	Enterprises over which KMP exercise Significant Influence	<b>42.53</b>	-
<b>28</b>	<b>Furnace oil transferred and received back</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	-	154.64
<b>29</b>	<b>Purchase of fixed assets</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>1600.00</b>	-
<b>30</b>	<b>Transfer of fixed assets</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>137.72</b>	-

## Note 36 Interest in jointly controlled entities

The Company has interests in the following jointly controlled entities:

(Rupees in lac)

Name of companies and country of incorporation	% of share holding	Amount of interest based on accounts for the year ended 31 March 2015					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Tamilnadu Petroproducts Limited, India	<b>16.93</b> (16.93)	<b>10064.24</b> (11941.03)	<b>5570.17</b> (6486.38)	<b>16294.10</b> (18080.25)	<b>17209.83</b> (18903.68)	<b>1577.99</b> (1471.68)	<b>24.06</b> (26.28)
National Aromatics and Petrochemicals Corporation Limited, India	<b>50.00</b> (50.00)	<b>1970.89</b> (1969.96)	<b>534.93</b> (534.00)	- (-)	- (-)	- (-)	- (-)

## Note 37 Earnings per share

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Face Value per share (In Rupees)	<b>10</b>	10
Profit for the year (Rupees in lac)	<b>1758.68</b>	6586.18
Less: Arrears of Preference Dividend (Refer Note 29(d))	<b>182.04</b>	176.95
Profit for the year after preference dividend (Rupees in lac)	<b>1576.64</b>	6409.23
<b>Basic</b>		
Weighted Average Number of shares outstanding	<b>203640336</b>	203640336
Earnings per share (In Rupees)	<b>0.77</b>	3.15
<b>Diluted</b>		
Weighted Average Number of shares outstanding	<b>203640336</b>	203640336
Earnings per share (In Rupees)	<b>0.77</b>	3.15

## Note 38

- (a) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- (b) The Board of Directors has reviewed the realizable value of all current assets of the Company and has confirmed that all the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. Further, the board, duly taking into account all relevant disclosures made, has approved these financial statements for the year ended 31 March 2015 in its meeting held on 21 May 2015.

**Consolidated  
Financial Statements**

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at 31 March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Basis for Qualified Opinion

- (i) *Attention is invited to Note 2(b)(i) to the consolidated financial statements describing non consolidation of the financial statements of a subsidiary to reflect the adjustments relating to the period 1 April 2011 to 31 March 2015, as the said financial statements are not available to the Company for the reasons explained in the said Note. Our audit report for the previous year was also similarly qualified.*
- (ii) *With respect to a jointly controlled entity, the consolidated financial statements carry long term loans and advances amounting to Rs. 211.59 lac, short term loans and advances of Rs. 578.93 lac and current liabilities of Rs. 160.86 lac relating to the consolidated financial statements of the subsidiary company - Certus Investment & Trading Limited, Mauritius and its two subsidiaries.*

*Based on the disclaimer of opinion given by the independent auditors of the subsidiary of the jointly controlled entity, Certus Investment & Trading Limited, Mauritius, we are unable to express our opinion on the long term loans and advances amounting to Rs. 211.59 lac, short term loans and advances of Rs.578.93 lac and current liabilities amounting to Rs. 160.86 lac included in the consolidated financial statements.*

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March 2015 and their consolidated loss and their consolidated cash flow for the year ended on that date.

### **Emphasis of Matter**

- (a) We draw attention to Note No. 29 (ii) of the consolidated financial statements regarding computation of subsidy based on the provisional Retention Price (RP) in line with the Government's policy dated 7 January 2015, as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, will be made when the final retention price is notified by the Department of Fertilizers.
- (b) With respect to a jointly controlled entity, we refer to Note No.34 of the consolidated financial statements regarding the suspension of operations of the Epichlorohydrin plant. Considering the actions proposed to revive the operations of the plant as explained in the said Note, the management has assessed that there would be no impairment to the carrying value of the plant as at the Balance sheet date. We draw attention to the fact that the revenue generation from this plant would depend on the successful execution of the proposed plan for manufacture of the alternate product. This being a technical matter and is subject to uncertainty, we have relied on the estimates and assumptions made by the management in arriving at the recoverable value of the plant.

Our opinion is not qualified in respect of the above matters.

### **Other Matter**

- (a) We did not audit the financial statements of three subsidiaries and a jointly controlled entity whose financial statements reflect total assets of Rs. 2,545.83 lac as at 31 March 2015, total revenues of Rs.16.93 lac and net cash flows amounting to Rs. 16.76 lac for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. nil lac for the year ended 31 March, 2015, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associates and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entity and associates, is based solely on the reports of the other auditors.
- (b) The consolidated financial statements include the Group's share of net loss of Rs. 115.80 lac for the year ended 31 March 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial information has not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it related to the amounts and disclosures included in the respect of this associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the group.

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

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, associate company and jointly controlled entities incorporated in India for which the Order is applicable, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and *except for the possible effect of the matters described in the Basis for Qualified opinion above*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, *except for the effect of the matters described in the Basis for Qualified opinion above*, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, *except for the matters described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matter described in the Basis for Qualified Opinion paragraph regarding certain balances included in the consolidated financial statements, the matter referred to in paragraph (b) of the Emphasis of Matter paragraph above and continuing cash losses incurred by the Group on a consolidated basis as reported in Clause (viii) in the Annexure to this audit report, in our opinion, may have an adverse effect on the functioning of the Group.
- f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its associate company and jointly controlled entity incorporated in India, none of the directors of the Group's companies, its associate company and jointly controlled entities incorporated in India is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entities - Refer to Notes 31(a) and 31(d) of the consolidated financial statements.
  - ii. The Group, its associate and its jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts.
  - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, a jointly controlled entity and its associate company incorporated in India. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by another jointly controlled entity incorporated in India.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration Number: 008072S)

**Bhavani Balasubramanian**  
Partner  
(Membership Number: 22156)

Place : Chennai  
Date : 21 May 2015

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes one jointly controlled company incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of this entity is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of an associate company incorporated in India, which has been included in the consolidated financial statements based on unaudited financial information of such entity provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of this entity, since this entity is unaudited, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered. The subsidiaries of the Company and of the jointly controlled company are incorporated outside India and hence the Order is not applicable to these Companies.

- (i) In respect of its fixed assets of the Holding Company and jointly controlled companies incorporated in India:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) Some of the fixed assets of the Holding Company were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. The fixed assets of the jointly controlled companies were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company and jointly controlled companies incorporated in India:
  - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and the opinion of the other auditors and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - (c) In our opinion and according to the information and explanations given to us, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
  - (d) One of the jointly controlled companies incorporated in India does not hold any inventory and therefore the reporting under this clause does not apply to the said entity.
- (iii) The Holding Company and jointly controlled companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (iv) In our opinion and according to the information and explanations given to us and other auditors, having regard to the explanations that some of the items purchased are of special nature and suitable alternate sources are not readily available for obtaining comparable quotations with respect to the Holding Company, there is an adequate internal control system in the Holding Company and jointly controlled companies incorporated in India, commensurate with the size of the respective entities and the nature of their business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no continuing failure to correct major weakness in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company and jointly controlled companies incorporated in India have not accepted any deposit during the year.
- (vi) According to the information and explanations given to us, in our opinion and the opinion of the other auditors, the Holding Company and a jointly controlled company incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. With respect to a jointly controlled entity incorporated in India, in the opinion of the other auditors, the Central Government has not prescribed maintenance of any cost records under subsection (1) of Section 148 of the Companies Act, 2013.

(vii) According to the information and explanations given to us in respect of statutory dues of the Holding Company and jointly controlled entities incorporated in India:

- The respective entities have generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
- There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- Details of dues of value added tax, service tax, income tax, excise duty and cess which have not been deposited as on 31 March 2015 on account of disputes by the aforesaid entities are given below:

Statute	Nature of dues	Forum where dispute is pending	Financial Year	Amount involved (Rs. in lac)
The Central Excise Act, 1944	Excise duty	Commissioner of Central Excise (Appeals) / Customs, Excise and Service Tax Appellate Tribunal	1998-99 to 2006-07	492.18
The Finance Act, 1994	Service Tax	Commissioner of Central Excise(Appeals) / Customs, Excise and Service Tax Appellate Tribunal/ Hon'ble Madras High Court	2003-04 to 2011-12	306.39
The Sales Tax Act under various State enactments	Local Sales Tax	Deputy Commissioner (Appeals) / Additional Commissioner (Appeals) / Sales Tax Appellate Tribunal/ Hon'ble Andhra Pradesh and Madras High Courts	1996-97 to 2012-13	3769.73
Various State Sales Tax Acts	Sales Tax	Tribunal	1993-1994 to 2002-03	280.87
		High Court	2006-07	9.83
Central Excise Act	Excise duty	High Court	1994-2002	2.35
		Tribunal	2001-2013	51.56
		Commissioner (Appeals)	2002-2007	0.87
		Deputy Commissioner	1994-1997	1.85
Finance Act	Service Tax	Tribunal Commissioner (Appeals)	1997-2011	56.30
			2005-2006	0.01
Income Tax Act	Income Tax	High Court	Assessment Year 2000-01	10.19
		Tribunal	Assessment year 2001-02	0.39
			Assessment Year 2002-03	25.59
			Assessment Year 2003-04	12.79
		CIT (A)	Assessment Year 2009-10	42.00
			Assessment Year 2010-11	42.70
			Assessment Year 2011-12	66.26



- (d) There are no amounts that are due to be transferred by the aforesaid entities to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) Without considering the possible effects of our audit qualifications reported in the Basis of Qualified Opinion of our Audit Report, which is not presently quantifiable, the consolidated accumulated losses of the Group, its associate and jointly controlled entities at the end of the Financial year are not less than fifty percent of the consolidated net worth and the Group, its associate and jointly controlled entities have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company and a jointly controlled company incorporated in India have not defaulted in the repayment of dues to banks. The Holding Company and a jointly controlled company have not taken loans from financial institutions during the current year and have not issued any debentures. With respect to one jointly controlled company incorporated in India, as reported by the other auditors, the said company has not availed any loan during the current year.
- (x) According to the information and explanations given to us and the other auditors, the Holding Company and jointly controlled companies incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the jointly controlled company incorporated in India during the year, for the purposes for which they were obtained. In our opinion and in the opinion of the other auditors and according to the information and explanations given to us and to the other auditors, the Holding Company and a jointly controlled entity incorporated in India do not have any term loans.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and jointly controlled companies incorporated in India and no material fraud on the Holding Company and jointly controlled companies incorporated in India has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration Number: 008072S)

**Bhavani Balasubramanian**  
Partner  
(Membership Number: 22156)

Place : Chennai  
Date : 21 May 2015

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

(Rupees in Lac)

S.No.	Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	<b>21614.03</b>	21614.03
	(b) Reserves and surplus	4	<b>2741.67</b>	1943.54
			<b>24355.70</b>	23557.57
<b>2</b>	<b>Share application money pending allotment</b>	3 (v)	<b>1445.00</b>	1445.00
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	<b>167.04</b>	5957.33
	(b) Deferred tax liabilities (net)	36	-	416.83
	(c) Other long-term liabilities	6	<b>3620.07</b>	3387.14
	(d) Long-term provisions	7	<b>39.23</b>	41.96
			<b>3826.34</b>	9803.26
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	8	<b>13488.55</b>	38778.75
	(b) Trade payables	9	<b>93455.76</b>	66044.60
	(c) Other current liabilities	10	<b>5915.30</b>	13782.98
	(d) Short-term provisions	11	<b>370.03</b>	318.95
			<b>113229.64</b>	118925.28
	<b>TOTAL</b>		<b>142856.68</b>	153731.11
<b>B</b>	<b>ASSETS</b>			
<b>5</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	12	<b>34435.52</b>	36000.58
	(ii) Capital work-in-progress		<b>2833.14</b>	2180.79
	(iii) Intangible assets under development		<b>429.47</b>	429.47
	(b) Non-current investments	13	<b>984.62</b>	1096.32
	(c) Long-term loans and advances	14	<b>4711.98</b>	4335.13
			<b>43394.73</b>	44042.29
<b>6</b>	<b>Current assets</b>			
	(a) Inventories	15	<b>14680.60</b>	21038.82
	(b) Trade receivables	16	<b>3052.58</b>	2832.33
	(c) Cash and cash equivalents	17	<b>2271.95</b>	2899.13
	(d) Short-term loans and advances	18	<b>78944.17</b>	78889.97
	(e) Other current assets	19	<b>512.65</b>	4028.57
			<b>99461.95</b>	109688.82
	<b>TOTAL</b>		<b>142856.68</b>	153731.11
	<b>See accompanying notes forming part of the consolidated financial statements</b>			

In terms of our report attached

For and on behalf of the Board of Directors

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

**ASHWIN C MUTHIAH**  
Chairman

**T K ARUN**  
Director

**BHAVANI BALASUBRAMANIAN**  
Partner

**S SHANKAR**  
Director

**S R RAMAKRISHNAN**  
Whole-Time Director

Place : Chennai  
Date : 21 May 2015

**A V KUMAR**  
Chief Financial Officer

**M B GANESH**  
Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

(Rupees in lac)

S.No.	Particulars	Note No.	Year ended 31 March 2015	Year ended 31 March 2014
1	Revenue from operations (gross)	20	227865.00	160919.00
	Less: Excise duty		2367.29	2225.63
	Revenue from operations (net)		225497.71	158693.37
2	Other income	21	1076.83	1217.98
3	<b>Total revenue (1+2)</b>		<b>226574.54</b>	<b>159911.35</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	22	136584.76	92845.91
	(b) Purchases of stock-in-trade	23	3.73	544.08
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	944.65	(369.09)
	(d) Employee benefits expense	25	4843.96	5706.63
	(e) Finance costs	26	3157.50	3109.09
	(f) Depreciation and amortisation expense	12	3387.27	5978.83
	(g) Other expenses	27	76809.71	54783.53
	<b>Total expenses</b>		<b>225731.58</b>	<b>162598.98</b>
5	<b>Profit / (Loss) before exceptional items and tax (3-4)</b>		<b>842.96</b>	<b>(2687.63)</b>
6	Exceptional items	28	-	6343.91
7	<b>Profit before tax (5+6)</b>		<b>842.96</b>	<b>3656.28</b>
8	Tax expense			
	(a) Current tax expense for current year	37	0.39	5.46
	(b) (Less): MAT credit		-	(3.76)
	(c) Deferred Tax	36	(310.19)	(322.22)
	Net Tax benefit for the year		(309.80)	(320.52)
9	<b>Profit for the year after Tax before share of loss of Associates(7-8)</b>		<b>1152.76</b>	<b>3976.80</b>
10	<b>Share of Loss of Associates (Net)</b>		<b>(115.82)</b>	<b>(80.07)</b>
11	Profit for the year attributable to the shareholders of the company (9-10)		<b>1036.94</b>	<b>3896.73</b>
12	Earnings per share of Rs. 10/- each	41		
	(a) Basic		0.42	1.83
	(b) Diluted		0.42	1.83
	<b>See accompanying notes forming part of the consolidated financial statements</b>			

In terms of our report attached

For and on behalf of the Board of Directors

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

**ASHWIN C MUTHIAH**  
Chairman

**T K ARUN**  
Director

**BHAVANI BALASUBRAMANIAN**  
Partner

**S SHANKAR**  
Director

**S R RAMAKRISHNAN**  
Whole-Time Director

Place : Chennai  
Date : 21 May 2015

**A V KUMAR**  
Chief Financial Officer

**M B GANESH**  
Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	<b>Profit / (Loss) for the year before exceptional items and tax</b>	<b>842.96</b>	(2687.63)
	Add : Exceptional items		
	Loss on Sale of Investment	-	(1783.79)
	Loss on sale of Business Undertaking	-	(1275.00)
	Excess Liability written back	-	11692.51
	Provision for Impairment Loss	-	(2289.81)
	<b>Profit for the year before tax and after exceptional items</b>	<b>842.96</b>	3656.28
	<b>Adjustments for :</b>		
	Depreciation	<b>3387.27</b>	5978.83
	Exchange differences	<b>1415.21</b>	(1175.98)
	Loss on sale / retirement of assets (Net)	<b>159.46</b>	43.18
	Provision for Impairment Loss	-	2289.81
	Profit / (Loss) on sale of Investments	-	1783.79
	Excess liability written back	-	(11692.51)
	Provision for doubtful debts and advances	<b>12.98</b>	109.97
	Unclaimed Credit balances written back	-	(89.26)
	Provisions no longer required written back	<b>(260.83)</b>	(379.44)
	Bad debts and advances written off	<b>0.98</b>	-
	Rental Income	<b>(46.73)</b>	(107.89)
	Finance Costs	<b>3157.50</b>	3044.43
	Income from investments	<b>(5.75)</b>	(5.90)
	Interest income	<b>(163.13)</b>	(210.74)
	<b>Operating profit before working capital changes</b>	<b>8499.92</b>	3244.57
	Adjustments for :		
	(Increase) / Decrease in trade receivables	<b>(224.54)</b>	250.69
	(Increase) / Decrease in inventories	<b>6358.22</b>	(11722.72)
	(Increase) / Decrease in long-term loans and advances	<b>(239.49)</b>	(57.74)
	(Increase) / Decrease in short-term loans and advances	<b>(55.98)</b>	(68903.19)
	(Increase) / Decrease in other current assets	<b>238.59</b>	(11.13)
	Increase / (Decrease) in long-term liabilities	<b>466.53</b>	(318.72)
	Increase / (Decrease) in long-term provisions	<b>(2.73)</b>	(15.72)
	Increase / (Decrease) in trade payables	<b>26014.96</b>	42986.35
	Increase / (Decrease) in current liabilities & provisions	<b>(1588.21)</b>	2384.31
	Increase / (Decrease) in short-term provisions	<b>51.07</b>	(106.48)
	<b>Cash from / (used in) operations</b>	<b>39518.34</b>	(32269.78)
	Direct taxes (Paid) / Refund Received	<b>(71.13)</b>	(35.42)
	<b>Net cash from / (Used In) operating activities (A)</b>	<b>39447.21</b>	(32305.20)

**Cash Flow Statement (Continued)**

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Purchase of Fixed Assets	(1446.34)	(698.21)
	Proceeds from sale of fixed assets	0.64	6.06
	Advance received against sale of immovable property	677.20	338.60
	Income from investments	5.75	5.90
	Proceeds from sale of investments	(4.11)	1966.43
	Rental Income	46.73	107.89
	Bank balance not considered as cash and cash equivalents	13.10	(240.89)
	Interest income	85.46	204.21
	<b>Net cash (used in) / from investing activities (B)</b>	<b>(621.57)</b>	<b>1689.99</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Long term borrowings	-	2835.00
	Short term borrowings	18577.16	36966.94
	Net(decrease) / increase in working capital borrowings	(44194.35)	(427.06)
	Repayment under 391 scheme	-	(6962.97)
	Repayment of Long Term Borrowings	(10072.84)	(416.18)
	Dividends paid	(0.13)	(3.21)
	Deposits paid	-	(0.52)
	Finance Costs	(3749.48)	(2779.99)
	<b>Net cash (used in) / from financing activities (C)</b>	<b>(39439.64)</b>	<b>29212.01</b>
	<b>Net cash flow during the year (A+B+C)</b>	<b>(614.00)</b>	<b>(1403.20)</b>
	<b>Cash and cash equivalents (opening balance) *</b>	<b>2356.70</b>	<b>4866.90</b>
	Less: Eliminated on sale of subsidiary	-	(1107.00)
	<b>Cash and cash equivalents (closing balance) *</b>	<b>1742.70</b>	<b>2356.70</b>
	<b>Disclosure of non cash transactions</b>		
	Purchase of fixed assets	1600.00	-
	Excess Liability written back	-	11692.51

\* Excludes Margin Money Deposit with Scheduled Banks Rs. 364.51 lac (Previous Year Rs. 324.25 lac) and Escrow account balance of Rs. 3.84 lac (Previous Year Rs. 32.58 lac).

\* Excludes Rs. 150.95 lac (Previous year Rs. 175.44 lac) being money in deposit accounts with original maturity of more than three months.

\* Excludes Rs. 9.95 lac (Previous year Rs. 10.16 lac) being money in unpaid dividend account

Previous year's figures have been restated, wherever necessary, to conform to this year's classification.

In terms of our report attached

For and on behalf of the Board of Directors

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

**ASHWIN C MUTHIAH**  
Chairman

**T K ARUN**  
Director

**BHAVANI BALASUBRAMANIAN**  
Partner

**S SHANKAR**  
Director

**S R RAMAKRISHNAN**  
Whole-Time Director

Place : Chennai  
Date : 21 May 2015

**A V KUMAR**  
Chief Financial Officer

**M B GANESH**  
Secretary

## NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### Note 1 Corporate Information

Southern Petrochemical Industries Corporation Limited ('the Company' / 'SPIC'), having its registered office at Chennai is a Public Limited Company, incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange of India. The Company is manufacturing and selling Urea, a Nitrogenous chemical fertilizer and has its manufacturing facility at Tuticorin. Joint venture company Tamilnadu Petroproducts Limited (TPL) is manufacturing and selling petrochemical products namely Linear Alkyl Benzene (LAB) and Caustic Soda from the manufacturing facilities situated at Manali, near Chennai.

### Note 2.a. Basis of Accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April 2006, that are carried at revalued amounts. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

Consolidated financial statements are prepared using uniform accounting policies except as stated in Note 2.c (vi) of this Schedule; the adjustments arising out of the same are not considered material.

### 2.b. Principles of Consolidation:

The consolidated financial statements relate to Southern Petrochemical Industries Corporation Limited (the 'Company') its subsidiary companies, jointly controlled entities and the Group's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

The financial statements of the subsidiary companies, jointly controlled entities and associates used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March 2015 except for a subsidiary company as mentioned in Note 2 b (i) below and for an associate as mentioned in Note 2 b (iv) below. Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of such financial statements and these consolidated financial statements.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity. Jointly controlled entities that are considered subsidiaries under AS 21 Consolidated Financial Statements are consolidated similar to the manner of consolidating subsidiaries (Refer (ii) below) and the share of interest of the other venturers in such entities is included as part of minority interest.

The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.

Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share

in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.

Following subsidiary companies, associates and jointly controlled entities have been considered in the preparation of the consolidated financial statements.

**(i) Subsidiary Companies:**

The subsidiary companies considered in these financial statements are:

Name	Country of Incorporation	Percentage of ownership interest as at 31 March 2015	Percentage of ownership interest as at 31 March 2014
SPIC Fertilizers and Chemicals Limited (SFCL, Mauritius)	Mauritius	83.54	83.54
SPIC Fertilizers and Chemicals FZE (through a subsidiary company – SFCL Mauritius)	Dubai	83.54	83.54
SPEL Semiconductor Limited*	India	-	-
SPEL America, Inc., USA* (through a subsidiary company – SPEL Semiconductor Limited, India)	America	-	-

\* Ceased to be a subsidiary with effect from 24 March 2014.

As Jebel Ali Free Zone Authorities (JAFZA) had taken over the assets of SPIC Fertilizers and Chemicals (SFC) FZE, Dubai, the holding company SFCL Mauritius lost control over the subsidiary. Full provision has been made for these investments in earlier years. The company is considering writing off the investments in SFCL Mauritius and is in the process of getting the approval of the Regulatory Authorities concerned to write off the aforesaid investment in the books of account. The accounts relating to the subsidiary company SFCL Mauritius included in the consolidated financial statements is as at 31 March 2011 which were based on Management accounts and since the financial statements from 1 April 2011 to 31 March 2015 are under preparation adjustments if any to liabilities, in the consolidated financial statements for the said period has not been made in respect of these two subsidiaries.

**(ii) Interests in Jointly Controlled entities:**

The Group's interests in jointly controlled entities are:

Name	Country of incorporation	Percentage of ownership interest as at 31 March 2015	Percentage of ownership interest as at 31 March 2014
Tamilnadu Petroproducts Limited	India	16.93	16.93
National Aromatics and Petrochemicals Corporation Limited	India	50.00	50.00

**(iii) Investments in Associates:**

The Group's associates are:

Name	Country of incorporation	Percentage of Ownership interest as at 31 March 2015	Percentage of Ownership interest as at 31 March 2014
Tuticorin Alkali Chemicals and Fertilisers Limited	India	45.15	45.15
Gold Nest Trading Company Limited	India	32.76	32.76

(iv) The financial statements of the associates other than Gold Nest Trading Company Limited were drawn up to 31 March 2015 while that of Gold Nest Trading Company Limited has been drawn up to 30 September 2014.

(v) Investment in Tuticorin Alkali Chemicals and Fertilisers Limited, an associate company in which the Company holds 45.15% of its share capital, has not been accounted under "equity method" as required under Accounting Standard (AS) 23, since the carrying amount of investment as on 31 March 2015 is Nil. Accordingly, the goodwill arising on investment and the Company's share in the post-acquisition movements in the net assets of the associate company have not been recognised in the consolidated financial statements.

(vi) Investment in Gold Nest Trading Company Limited, an associate company in which the Company holds 32.76 % of its share capital, has not been accounted under "equity method" as required under Accounting Standard (AS) 23, since the carrying amount of investment as on 31 March 2015 is Nil. Accordingly, the goodwill arising on investment and the Company's share in the post-acquisition movements in the net assets of the associate company have not been recognised in the consolidated financial statements.

## 2.C. SIGNIFICANT ACCOUNTING POLICIES:

### (i) Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenditure during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### (ii) Inventories

Inventories are valued at the lower of cost on FIFO / weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

### (iii) Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### (iv) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### (v) Revenue Recognition and Other Income.

- a) Sales are recognised, net of returns on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.
- b) Under the New Pricing Scheme for Urea, the Government of India, reimburses in the form of subsidy to the Fertilizer Industry, the difference between the cost of production and the selling price realized from the farmers, as fixed by the Government from time to time. This has been accounted on the basis of movement of fertilizer from the factory and receipt of the same at the warehouse / dealer point, as per the procedure prescribed by the Government and not on the basis of ultimate sales. The said amount has been further adjusted for input price escalation / de-escalation as estimated by the Management based on prescribed norms.
- c) Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

#### With respect to a jointly controlled entity

##### d) Income from services:

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

##### e) Export incentive:

Export benefits in the nature of focus market scheme are accrued in the year of exports based on the eligibility taking into consideration the prevailing regulations / policies and when there is no uncertainty in receiving the same. Adjustments, if any, to the amounts recognized in accordance with the accounting policy, based on final determination by the authorities, would be dealt with appropriately in the year of final determination and acceptance.

##### f) Other Income:

Property lease rentals are accrued as per terms of the agreement with the lessees and are recognized equally on a straight- line basis over the non-cancellable lease period.



## vi) Fixed Assets and Depreciation

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The Holding Company revalued all its Land and Buildings and Plant and Machinery as on 31 March 1996, 31 March 1999, 31 March 2000, 1 April 2002, 1 April 2003 and 31 March 2006. The revalued assets are carried at the revalued amounts less accumulated depreciation until 31 March 2014 and impairment losses, if any.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight line method as per the useful life prescribed in Schedule II of the Companies Act 2013, except in respect of the assets pertaining to Tuticorin manufacturing plant in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

Asset	Useful life
Building – Factory	25 - 65 years
Building – Others	45 - 75 years
Plant and Machinery	15 - 49 years
Furniture and Fixtures	12 - 33 years
Vehicles	8 - 26 years
Office Equipments	7 - 38 years
Roads	34 - 44 years
Railway sidings	40 years

### Capital work in progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### With respect to a Jointly controlled entity

Certain assets have been revalued as on 31 March 1996 and the resultant surplus has been added to the cost of the assets.

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc:

- General Plant and Machinery used in Epichlorodyrin plant – 10 years
- Certain Plant and Machinery used in Linear Alkyl Benzene plant – 4.5 years
- Furniture and Fixture provided to employees depreciated – 5 years

Depreciation on the tangible fixed assets of the Jointly controlled entity's foreign subsidiary has been provided on straight-line method as per the estimated useful life of such assets, as follows:

- Computer equipment – 3 years

## (vii) Foreign Currency Transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

### **With respect to a jointly controlled entity:**

#### **Integral Foreign Operations:**

Fixed assets are recorded at the rates of exchange prevailing on the date of acquisition of such assets. Monetary assets and liabilities are translated at the exchange rate prevailing on the last day of the accounting period and difference in exchange is recognized as a change in the Consolidated Statement of Profit and Loss. All the revenue transactions are translated at the average rates.

## (viii) Investments

Long-term investments are carried individually at cost less provision for diminution other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

## (ix) Employee Benefits.

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

### **a. Defined Contribution Plan**

The Holding Company contributes a sum of the eligible employees' salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognizes such contributions as an expense in the year in which the services are rendered.

The Holding Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### **With respect to a jointly controlled entity**

#### **Superannuation**

The defined Contribution plan covers Whole-time directors and the staff of the Company and is administered by the LIC of India. Contributions are made monthly at a predetermined rate to the Trust and debited to the Statement of Profit and Loss account on an accrual basis. The superannuation contribution for staff is withdrawn with effect from 1 October 2013.

### **b. Defined Benefit Plan**

The Holding Company makes annual contribution to a Gratuity Fund administered by trustees and managed by LIC. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### **With respect to a jointly controlled entity.**

The contributions are made at a predetermined rate to the Provident Fund Trust managed by the Company and debited to the Statement of Profit and Loss on an accrual basis. The interest rate payable by the Trust to the beneficiaries is as notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rates and recognized such shortfall as expense.

### **c. Long Term Compensated Absences**

The Holding Company treats its liability for long-term compensated absences based on actuarial valuation, as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur.

While the long-term compensated absences is treated as long-term employee benefit for measurement purpose, it is presented as current provision in the Balance Sheet since, the Holding Company does not have an unconditional right to defer its settlement for 12 months after its reporting date.

#### **With respect to a jointly controlled entity**

Liability towards long term compensated absences is accrued based on an actuarial valuation at the balance sheet date based on the projected unit credit method and is not funded.

#### **d. Short Term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (ii) in case of non-accumulating compensated absences, when the absences occur.

#### **(x) Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### **(xi) Segment Reporting**

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

#### **(xii) Leases:**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

#### **(xiii) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

## **(xiv) Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

## **(xv) Research and Development Expenditure**

With respect to a jointly controlled entity, revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss.

## **(xvi) Expenditure pending allocation**

With respect to a jointly controlled entity, project and other expenses are included under expenditure pending allocation and the same will be apportioned to fixed assets and capitalized as and when commercial production begins.

## **(xvii) Jointly controlled operations**

The accounts of the Group reflect its share of the Assets, Liabilities, Income and Expenditure of the Jointly controlled operations which are accounted on the basis of the audited accounts of the Joint ventures on line-by-line basis with similar items in the Group's accounts to the extent of the participating interest of the Group as per the Joint Venture Agreements.

## **(xviii) Impairment of Assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss.

## **(xix) Provisions and Contingencies**

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the Consolidated financial statements.

## **(xx) Insurance claims:**

With respect to a jointly controlled entity insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

## **(xxi) Service tax input credit:**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

### (xxii) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### Note 3 Share Capital

(Rupees in lac)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Authorised:</b>		
31,60,00,000 (31,60,00,000) Equity shares of Rs.10 each	<b>31600.00</b>	31600.00
55,00,000 (55,00,000) Redeemable cumulative preference shares of Rs.100 each	<b>5500.00</b>	5500.00
3,00,00,000 (3,00,00,000) Fully Compulsorily Convertible preference (FCCP) shares of Rs.18 each	<b>5400.00</b>	5400.00
	<b>42500.00</b>	42500.00
<b>Issued, subscribed and fully paid up:</b>		
20,36,40,336 (20,36,40,336) Equity shares of Rs.10 each	<b>20364.03</b>	20364.03
3,00,000 (3,00,000) 14.50% Redeemable Cumulative non-convertible preference shares of Rs.100 each	<b>300.00</b>	300.00
8,50,000 (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of Rs.100 each	<b>850.00</b>	850.00
1,00,000 (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of Rs.100 each	<b>100.00</b>	100.00
<b>Total</b>	<b>21614.03</b>	21614.03
(Refer Note 3(i) to 3(v) below)		

3 (i) There is no movement in the number of equity shares and preference shares during the year and in the previous year.

### 3 (ii) Details of Shareholders holding more than 5% shares in the Company

Class of shares / Name of shareholder	As at 31 March 2015		As at 31 March 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares</b>				
FICON Holdings Limited	<b>15682775</b>	<b>7.70</b>	43678229	21.45
The Bank of Newyork Mellon	<b>17066800</b>	<b>8.38</b>	17066800	8.38
AMI Holdings Private Limited	<b>37276700</b>	<b>18.31</b>	37276700	18.31
Lotus Fertilisers Pvt Ltd	<b>27995454</b>	<b>13.75</b>	-	-
<b>Preference Shares</b>				
14.50% Redeemable cumulative non-convertible preference shares				
Bajaj Auto Ltd	<b>300000</b>	<b>100.00</b>	300000	100.00
11.50% Redeemable cumulative non-convertible preference shares				
Punjab and Sind Bank	<b>150000</b>	<b>17.65</b>	150000	17.65
State Bank of Mysore	<b>100000</b>	<b>11.76</b>	100000	11.76
United India Insurance Company Ltd	<b>100000</b>	<b>11.76</b>	100000	11.76
The Jammu and Kashmir Bank Ltd	<b>500000</b>	<b>58.83</b>	500000	58.83
10.00% Redeemable cumulative non-convertible preference shares				
Mrs. Brish Darbari Seth & Mrs Biya Sanjay Thukral	<b>25000</b>	<b>25.00</b>	25000	25.00
Ms Mina Rohit Chand	<b>25000</b>	<b>25.00</b>	25000	25.00
Mrs Dolly Lai	<b>25000</b>	<b>25.00</b>	25000	25.00
Mrs Sindhu Seth	<b>25000</b>	<b>25.00</b>	25000	25.00

### 3 (iii) Equity shares include :

- (a) 1,66,66,666 shares of Rs.10 each fully paid up, issued in the year 2009-10 to Asset Reconstruction Company (India) Ltd., (ARCIL) at an issue price of Rs.18 per share inclusive of a premium of Rs.8 per share in accordance with Issue of Capital and Disclosure Requirements Regulations, 2009 ("SEBI ICDR Regulations") by conversion of secured debts of a sum of Rs. 3000 lac into equity at the meeting of the Board of Directors held on 30 March 2010.
- (b) 32,14,734 shares of Rs 10 each fully paid up, at an issue price of Rs 19 per share inclusive of premium of Rs 9 per share in accordance with SEBI ICDR Regulations,2009 allotted to secured lenders on conversion of secured debts of Rs. 610.80 lac at the meeting of the Board of Directors held on 8 November 2010. The above allotment is in pursuant to the approval of the Board at its meeting held on 6 August 2010 and the shareholders at the AGM held on 21 September 2010.
- (c) 1,06,71,001 shares of Rs 10 each fully paid up, at an issue price of Rs 20 per share inclusive of premium of Rs 10 per share in accordance with SEBI ICDR Regulations, 2009 allotted to ARCIL on conversion of secured debts of Rs. 2134.20 lac at the meeting of the Board of Directors held on 8 December 2010. The above allotment is in pursuant to the approval of the Board at its meeting held on 28 October 2010 and the shareholders at the EGM held on 29 November 2010.
- (d) 12,631 equity shares of Rs.10 each fully paid up issued to Industrial Investment Bank of India, on preferential basis, at an issue price of Rs 19 per share, which includes a premium of Rs.9 per share by way of conversion of secured debt of Rs 2.40 lac, at the meeting of the Shareholders' / Investor's Grievance Committee held on 27 April 2012.
- (e) 72,631 equity shares of Rs.10 each fully paid up issued to United India Insurance Company Ltd., on preferential basis, at an issue price of Rs 19 per share, which includes a premium of Rs.9 per share by way of conversion of secured debt of Rs 13.80 lac, at the meeting of the Shareholders' / Investor's Grievance Committee held on 9 November 2012.
- (f) 3,72,76,700 equity shares of Rs.10 each fully paid up were issued to AMI Holdings Pvt Ltd, a company belonging to promoter group, on preferential basis, at an issue price of Rs 17.50 per share, which included a premium of Rs.7.50 per share by way of conversion of 3,72,76,700 warrants, at the meetings of Shareholders' / Investor's Grievance Committee held on 10 January 2013 and 13 March 2013.
- (g) 1,70,66,800 equity shares were issued against the Global Depository Receipts (GDRs) and is held by The Bank of New York, Mellon, as depository for the GDRs.

### Terms/rights attached to Equity Shares:

The company has only one class of equity shares having a par value of Rs. 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.

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

### 3 (iv) Preference shares:

- (a) 14.50% Redeemable cumulative non-convertible preference shares of Rs.300 lac issued on private placement basis, redeemable at par after the expiry of 60 months from the date (s) of allotment, have fallen due for redemption during the year 2001-02.
- (b) 11.50% Redeemable cumulative non-convertible preference shares of Rs.850 lac issued on private placement basis, redeemable at par after the expiry of 36 months from the date (s) of allotment, have fallen due for redemption during the year 2002-03.
- (c) 10.00% Redeemable cumulative non-convertible preference shares of Rs.100 lac issued on private placement basis, redeemable at par after the expiry of 36 months from the date (s) of allotment, have fallen due for redemption during the year 2003-04.

### Terms / rights attached to Preference shares

In the event of non-declaration of dividend in respect of any financial year, arrears of dividend will be declared in the subsequent financial years subject to the provisions of the Companies Act and / or any statutory modifications thereto, or re-enactments thereof as may be in force from time to time, prior to payment of dividend on equity shares.

### 3 (v) Share Application Money Pending allotment

#### As at 31 March 2015, the Share Application Money Pending Allotment represents:

With respect to a jointly controlled entity, National Aromatics and Petrochemicals Corporation Limited, share application money pending allotment is Rs. 2889.99 lac (Proportionate share Rs. 1445.00 lac) [Previous year Rs. 2889.99 lac (Proportionate share Rs. 1445.00 lac)]

**Note 4: Reserves and Surplus**

(Rupees in lac)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>a) Capital Reserve</b>		
Opening balance	97.24	97.33
Less: Adjustment on disposal of subsidiary	-	0.09
Closing balance	97.24	97.24
<b>(b) Capital redemption reserve</b>	6500.00	6500.00
<b>(c) Securities premium account</b>		
Opening balance	21047.71	21074.21
Less: Adjustment on disposal of subsidiary	-	26.50
Closing balance	21047.71	21047.71
<b>(d) Debenture redemption reserve</b>	3800.00	3800.00
<b>(e) Revaluation reserve</b>		
Opening balance	-	1141.98
Less: Adjustment on disposal of subsidiary	-	1141.98
Closing balance	-	-
<b>(f) Statutory reserve</b>	41.34	41.34
<b>(g) Foreign currency translation reserve</b>	2844.67	2844.67
<b>(h) Surplus / (Deficit) in Consolidated Statement of Profit and Loss</b>		
Opening balance	(36536.04)	(41027.50)
Profit for the year	1758.68	4491.46
	(34777.36)	(36536.04)
<b>Add: Proportionate Share in Joint Ventures (Reserves)</b>		
- Securities Premium Account	780.74	780.74
- Capital Reserve	7.15	7.15
- Revaluation Reserve		
Opening balance	336.28	339.68
Less: Utilized for set off against depreciation	-	3.40
Closing balance	336.28	336.28
- General Reserve	2346.50	2346.50
<b>- Surplus / (Deficit) in Consolidated Statement of Profit and Loss</b>		
Opening balance	677.95	1272.68
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax Rs.106.80 lac)	(238.83)	-
(Loss) for the year	(721.72)	(594.73)
	(282.60)	677.95
<b>Total</b>	<b>2741.67</b>	<b>1943.54</b>

**Note 5 Long-term borrowings**

Particulars	As at 31 March 2015	As at 31 March 2014
Term loans		
From Related parties - Secured (Refer Note 40(ii))	-	5700.04
Total	-	5700.04
Share in Joint ventures - Jointly controlled entities. (Refer Note 5(i) & 5(ii) below)	167.04	257.29
<b>Total</b>	<b>167.04</b>	<b>5957.33</b>

## With respect to Jointly Controlled entity,

5 (i) Average rate of interest on Term loan from Bank is 13.00% p.a. The Loans are secured by all the Company's immovable properties by deposit of title deeds., both present and future, and second charge on all the movable properties of the Company.

5 (ii) Interest free deferred unsecured sales tax loan is repayable in 36 monthly instalments.

## Note 6: Other Long Term Liabilities

(Rupees in lac)

Particulars	As at 31 March 2015	As at 31 March 2014
Trade / security deposits received	1283.28	1132.82
Liability for expenses	1752.94	1671.40
<b>Total</b>	<b>3036.22</b>	<b>2804.22</b>
Share in Joint ventures - Jointly controlled entities (Refer Note 6(i) below)	583.85	582.92
<b>Total</b>	<b>3620.07</b>	<b>3387.14</b>

## 6 (i) With respect to Jointly Controlled Entity,

Other payable represents amount received in advance towards sale of 100000 equity shares in SEPC Power (Private) Limited during Financial year 2012-13. The same will get adjusted against Investment held, on successful implementation of the power project by SEPC Power (Private) Limited.

## Note 7: Long Term Provisions

Particulars	As at 31 March 2015	As at 31 March 2014
Share in Joint ventures - Jointly controlled entities (Refer Note 35 (i))	39.23	41.96
<b>Total</b>	<b>39.23</b>	<b>41.96</b>

## Note 8: Short Term Borrowing

Particulars	As at 31 March 2015	As at 31 March 2014
Term loans		
From banks- Secured	-	30138.77
From banks- Unsecured	-	6629.70
Loans repayable on demand		
From Related parties - Unsecured (Refer Note 40(ii))	7022.00	-
From Other parties - Unsecured	4997.76	-
<b>Total</b>	<b>12019.76</b>	<b>36768.47</b>
Share in Joint ventures - Jointly controlled entities (Refer Note 8 (i) below)	1468.79	2010.28
<b>Total</b>	<b>13488.55</b>	<b>38778.75</b>

## 8 (i) With respect to Jointly Controlled Entity,

Loans are secured by hypothecation by way of charge on inventories both on hand and in transit, book debts and other receivables, both present and future and further secured by way of mortgage by deposit of title deeds of immovable properties, both present and future, on second charge basis ranking pari passu amongst them.

## Note 9: Trade Payables

Particulars	As at 31 March 2015	As at 31 March 2014
Trade payables:		
Other than acceptances ( Refer Note 9 (i) below)	90930.92	63558.45
<b>Total</b>	<b>90930.92</b>	<b>63558.45</b>
Share in Joint ventures - Jointly controlled entities	2524.84	2486.15
<b>Total</b>	<b>93455.76</b>	<b>66044.60</b>



9 (i) There are no dues to enterprises as defined under Micro, Small and Medium enterprises Development Act, 2006, as at 31 March 2015 and as at 31 March 2014 which is on the basis of such parties having been identified by the Management and relied upon by the auditors.

**Note 10: Other Current Liabilities**

(Rupees in lac)

Particulars	As at 31 March 2015	As at 31 March 2014
Current maturities of long-term debt (Refer Note 40(ii))	-	4282.54
Interest accrued but not due on borrowings	59.04	495.59
Retention Money	29.29	21.37
Other payables		
(i) Statutory remittances	160.88	177.56
(ii) Payable towards purchase of fixed assets (Refer Note 12(i))	1600.00	-
(iii) Trade / security deposits received	229.44	1193.67
(iv) Interest accrued on Security Deposit	41.97	197.50
(v) Advances from customers and other parties	2119.73	4853.23
(vi) Gratuity payable (Refer Note 35(ii))	144.82	86.77
(vii) Superannuation fund payable	215.81	164.90
(viii) Other Claims Payable	-	1093.64
<b>Total</b>	<b>4600.98</b>	<b>12566.77</b>
Share in Joint ventures - Jointly controlled entities (Refer Note 10(i) & 10(ii) below)	1314.32	1216.21
<b>Total</b>	<b>5915.30</b>	<b>13782.98</b>

**10 (i) With respect to Jointly Controlled Entity includes**

a. Current maturities of long-term debt - Refer Note 5 (i) for terms of interest and details of security.

Particulars	As at 31 March 2015	As at 31 March 2014
Term loan from Banks (Secured) - Repayable in April 2015	15.92	114.48
Loans from HDFC Limited (Secured) - The Loan has been settled in full in the current year.	-	251.40
Deferred sales tax loan ( unsecured)	74.34	51.37

(ii) During the year, the Company has entered in to an agreement for sale of one of its immovable properties and received an advance. This transaction is expected to be completed by June 2015.

**Note 11: Short Term Provisions**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>(a) Provision for employee benefits:</b>		
(i) Provision for compensated absences ( Refer Note 35(iii))	362.95	310.39
<b>Total</b>	<b>362.95</b>	<b>310.39</b>
Share in Joint ventures - Jointly controlled entities	7.08	8.56
<b>Total</b>	<b>370.03</b>	<b>318.95</b>

**Note 12: Fixed Assets (Previous year figures are given in brackets)**

Description	Gross block						Accumulated depreciation & impairment						Net block		
	As at 1 April 2014	Additions/ Adjustments	Deletions/ Adjustments	Deletions on disposal of subsidiary	Reclassified as held for sale	Closing Balance as at 31 March 2015	Opening Balance as at 1 April 2014	Additions/ Adjustments	Impairment Loss	Deletions/ Adjustments	Eliminated on reclassification as held for sale	Deletions on disposal of subsidiary	Closing Balance as at 31 March 2015	As at 31 March 2015	As at 31 March 2014
<b>Tangible Assets - Owned</b>															
(a) Land - Freehold	3429.54 (9909.40)	1262.97** (-)	- (-)	- (4010.12)	- (2469.74)	4692.51 (3429.54)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	4692.51 (3429.54)	4692.51 (9909.40)	3429.54 (9909.40)
(b) Buildings	7294.81 (13576.34)	337.03** (-)	- (-)	- (727.68)	- (5552.85)	7631.84 (7294.81)	4240.86 (6378.64)	124.70 (164.45)	2201.23 (-)	- (4199.25)	- (304.21)	- (-)	4365.56 (4240.86)	3266.28 (3063.95)	3063.95 (7196.70)
(c) Plant and Equipment	121490.01 (135461.73)	620.80 (145.33)	691.02 (91.46)	- (13983.69)	- (41.90)	121419.79 (121490.01)	9695.43 (101534.77)	2667.02 (3934.99)	- (1.80)	- (41.90)	- (6660.86)	- (-)	100800.86 (98695.43)	20618.93 (22794.58)	22794.58 (33926.96)
(d) Furniture and Fixtures	456.09 (571.45)	0.60 (-)	159.41 (4.21)	- (111.15)	- (-)	297.28 (456.09)	429.01 (487.46)	6.96 (5.65)	- (-)	- (4.18)	- (-)	- (-)	283.72 (429.01)	13.56 (27.08)	27.08 (83.99)
(e) Vehicles	150.32 (188.42)	33.01 (8.36)	7.98 (15.72)	- (30.74)	- (-)	175.35 (150.32)	113.03 (139.02)	8.04 (9.64)	- (-)	- (-)	- (-)	- (-)	113.60 (113.03)	61.75 (37.29)	37.29 (49.40)
(f) Office equipments	6873.88 (7313.49)	73.58 (15.85)	570.15 (46.53)	- (182.46)	- (226.47)	6377.31 (6873.88)	5750.17 (5839.58)	201.24 (231.03)	- (86.78)	- (226.47)	- (138.68)	- (-)	5404.22 (5750.17)	975.09 (1123.71)	1123.71 (1473.91)
(g) Roads	218.41 (218.41)	- (-)	- (-)	- (-)	- (-)	218.41 (218.41)	132.99 (125.73)	16.75 (7.26)	- (-)	- (-)	- (-)	- (-)	149.74 (132.99)	68.67 (85.42)	85.42 (92.68)
(h) Railway Sidings	582.26 (582.26)	- (-)	- (-)	- (-)	- (-)	582.26 (582.26)	256.48 (242.29)	13.82 (14.19)	- (-)	- (-)	- (-)	- (-)	270.30 (256.48)	311.96 (325.78)	325.78 (339.97)
<b>Intangible Assets</b>															
Software	- (57.93)	- (-)	- (-)	- (57.93)	- (-)	- (-)	- (31.23)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (26.70)
<b>Capital Work-in-progress</b>															
Total - A	140495.32 (167878.43)	2327.99 (169.54)	1428.56 (157.92)	- (19103.77)	- (8290.96)	141394.75 (140495.32)	109617.97 (114778.72)	3038.53 (4367.21)	- (2289.81)	- (4467.62)	- (7217.54)	- (109617.97)	111388.00 (109617.97)	31260.38 (31535.09)	31535.09 (53455.60)
Share in Joint ventures - Jointly controlled entities															
- Tangible Assets #	21806.55 (21849.66)	- (108.00)	0.36 (151.11)	- (-)	- (-)	21806.19 (21806.55)	16683.32 (16290.80)	694.10 (518.61)	- (-)	- (126.09)	- (-)	- (-)	17377.42 (16683.32)	4428.77 (5123.23)	5123.23 (5558.86)
- Capital Work-in-progress															
- Intangible assets under development															
Total - B	21806.55 (21849.66)	- (108.00)	0.36 (151.11)	- (-)	- (-)	21806.19 (21806.55)	16683.32 (16290.80)	694.10 (518.61)	- (-)	- (126.09)	- (-)	- (-)	17377.42 (16683.32)	4428.77 (5123.23)	5123.23 (5558.86)
<b>GRAND TOTAL (A + B)</b>	162301.87 (189728.09)	2327.99 (277.54)	1428.92 (309.03)	- (19103.77)	- (8290.96)	162301.87 (162301.87)	126301.29 (131069.52)	3732.63 (4885.82)	- (2289.81)	- (4467.62)	- (7217.54)	- (126301.29)	128765.42 (126301.29)	37698.13 (38610.84)	38610.84 (58688.57)
Previous year															

\*\* Refer Note 12(i)

# Depreciation on Plant and Equipment with respect to Jointly controlled entities includes depreciation on R & D assets for Rs. 5.60 lac. (Previous year - Rs 5.81 lac)

- 12 (i) The prospects for Tissue Culture business has shown significant improvement recently and the Company has decided to focus on the agri divisions operations which has necessitated taking repossession of the related land and building handed over in 2011-12, from the purchaser.

#### 12(ii) Depreciation

- (a) During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1 April 2014, the Holding Company also revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II other than the assets pertaining to Tuticorin manufacturing plant for which depreciation has been provided based on the useful life of assets determined by a technical evaluation. Management believes that the revised useful life of the assets reflect the period over which these assets are to be used. Further, assets individually costing Rs. 5000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life for the respective category of assets.

The details of previously applied depreciation rates are as follows:

Asset	Previous depreciation rate as per Schedule XIV to the Act, 1956	Revised useful life as per Schedule II to the Companies Act, 2013	Assets pertaining to Tuticorin plant ( Useful life)
Building – Factory	3.34%/ ~28 years	30 years	25 - 65 years
Building – Others	1.63%/ ~58 years	60 years	45 - 75 years
Plant and Machinery	5.28%/ ~18 years	15 years	15 - 49 years
Furniture and Fixtures	6.33%/ ~15 years	10 years	12 - 33 years
Vehicles	9.50%/ ~10 years	8 years	8 - 26 years
Office equipments	4.75%/ ~20 years	5 years	7 - 38 years
Roads	1.63%/ ~58 years	10 years	34 - 44 years
Railway sidings	4.75%/ ~20 years	15 years	40 years

Consequent to the change in the useful life of the assets as given above, the depreciation expense in the Consolidated Statement of Profit and Loss for the year is lower by Rs. 1179.22 lac, which is net of depreciation on the assets where the remaining useful life was determined as Nil as on 1 April 2014.

#### (b) With respect to Jointly controlled entity

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1 April 2014 the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM
Factory Buildings	SLM	3.34%/ ~28 years	30 years
Office Equipment	SLM	40% / ~6 years	5 years
Plant and Machinery	SLM	5.28% / ~18 years	25 years
Furniture and Fixtures	SLM	6.33% / ~15 years	10 years
Vehicles	SLM	20% / ~5 years	6 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the revised useful life as prescribed by Schedule II), net of residual value, where the remaining useful life of the asset was determined to be nil as on 1 April 2014, and has adjusted an amount of Rs. 1410.69 lac (Rs. 2041.53 lac net of deferred tax of Rs.630.84 lac) against the opening Surplus balance in the Consolidated Statement of Profit and Loss under Reserves and Surplus. (Proportionate share in jointly controlled entity Rs. 238.83 lac).

The depreciation expense in the Consolidated Statement of Profit and Loss for the year is lower by Rs. 983.21 lac (Proportionate share - Rs 166.45 lac) consequent to the adoption of revised useful life as prescribed by Schedule II of the Companies act, 2013.

## 12(iii) Asset Held for Sale

Certain assets of the Holding Company were identified as held for sale in the previous year. The details of assets held for sale, are as below (also refer Note 19):

(Rupees in lac)

Details of Fixed Assets Held for Sale	As at 31 March 2015	As at 31 March 2014
Land – Freehold*	223.34	2469.74
Building*	-	1353.60
<b>Total</b>	<b>223.34</b>	<b>3823.34</b>

\* During the year the Holding Company has completed the sale of Land and Building for the total consideration of Rs. 3600 lac and the sale has been registered on 5 June 2014.

## Note 13 Investments

(Rupees in lac)

Particulars	As at 31 March 2015			As at 31 March 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>NON-CURRENT INVESTMENTS (At cost)</b>						
<b>A. Trade Investments (unless otherwise stated)</b>						
<b>(i) Investment in equity instruments - fully paid up of associates</b>						
- Tuticorin Alkali Chemicals and Fertilizers Limited (Refer Note 13(ii) below) 66,80,113 (66,80,113) Equity Shares of Rs. 10 each	-	-	-	-	-	-
- Gold Nest Trading Company Limited 2,49,000 (2,49,000) Equity Shares of Rs. 100 each	-	-	-	-	-	-
<b>Total Investment in Equity instruments in Associates</b>	-	-	-	-	-	-
<b>of other entities</b>						
- Manali Petrochemicals Limited 10,000 (10,000) Equity shares of Rs. 5 each	0.68	-	0.68	0.68	-	0.68
- SICAGEN India Limited (Refer Note 13(iii) below) 5,77,681 (5,77,681) Equity Shares of Rs. 10 each	-	-	-	-	-	-
- State Bank of Bikaner and Jaipur (Non - trade) 3,450 (3,450) Equity Shares of Rs. 10 each	1.86	-	1.86	1.86	-	1.86
- ICICI Bank Limited (Non - trade) 1195 (383) Equity Shares of Rs. 2 (Rs. 10) each	0.20	-	0.20	0.20	-	0.20
- SPIC Petrochemicals Limited (Refer Note 13(iv) below) 25,37,50,009 (25,37,50,009) Equity Shares of Rs. 10 each	-	25375.00	25375.00	-	25375.00	25375.00
- Biotech Consortium India Limited 2,50,000 (2,50,000) Equity Shares of Rs. 10 each	-	25.00	25.00	-	25.00	25.00
- Chennai Willington Corporate Foundation 50 (50) Equity Shares of Rs. 10 each costing Rs. 450	-	-	-	-	-	-
- Mercantile Ventures Limited 92,20,000 (92,20,000) Equity Shares of Rs. 10 each	922.00	-	922.00	-	922.00	922.00
<b>Total Investment in Equity instruments in other entities</b>	<b>924.74</b>	<b>25400.00</b>	<b>26324.74</b>	2.74	26322.00	26324.74

**Investments (Continued)**

(Rupees in lac)

Particulars	As at 31 March 2015			As at 31 March 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>(ii) Investment in preference shares - fully paid up of associates</b>						
- Tuticorin Alkali Chemicals and Fertilisers Limited 20,00,000 (20,00,000) 5% Redeemable Cumulative Preference Shares of Rs. 100 each	-	2000.00	2000.00	-	2000.00	2000.00
<b>of other entities</b>						
- SPIC Petrochemicals Limited (Refer Note 13(iv) below) 5,000 (5,000) 8% Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100 each	-	5.00	5.00	-	5.00	5.00
Total investment in preference shares	-	2005.00	2005.00	-	2005.00	2005.00
<b>B Other Investments</b>						
<b>(i) Investment in bonds - fully paid up of other entities</b>						
- SPIC Petrochemicals Limited* (Refer Note 13(iv) below) [Zero interest non-transferable bonds]  * Repayable in ten equal half-yearly instalments after 12 years from the commencement of commercial production or total re-payment of the term loan to the lenders whichever is earlier. The carrying value of the investment has been fully provided for.	-	30609.63	30609.63	-	30609.63	30609.63
Total Investment in Bonds	-	30609.63	30609.63	-	30609.63	30609.63
<b>(ii) Investment in mutual funds</b>						
- Canara Robecco Equity Diversified - Growth Plan formerly known as Canara Robecco Fortune - 94 units 12,760 (12,760) Units of Rs. 10 each	-	1.00	1.00	-	1.00	1.00
Total Investment in Mutual Funds	-	1.00	1.00	-	1.00	1.00
<b>GROSS VALUE OF INVESTMENTS</b>	<b>924.74</b>	<b>58015.63</b>	<b>58940.37</b>	2.74	58937.63	58940.37
Less: Provision for diminution in value of investments	-	57989.62	57989.62	-	57989.62	57989.62
<b>NET VALUE OF INVESTMENTS</b>	<b>924.74</b>	<b>26.01</b>	<b>950.75</b>	2.74	948.01	950.75
<b>Add: Share in Joint ventures - Jointly controlled entities (Refer Note 13(v) below)</b>	-	33.87	33.87	-	145.57	145.57
<b>Total</b>	<b>924.74</b>	<b>59.88</b>	<b>984.62</b>	2.74	1093.58	1096.32

**13 (i)** The Holding Company's investments included Rs. 18453.62 lac (Previous year Rs.18453.62 lac) in equity share capital of SPIC Fertilizer and Chemicals Limited, Mauritius (SFCL, Mauritius), which had invested in a wholly owned subsidiary company, viz. SPIC Fertilizers and Chemicals FZE, Dubai (SFC FZE, Dubai) in the earlier years, whose objective was production of ammonia and urea in Jebel Ali Free Zone, Dubai. Since the project did not materialize due to non allocation of gas, the said subsidiary company had commenced activities for dismantling the existing plant and machinery at the project site with a view to relocate the same where assured gas supply could be obtained.

As Jebel Ali Free Zone Authorities (JAFZA) had taken over the assets of SPIC Fertilizers and Chemicals (SFC) FZE, Dubai, the holding company SFCL Mauritius lost control over the subsidiary. Full provision has been made for these investments in earlier years. The Company is considering writing off the investments in SFCL Mauritius and is in the process of getting the approval of the concerned Regulatory Authorities to write off the aforesaid investment in the books of account.

**13 (ii)** The Holding Company has given an undertaking to the lenders of Tuticorin Alkali Chemicals and Fertilisers Limited for non disposal of its shareholdings in the said Company without their prior approval.

13 (iii) Consequent to the Scheme of Arrangement (Demerger) between SICAL Logistics Limited and SICAGEN India Limited, sanctioned by the Hon'ble High Court of Madras, by its order dated 20 December 2007, the Holding Company was allotted 5,77,681 Equity Shares of the face value of Rs. 10 each in SICAGEN India Limited.

13 (iv) The Holding Company promoted SPIC Petrochemicals Limited (SPIC Petro) in 1994-95 for the manufacture of Polyester Filament Yarn and Purified Terephthalic Acid. The Company had invested Rs.25375.00 lac in the equity share capital, Rs.5.00 lac in 8% redeemable cumulative non convertible preference share capital, Rs.30609.63 lac in Unsecured Zero Interest Bonds redeemable after 12 years from the date of commencement of commercial production. Consequent to the litigation between Chennai Petroleum Corporation Limited (CPCL) and the Company and winding up petitions filed by certain unsecured creditors, the Hon'ble Madras High Court ordered the winding up of the Company on 17 April 2009.

Against the above winding up order, SPIC Petro filed an appeal before the Division Bench of the Hon'ble Madras High Court. The Division Bench of the Hon'ble Madras High Court, dismissed the appeal on 26 April 2010. Meanwhile, ARCIL issued a notice on 19 March 2009, u/s 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), directing SPIC Petro to make payment of the dues to ARCIL within sixty days from the date of the notice. As SPIC Petro could not make the payment, ARCIL took over the possession of the assets of SPIC Petro, under SARFAESI Act on 13 May 2010. Consequent to the above, the nominee directors of SPIC Limited have ceased to be directors of SPIC Petro with effect from 14 May 2010. Hence the Company had lost its control over SPIC Petro and full provision had already been made in the earlier years for the carrying value of investments and also for all other dues from this Company.

13 (v) With respect to Jointly controlled entity, the company has the option to redeem these Bonds at the end of the third year from the date of issue (i.e. 27 March 2016) or converting the bonds into equity shares of Rs.10 each at par.

**Note 14: Long Term Loans and Advances (Unsecured, considered good unless otherwise stated)**

(Rupees in lac)

Particulars	As at 31 March 2015		As at 31 March 2014	
Capital advances				
Considered good		<b>289.43</b>		222.84
Deposits				
Considered good	<b>3168.67</b>		3147.48	
Doubtful	<b>35.78</b>		35.78	
	<b>3204.45</b>		3183.26	
Less: Provision for doubtful deposits	<b>35.78</b>		35.78	
		<b>3168.67</b>		3147.48
Loans and advances to employees				
Considered good	<b>0.60</b>		3.03	
Doubtful	<b>5.35</b>		5.35	
	<b>5.95</b>		8.38	
Less: Provision for doubtful loans and advances	<b>5.35</b>		5.35	
		<b>0.60</b>		3.03
Advance income tax (Net of provisions Rs. 4135.56 lac (previous year Rs. 4135.56 lac))		<b>412.96</b>		360.79
Balances with government authorities				
Considered good	<b>76.92</b>		-	
Doubtful	<b>210.22</b>		210.22	
	<b>287.14</b>		210.22	
Less: Provision for doubtful receivables	<b>210.22</b>		210.22	
		<b>76.92</b>		-
<b>Total</b>		<b>3948.58</b>		3734.14
Share in Joint ventures - Jointly controlled entities		<b>763.40</b>		600.99
<b>Total</b>		<b>4711.98</b>		4335.13

**Note 15: Inventories**

(Rupees in lac)

Particulars	As at 31 March 2015		As at 31 March 2014	
Raw materials	6789.73		12359.55	
- Goods-in-transit	4336.11		-	
		11125.84		12359.55
Work-in-progress (Refer Note 15(i) below)		132.87		224.09
Finished goods		298.79		127.56
Stores and spares	1139.62		1506.45	
- Goods-in-transit	0.45		12.55	
		1140.07		1519.00
Loose tools		12.55		14.40
Fuel Oil		555.69		4130.28
<b>Total</b>		<b>13265.81</b>		<b>18374.88</b>
Share in Joint ventures - Jointly controlled entities **		1414.79		2663.94
<b>Total</b>		<b>14680.60</b>		<b>21038.82</b>

**15 (i) Details of work-in-progress**

Particulars	As at	
	31 March 2015	31 March 2014
Tissue Culture	51.71	101.72
Urea	81.16	122.37
<b>Total</b>	<b>132.87</b>	<b>224.09</b>
Proportionate Share of Jointly Controlled entities **	46.55	61.17
<b>Total</b>	<b>179.42</b>	<b>285.26</b>

\*\* Rs 46.55 lac (Rs 61.17 lac) represents share of Work in progress in Jointly controlled entities out of Rs 1414.79 lac (Rs. 2663.94 lac).

**Note 16: Trade Receivable**

Particulars	As at 31 March 2015		As at 31 March 2014	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Refer Note 16(i) below)				
Considered good	1361.51		929.65	
Doubtful	781.14		807.01	
	2142.65		1736.66	
Less: Provision for doubtful trade receivables	781.14		807.01	
		1361.51		929.65
Other Trade receivables - Considered good		608.95		597.07
<b>Total</b>		<b>1970.46</b>		<b>1526.72</b>
Share in Joint ventures - Jointly controlled entities		1082.12		1305.61
<b>Total</b>		<b>3052.58</b>		<b>2832.33</b>

**16(i)** Trade receivables of Rs.1,494.42 lac and Short term loans and advances of Rs.54.64 lac (net of provision of Rs.702.45 lac created in earlier years) represent dues receivable from an associate company. The Holding Company is pursuing the settlement of dues and a Memorandum of Understanding has been executed with the associate company.

**Note 17: Cash and Cash equivalents**

(Rupees in lac)

Particulars	As at 31 March 2015	As at 31 March 2014
Cash on hand	7.45	4.06
Cheques, drafts on hand	-	0.53
Balances with banks		
(i) In current accounts	613.53	1246.19
(ii) In EEFC accounts	0.83	0.80
(iii) In Earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	364.51	324.25
- Balance in Escrow Account	3.84	32.58
<b>Total</b>	<b>990.16</b>	1608.41
Share in Joint ventures - Jointly controlled entities	1281.79	1290.72
<b>Total</b>	<b>2271.95</b>	2899.13
Of the above, balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow statement is	1742.70	2356.70

**Note 18 Short-term loans and advances (Unsecured, Considered Good unless otherwise stated)**

Particulars	As at 31 March 2015	As at 31 March 2014
Loans and advances to related parties ( Refer Note 16(i) & Note 40(ii))		
Considered Good	54.74	51.82
Doubtful	4282.70	4279.05
	4337.44	4330.87
Less: Provision for doubtful loans and advances	4282.70	4279.05
	54.74	51.82
Loans and advances to employees		
Considered Good	1.46	0.26
Doubtful	18.37	18.37
	19.83	18.63
Less: Provision for doubtful loans and advances	18.37	18.37
	1.46	0.26
Prepaid expenses	148.65	259.33
Subsidy Receivable (Refer Note 29(ii))	76740.35	76737.79
Balances with government authorities		
Considered good	616.11	581.39
Doutful	37.40	37.40
	653.51	618.79
Less: Provision for doubtful receivables	37.40	37.40
	616.11	581.39
Advance to suppliers	148.92	125.70
Loans and Advances to other parties		
Considered good	251.02	327.51
Doubtful	435.71	637.13
	686.73	964.64
Less: Provision for doubtful loans and advances	435.71	637.13
	251.02	327.51
<b>Total</b>	<b>77961.25</b>	78083.80
Share in Joint ventures - Jointly controlled entities	982.92	806.17
<b>Total</b>	<b>78944.17</b>	78889.97



**Note 19: Other Current assets:**

Rupees in lac)

Particulars	As at 31 March 2015		As at 31 March 2014	
Interest accrued on Deposits		250.72		182.62
Others				
(i) Insurance Claims				
Considered Good	0.09		0.08	
Considered Doubtful	0.71		0.71	
	0.80		0.79	
Less: Provision for doubtful claims	0.71		0.71	
		0.09		0.08
Fixed assets held for sale (Refer Note 12(iii))		223.34		3823.34
Other receivables				
Considered Good	-		0.30	
Considered Doubtful	6.58		79.17	
	6.58		79.47	
Less: Provisions for Doubtful receivables	6.58		79.17	
		-		0.30
<b>Total</b>		<b>474.15</b>		<b>4006.34</b>
Share in Joint ventures - Jointly controlled entities		38.50		22.23
<b>Total</b>		<b>512.65</b>		<b>4028.57</b>

**Note 20: Revenue from Operations**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Sale of products	27585.08	22402.61
Subsidy Income (Refer Note 29(ii))	181081.55	117357.61
Sale of services	-	62.19
<b>Sales and Services(Refer Note 20 (i) below)</b>	<b>208666.63</b>	<b>139822.41</b>
Other operating revenues (Refer Note 20(ii) below)	1072.28	1239.30
<b>Revenue from Operations (gross)</b>	<b>209738.91</b>	<b>141061.71</b>
Less: Excise duty	322.48	175.64
<b>Total</b>	<b>209416.43</b>	<b>140886.07</b>
Share in Joint Ventures - Jointly controlled entities		
Total Revenue	18126.09	19857.29
Less: Excise Duty	2044.81	2049.99
Net Sales	16081.28	17807.30
<b>Total</b>	<b>225497.71</b>	<b>158693.37</b>

**20 (i) Sales and Services**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Sales and Services comprises:		
- Manufactured goods	26359.45	21857.16
- Fertiliser and transport subsidy (Urea)	181081.55	117357.61
- Sale of Services	-	62.19
- Others	1225.63	545.45
<b>Total</b>	<b>208666.63</b>	<b>139822.41</b>
Share in Joint Ventures - Jointly controlled entities	18037.54	19844.07
<b>Total</b>	<b>226704.17</b>	<b>159666.48</b>

## 20(ii) Other operating Revenues

(Rupees in lac)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Facility sharing income	975.27	859.97
Sale of scrap	75.11	207.11
Others	21.90	172.22
<b>Total</b>	<b>1072.28</b>	<b>1239.30</b>
Share in Joint Ventures - Jointly controlled entities	88.55	13.22
<b>Total</b>	<b>1160.83</b>	<b>1252.52</b>

## Note 21 Other income

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest income (Refer Note 21 (i) below)	110.95	170.97
Dividend income - from long-term investments	5.75	5.90
Liabilities / Provisions no longer required written back		
- For Doubtful debts / advances	246.29	108.80
- Others	-	270.64
Rental Income	66.65	271.23
Profit on sale of asset	0.99	-
Bad debts written off in earlier year, now recovered	233.11	-
Others	200.27	117.49
<b>Total</b>	<b>864.01</b>	<b>945.03</b>
Share in Joint ventures- Jointly controlled entities	212.82	272.95
<b>Total</b>	<b>1076.83</b>	<b>1217.98</b>

## Note 21 (i) Interest Income

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest from banks deposits	20.82	48.20
Other interest	90.13	122.77
<b>Total</b>	<b>110.95</b>	<b>170.97</b>
Share in Joint Ventures - Jointly controlled entities	52.18	39.77
<b>Total</b>	<b>163.13</b>	<b>210.74</b>

## Note 22: Cost of materials consumed

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Opening stock	12359.55	3098.52
Add: Purchases	120758.47	91884.00
Add: Wafer Characterization Charges & Other Manufacturing expenses relating to Subsidiary	-	48.65
Less: Adjustment on disposal of subsidiary	-	546.98
Less: Closing stock	6789.73	12359.55
<b>Total</b>	<b>126328.29</b>	<b>82124.64</b>
Share in Joint ventures- Jointly controlled entities	10256.47	10721.27
<b>Total</b>	<b>136584.76</b>	<b>92845.91</b>

**Note 23: Purchase of Stock in trade**

(Rupees in lac)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Share in Joint ventures- Jointly controlled entities	3.73	544.08
<b>Total</b>	<b>3.73</b>	<b>544.08</b>

**Note 24 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
(a) Inventories at the beginning of the year:		
Finished goods	127.56	100.88
Work-in-progress	224.09	63.69
<b>Total</b>	<b>351.65</b>	<b>164.57</b>
(b) Inventories at the end of the year:		
Finished goods	298.79	127.56
Work-in-progress	132.87	224.09
<b>Total</b>	<b>431.66</b>	<b>351.65</b>
(Increase) / Decrease	(80.01)	(187.08)
(Increase) / Decrease due to subsidiary hived off during FY 13-14	-	(636.56)
Share in Joint ventures- Jointly controlled entities	1024.66	454.55
<b>Net (Increase) / Decrease</b>	<b>944.65</b>	<b>(369.09)</b>

**Note 25: Employee benefits expense**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Salaries and wages	3379.44	4455.39
Contributions to provident and other funds	623.98	411.01
Staff welfare expenses	378.00	435.66
<b>Total</b>	<b>4381.42</b>	<b>5302.06</b>
Share in Joint ventures- Jointly controlled entities ( Refer Note 25 (i) below)	462.54	404.57
<b>Total</b>	<b>4843.96</b>	<b>5706.63</b>

**25 (i)** Employee benefits expense for the year includes an amount of Rs 344.27 lac (Proportionate share - Rs 58.28 lac) towards compensation to the employees who had opted for early retirement from service ( ERS) during the year.

**Note 26: Finance cost**

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest expense on:		
- Borrowings	2156.14	1879.75
- Trade payables / Trade Advances	370.56	336.90
- Deposits	181.30	167.05
- Others	33.52	94.47
Other borrowing costs	84.37	84.36
<b>Total</b>	<b>2825.89</b>	<b>2562.53</b>
Share in Joint ventures- Jointly controlled entities	331.61	546.56
<b>Total</b>	<b>3157.50</b>	<b>3109.09</b>

## Note 27: Other expenses

(Rupees in lac)

Particulars	Year ended 31 March 2015		Year ended 31 March 2014	
	Consumption of stores and spare parts		843.63	
Packing, transportation and handling		8904.57		4906.45
Power and fuel		51782.59		35582.08
Water		1751.51		648.39
Rent		466.38		440.94
Repairs to				
- Buildings	339.40		361.12	
- Machinery	962.33		796.74	
- Others	324.23		276.24	
		1625.96		1434.10
Insurance		213.01		235.30
Rates and taxes		324.17		325.17
Travelling and conveyance		315.32		378.87
Marketing Service Charges		448.28		480.79
Rebates and Discount		1773.76		1298.52
Sales promotion expenses		24.46		1.58
Professional Fees		375.27		504.21
Payment to auditors (Refer Note 27(i) below)		35.14		44.05
Bad trade and other receivables, loans and advances written off	292.42		111.94	
Less: Transfer from provision	291.81		111.94	
		0.61		-
Net loss on foreign currency transactions and translation		2487.07		1308.01
Loss on assets		-		21.54
Assets written off		160.45		-
Provision for doubtful trade and other receivables, loans and advances (net)		1.86		84.46
Director's sitting fees		12.60		10.43
Miscellaneous expenses		481.00		790.89
<b>Total</b>		<b>72027.64</b>		<b>49066.68</b>
Share in Joint ventures- Jointly controlled entities		4782.07		5716.85
<b>Total</b>		<b>76809.71</b>		<b>54783.53</b>

### 27 (i) Payment to Auditors

Particulars	Year ended 31 March 2015		Year ended 31 March 2014	
	Payments to the auditors comprises (net of service tax input credit, where applicable):			
- As auditors - statutory audit		20.00		21.55
- For other services		14.20		21.67
- Reimbursement of expenses		0.94		0.83
<b>Total</b>		<b>35.14</b>		<b>44.05</b>
Share in Joint Ventures - Jointly controlled entities**		5.77		5.78
<b>Total</b>		<b>40.91</b>		<b>49.83</b>

\*\* Includes fees paid to auditors of the Jointly controlled entities.

**Note 28 Exceptional items**

(Rupees in lac)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Loss on Sale of Investment	-	(1783.79)
Impairment Loss	-	(2289.81)
Excess Liability written back	-	11692.51
Loss on Sale of Business Undertaking	-	(1275.00)
<b>Total</b>	-	6343.91
Share in Joint Ventures - Jointly controlled entities	-	-
<b>Total</b>	-	6343.91

**Note 29 Plant Operation**

With respect to the Holding Company

- (i) Under the Modified New Pricing Scheme III the Department of Fertilizers had issued a directive mandating the naphtha based fertilizer plants to switch over to gas based operations and that the naphtha based plants, would be eligible for subsidy only upto 30 September 2014. In view of the above, the Ammonia and Urea Plants were stopped on 1 October 2014 and critical repair works were carried out and completed.

Government of India vide its notification dated 7 January 2015 had permitted the Company to produce Urea using Naphtha as feedstock for a period of 100 days from the date of notification i.e. upto 16 April 2015 and that the subsidy would be paid based on the Retention Price computed on the lower of naphtha or RLNG price. The Ammonia and Urea Plants recommenced operations from 7 January 2015. The Company has since shut down the plant on 17 April 2015 for carrying out maintenance work as may be required during the period of non-operation of the Urea plant.

The Company had filed a writ petition with the Hon'ble Delhi High Court on 20 April 2015. The Company has obtained an Order of the Hon'ble Delhi High Court dated 24 April 2015 which permits the Company to continue to get the subsidy till further orders are passed by the Cabinet Committee of Economic Affairs on the proposal made by the Ministry of Chemicals and Fertilizers recommending payment of subsidy till gas connectivity is established. The Company has commenced the urea production on 20 May 2015.

- (ii) Subsidy for the period January 2015 to March 2015 of Rs. 36883.95 lac has been accounted based on the provisional Retention Price (RP) computed in line with the Government's policy dated 7 January 2015, as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, will be made when the final retention price is notified by the Department of Fertilizers.

**Note 30 - Commitments**

Capital commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.1531.08 lac (Previous year Rs.1055.94 lac) (including share of Joint venture - Jointly controlled entities - Rs. 24.06 lac (Previous year Rs. 26.28 lac).

**Note 31 - Contingent Liabilities**

With respect to the Holding Company

- (a) Claims not acknowledged as debts

- (i) The District Collector, Tuticorin vide his letter dated, 21 August 2009 had demanded Rs. 16873.97 lac (Previous year Rs.16873.97 lac) towards lease rent for the utilization of 415.19 acres of sand quarry poramboke lands by the Company for its effluent treatment and storage of Gypsum for the period from 1975 to 2008. While raising this demand, the District Collector had ignored the proposal submitted by the Company during 1975 to the State Government seeking assignment of the said land which is still pending. The Company had filed a writ petition challenging the demand before the Hon'ble Madras High Court and the court granted interim stay vide its order dated 21 April 2010 on further proceedings. During November 2010 the District Collector, Tuticorin has filed a counter before Hon'ble Madras High Court praying for the vacation of interim stay and the case is still pending.

- (ii) Tamilnadu Water Supply And Drainage Board (TWAD) has claimed payments for the period during which the Nitrogenous plants were not in operation, on the basis of 50% allotted quantity of water. The Company alongwith other beneficiaries has been enjoying this facility since inception of the 20 MGD Scheme for the last 39 years. Water Charges were paid to TWAD on the basis of actual receipt by individual industries. The claims including interest made by TWAD for Rs. 2272.22 lac (Previous year Rs.1983.91 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2015 is not supported by any Government Order and also the other beneficiaries are objecting to such claims of TWAD.
- (iii) The Company has received a demand from VOC Port Trust towards increase in rental charges from 1 July 2007 onwards. The amount payable as on 31.03.2015 is Rs.606.16 lac (from 1.7.2007 to 31.03.2015). The Company obtained an injunction from the Madurai Bench of the Hon'ble Madras High Court against the claim made by the VOCPT and the stay has been granted till 10 June 2015.
- (iv) The Superintending Engineer, Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO), Cuddalore, vide letter dated 19 April 2012 has claimed Rs. 155.48 lac (Previous year Rs. 155.48 lac) towards outstanding dues relating to the erstwhile Pen-G unit of the Pharmaceutical Division at Cuddalore. The Company has requested TANGEDCO authorities to inform the basis of the above claim for taking further action.
- (v) Other claims against the Company, which are being disputed / challenged before the Courts – Rs. 3132.08 lac (Previous year Rs. 3132.08 lac).

In respect of the above claims, the Company is of the view that there are reasonable chances of successful outcome of the Appeals / Petitions filed before the Hon'ble Madras High Court / Government Authorities and accordingly no further provision is considered necessary.

- (b) Guarantees / Security given to Banks / Financial Institutions on behalf of other companies Rs.4500 lac (Previous year Rs.4500 lac)
- (c) Other Bank Guarantees outstanding Rs.31.78 lac (Previous year Rs.31.78 lac).
- (d) Cumulative amount of Preference Dividend and Dividend Tax thereon not provided for the period from 1 April 2001 to 31 March 2015 is Rs. 2824.03 lac (Previous year Rs. 2641.99 lac)
- (e) No provision has been considered necessary by the Management for the following disputed Excise duty, Service tax, Sales Tax, Electricity tax and Employees State Insurance demands which are under various stages of appeal proceedings. The Company has been advised that there are reasonable chances of successful outcome of the appeals and hence no provision is considered necessary for these demands.

(Rupees in lac)

Name of the Statute	As at 31 March 2015	As at 31 March 2014
The Central Excise Act, 1944	<b>537.01</b>	537.01
The Finance Act, 1994 ( Service Tax)	<b>359.01</b>	347.40
Sales Tax Act under various State enactments	<b>3904.82</b>	925.32
The Tamilnadu Electricity (Taxation on Consumption) Act, 1962	<b>1050.54</b>	1050.54
Employees State Insurance Act, 1948*	<b>12141.78</b>	11793.55

(Rupees in lac)

Name of the Statute	As at 31 March 2015	As at 31 March 2014
<p><b>With respect to joint ventures - jointly controlled entities</b></p> <p>Electricity tax The Tamilnadu Government vide Government Order dated 23 September 1996 exempted specified industries permanently from payment of electricity tax on consumption of self-generated electrical energy under the "Tamilnadu Electricity (Taxation on Consumption) Act, 1962". The above Act was repealed by the "Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003", withdrawing the exemption granted to specified industries. The Company's appeal against the withdrawal of exemption was dismissed by the Madras High Court and the Company filed a "Special Leave Petition" (SLP) before the Supreme Court. On 15 May 2007 the Supreme Court held that the 2003 Act was not valid in respect of industries which were permanently exempted from payment of tax. Consequent to this decision upholding the exemption, the Company, in June 2007 reversed the provision for electricity tax amounting to Rs. 878.77 lac made in books since 2003-04. In November 2007, the Government of Tamilnadu passed "the Tamilnadu Tax on Consumption or Sale of Electricity Amendment Act" amending the 2003 Act to invalidate the exemption granted with retrospective effect. The writ petitions filed before the division bench of the High Court against this amendment were dismissed by its Order dated 15.06.2012.  The Company has filed a SLP before the Supreme Court in October 2012 challenging the High Court Order and is hopeful of a favorable decision by Supreme Court especially on invalidation of the exemption granted with retrospective effect. Accordingly, no provision is considered necessary for the electricity tax relating to the period from 2003 to 2008 aggregating to Rs.1054.93 lac. However, provision has been made for this liability for subsequent periods excluding the periods for which specific exemption were granted through notifications.</p>	<p><b>178.60</b></p>	<p>178.60</p>
<p>Renewable Energy Purchase Obligation (RPO) The Company has disputed the obligation under the "Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) (Amendment) Regulations, 2011" under Gazette notification TNERC/RPO/19/2 dated 29 July 2011 and filed a Writ Petition in March 2012 before the Honorable Madras High Court. On 26 March 2012, an interim stay was granted by the Honorable Madras High Court on the operation of the Regulations. The Company is hopeful of successful outcome of the writ petition filed before the Honorable Madras High Court and hence no provision is considered necessary in this regard.</p>	<p><b>92.38</b></p>	<p>69.84</p>
<p>Income tax, sales tax, Excise duty, Service tax and other demands pending before various authorities</p>	<p><b>458.13</b></p>	<p>374.36</p>
<p>Income tax cases decided in favour of the company, against which the department has filed appeal</p>	<p><b>848.87</b></p>	<p>848.87</p>
<p><b>Total</b></p>	<p><b>19571.14</b></p>	<p>16125.49</p>

\* Includes disputes relating to the period 1977 to 1992 decided by the ESI Court in favour of the Company against which the Employees State Insurance Corporation has gone on an appeal before the Hon'ble Madras High Court.

Out of the above demand of Rs. 19571.14 lac (Previous year Rs. 16125.49 lac), an amount of Rs.918.63 lac (Previous year Rs.902.43 lac) has been deposited under protest / adjusted by relevant authorities.

## Note 32

### Derivative Instruments - With respect to Joint Venture - Jointly controlled entity

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	Amount in Foreign Currency	Amount In Rupees (lac)
Amount receivable in foreign currency - Exports	USD	<b>100000.26</b>	<b>62.49</b>
	USD	(36621.22)	(21.93)
Amount payable in foreign currency - Imports	USD	<b>322710.01</b>	<b>201.66</b>
	USD	(79414.74)	(47.55)
	JPY	-	-
	JPY	(401024.30)	(2.43)
	EURO	<b>848.36</b>	<b>0.57</b>
	EURO	(1238.60)	(1.05)
Amount payable in foreign currency - Buyers Credit	USD	<b>764710.49</b>	<b>477.87</b>
	USD	(-)	(-)

Figures in brackets are in respect of previous year

## Note 33 Operating Leases

With respect to Joint venture - Jointly controlled entity

The property given under operating leases :

(Rupees in Lac)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Gross carrying amount of building	<b>189.21</b>	189.21
Accumulated depreciation	<b>40.60</b>	37.30
Depreciation for the year	<b>3.31</b>	3.63
Future minimum lease payments under non - cancellable operating leases		
Not later than 1 year	<b>8.03</b>	35.79
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	4.51

## Significant Leasing Arrangements

Lease is non cancellable during the lock in period (3 months). The current lease expires on 30 June 2015.

In the event of Lessee pre-determining the lease during the lock-in-period, the Company shall be entitled to recover the entire lease compensation for the remaining period of lease.

## Note 34. With respect to Joint Venture - Jointly controlled entity

- a. The Company suspended the operations of Epichlorohydrin plant from April 2013 owing to continuous losses. Availability of cheaper imports led to lower price realization and lower demand for this product. The Management has been exploring the possibility of using this plant for manufacture of an alternate product. Pursuant to this, an Associate Company has shown interest in utilizing this plant facility with suitable modifications to manufacture one of their raw materials and detailed engineering study in this regard is in progress. The Company has been granted Environmental Clearance by the MoEF (Ministry of Environment and Forests and Climate change) vide letter dated 15 May 2015 and actions taken for other clearances. Production of the alternate product is expected to be commenced within 18 months after obtaining the necessary clearances. Based on the estimated future revenues that would be generated by the plant with the production of the alternate product, the management is of the view that the recoverable value of the plant will be higher than the carrying value of Rs.1224 lac as on the balance sheet date and hence no provision for impairment is considered necessary.



**Note 35 Employee benefit Plans**  
**With respect to the Holding Company**

**i) Defined Contribution plans**

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year the Company recognized Rs.178.16 lac (Previous year Rs. 174.92 lac) for Provident Fund contributions, Rs. 117.25 lac (Previous year Rs. 66.67 lac) for Superannuation Fund contributions and Rs. 3.44 lac (Previous year Rs. 4.08 lac) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**ii) Defined benefit plans- Gratuity**

**(a) Movement of gratuity:**

**Change in benefit obligations**

(Rupees in lac)

Particulars	2014-15	2013-14
Projected Benefit Obligation at the beginning of the year	845.75	1083.94
Service cost	55.37	50.96
Interest cost	72.81	71.69
Actuarial Loss / (Gain)	198.51	14.63
Benefits paid	(91.31)	(375.47)
Projected Benefit Obligation at the end of the year	1081.21	845.75
<b>Amount recognised in the Balance Sheet:</b>		
Projected benefit obligation at the end of the year	1081.21	845.75
Fair value of plan assets at the end of the year	936.39	758.98
Liability recognised in the Balance Sheet	144.82	86.77

Particulars	2014-15	2013-14
<b>Cost of defined benefits plan for the year</b>		
Current service cost	55.37	50.96
Interest on obligation	72.81	71.69
Expected return on plan assets	(72.30)	(82.66)
Net actuarial gain (loss) recognized in the year	182.17	89.58
Net cost recognized in the Statement of Profit and Loss (included under Contributions to provident and other funds) Refer Note 25	238.05	129.57

**Change in Plan Assets:**

Particulars	2014-15	2013-14
Fair value of plan assets at the beginning of the year	758.98	1085.74
Expected return on plan assets	72.30	82.66
Contribution	180.00	41.00
Benefits paid (claim settled)	(91.31)	(375.47)
Actuarial gain / (loss) on plan assets	16.42	(74.95)
Fair value of plan assets at the end of the financial year	936.39	758.98

**b) Acturial assumptions:**

Particulars	2014-15	2013-14
Discount Rate	7.80%	9.10%
Salary escalation rate	7.50%	7.50%
Demographic assumptions – Mortality	IALM (2006-08) UIt	IALM (2006-08) UIt
Demographic assumptions – Withdrawal	4%	3%
Experience adjustments (Details disclosed to the extent available):		
Experience adjustments on plan liabilities - (loss) / gain (Rupees In lac)	(76.28)	(113.39)
Experience adjustments on plan assets - (loss) / gain (Rupees In lac)	(74.94)	16.42

Estimates of future salary increase take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yield of Government of India securities as at the balance sheet date for the estimated term of the obligation.

In the absence of detailed information regarding Plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Estimate of amount of contribution in the immediate next year is Rs. 42.00 lac (Previous Year Rs. 56.40 lac)

### iii) Compensated absences

The assumptions used for computing accumulated compensated absences on actuarial basis are as follows:

Particulars	2014-15	2013-14
Discount Rate	7.80%	9.10%
Salary escalation rate	7.50%	7.50%
Attrition rate	4%	3%

### With respect to proportionate share in Joint venture - Jointly controlled entity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) at each completed year of service.

The following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

(Rupees in lac)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Statement of Profit and Loss		
Net employee benefit expense (recognised in Personnel expenses)		
Current service cost on Benefit Obligations	5.48	28.87
Interest cost on Benefit Obligations	8.87	28.64
Expected return on plan assets	(8.04)	(15.46)
<b>Net actuarial (gains) / losses recognised in the year</b>	<b>14.31</b>	<b>30.17</b>
Net (Benefit) / Expense	(8.01)	72.22
Actual return on plan assets	8.04	15.46
Balance Sheet		
Details of Provision for gratuity		
Defined benefit obligation	93.26	377.28
Plan Liability /(Asset)	86.10	152.27
	7.16	225.01
Less: Adjustment on disposal of subsidiary	-	209.29
	7.16	15.72
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	110.88	390.36
Adjustment to opening balance of past service cost	-	(9.32)
Current service cost	5.48	28.87
Interest cost	8.87	28.64
Actuarial (gains) / losses on obligation	(14.31)	23.46
Benefits paid	(17.65)	(84.74)
Closing defined benefit obligation	93.26	377.27
Less: Adjustment on disposal of subsidiary	-	266.40
	93.26	110.87

(Rupees in lac)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
<b>Changes in the fair value of the plan assets are as follows:</b>		
Opening fair value of plan assets	95.18	210.79
Expected return	8.02	15.83
Actuarial gains / (losses)	-	(6.70)
Contributions by employer	0.55	17.11
Benefits paid	(17.65)	(84.74)
Closing fair value of plan assets	86.10	152.29
Less: Adjustment on disposal of subsidiary	-	57.11
	86.10	95.18

The principal actuarial assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Discount rate	8.00%	8.00% to 9.21%
Salary Escalation	5.00%	5.00% to 6.00%
Expected Return on Assets	9.00%	8.75% to 9.00%
Attrition	10.00%	10.00%
Mortality	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate

#### Basis used to determine expected rate of return.

The information on major categories of plan assets and expected return on each class of plan assets have not been furnished in the absence of necessary information from Life Insurance Corporation of India.

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other factors.

In the absence of relevant information from the actuary, the above details do not include the experience adjustment in respect of actuarial losses / gains.

#### Note 36 (i) With respect to the Holding Company

The deferred tax asset arising out of disallowances under section 43B of Income Tax Act 1961 amounting to Rs. 31.71 lac (Previous year Rs. 645.16 lac), de-escalation of subsidy amounting to Rs.7819.92 lac (Previous year Rs. Nil) and VRS compensation amounting to Rs. 81.63 lac (Previous year Rs. 160.34 lac) have not been recognized as a matter of prudence.

The carry forward loss / unabsorbed depreciation for the year has given rise to net deferred tax asset of Rs. 23950.39 lac (Previous year Rs. 30094.15 lac). However, in the absence of virtual certainty that sufficient future taxable income will be available, the said deferred tax asset that can be recognised is restricted to the deferred tax liability of Rs. 1546.25 lac (Previous year Rs. 2423.91 lac) as given below. Accordingly, there is no net deferred tax asset or liability as at 31 March 2015 to be accounted for.

(Rupees in lac)

Particulars	As at 31 March 2015	As at 31 March 2014
Depreciation	1546.25	1753.23
Subsidy	-	670.68
<b>Deferred tax liability</b>	<b>1546.25</b>	<b>2423.91</b>
Carry forward business losses & Unabsorbed Depreciation restricted to	1546.25	2423.91
<b>Deferred tax asset</b>	<b>1546.25</b>	<b>2423.91</b>

## (ii) Subsidiaries

The deferred tax position as at 31 March 2015 has arisen on account of the following:

(Rupees in lac)

Particulars	As at 31 March 2015	As at 31 March 2014
Depreciation	-	1362.48
<b>Deferred Tax liability</b>	-	1362.48
<b>Deferred Tax Assets</b>	-	285.24
<b>Net Deferred Tax Liability (in respect of Subsidiaries)</b>	-	1077.24
Less: Adjustment on disposal of subsidiary	-	1077.24
<b>Net Deferred Tax Liability</b>	-	-
Deferred tax credit in the Consolidated Statement of Profit and Loss	-	12.48

## (iii) Share in Joint Ventures – Jointly controlled entity

### Deferred Tax Liability ( Net)

Particulars	As at 31 March 2015	As at 31 March 2014
Tax effect of item constituting deferred tax liability		
On difference between book balance and tax balance of Fixed Assets.	<b>753.32</b>	948.44
	<b>753.32</b>	948.44
<b>Tax Effect of items constituting deferred tax assets</b>		
Unabsorbed depreciation and business losses	<b>738.68</b>	514.71
Provision for compensated absences	<b>14.31</b>	16.39
Provision for doubtful debts / advances	<b>0.33</b>	0.35
	<b>753.32</b>	531.45
<b>Net Deferred Tax liability</b>	-	416.99

### Deferred Tax Reconciliation of Jointly controlled Entity

Particulars	As at 31 March 2015	As at 31 March 2014
Deferred tax credit for the year based on the movement in net deferred tax liability as at the beginning and the end of the year as shown above - Proportionate Share	<b>416.99</b>	309.74
Less: Deferred tax impact netted off from depreciation on tangible fixed assets on transition to Schedule II of the Companies Act, 2013 adjusted to opening surplus - Proportionate Share	<b>106.80</b>	-
Deferred tax credit in the Consolidated Statement of Profit and Loss - Proportionate Share	<b>310.19</b>	309.74

(iv) Unabsorbed business loss / depreciation (relating to current year as well as earlier years) have given rise to deferred tax assets amounting to Rs.4,446.27 lac (Proportionate share Rs. 752.75 lac) which has been recognised only to the extent of net deferred tax liability available in the books and accordingly there is no deferred tax asset / liability as on balance sheet date.

**Note 37**

With respect to the holding Company, there is no provision for tax under Sec 115-JB of the Income Tax Act 1961 on the basis of adjustments permissible under that section. No provision for tax is required to be made under other provisions of the aforesaid Act, in view of the carry forward losses / unabsorbed depreciation. The current tax expense of Rs. 0.39 lac and the deferred tax of Rs. (310.19) lac credited to the Statement of Profit and loss represents proportionate share in Jointly controlled entity.

**Note 38: With respect to Joint Venture - Jointly controlled entity**

A Civil suit has been filed by one of the promoters – CPCL against the Company for Breach of Trust on MoU entered into between the Company and CPCL while forming the joint venture company – AROCHEM. In this case AROCHEM have been included as a proforma defendant.

CPCL has also filed another Civil suit against the Company praying for interim mandatory injunction directing SPIC Petrochemicals Limited to return the possession of 168.38 acres of land to AROCHEM. In this case, AROCHEM have been included as a defendant.

Against the judgement by the Single Judge, a Division Bench of the Hon'ble Madras High Court has ordered an injunction not to implement the project by SPIC Petrochemicals Limited.

The Company filed Special Leave Petitions in the Hon'ble Supreme Court against the above order. On 24 October 1997, the Hon'ble Supreme Court dismissed the Special Leave Petitions holding that it would not interfere with the interim order passed by the Division Bench, granting injunction, as it would prejudice the final hearing of the case. Consequently the project activities of SPIC Petro have been suspended.

On 15 July 1998, the Petroleum Ministry called both CPCL and the Company for discussions to arrive at a compromise on the issue. CPCL and the Company held further deliberations and have since arrived at a compromise. A Memorandum of Settlement (MoS) entered into between CPCL and the Company was sent to the Government of India for their approval. The MoS was cleared by the Ministry of Petroleum and Natural Gas vide their letter, dated 12 March 2001.

Since the promoters are unable to effectuate the earlier MoS approved by the Government of India, discussions are now being held to revise the MoS, subject to necessary approvals.

## Note 39 SEGMENT REPORTING

### Primary segment information (Business segments)

(Rupees in lac)

Particulars	Agro Inputs (Urea operations)	Integrated Circuits	Petrochemicals	Others (Agribusiness)	Total
<b>Segment revenue</b>					
Sales to external Customers	<b>207695.05</b> (132829.09)	- (6272.22)	<b>15993.23</b> (17807.30)	<b>649.10</b> (545.45)	<b>224337.38</b> (157454.06)
Operating Income	<b>1050.38</b> (1162.11)	- (66.67)	<b>88.05</b> (-)	<b>10.92</b> (2.33)	<b>1149.35</b> (1231.11)
Unallocated income					<b>10.98</b> (8.20)
Inter segment Revenue	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Total Revenue</b>	<b>208745.43</b> (133991.20)	- (6338.89)	<b>16081.28</b> (17807.30)	<b>660.02</b> (547.78)	<b>225497.71</b> (158693.37)
Elimination of intersegment sales	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Total Net Revenue</b>	<b>208745.43</b> (133991.20)	- (6338.89)	<b>16081.28</b> (17807.30)	<b>660.02</b> (547.78)	<b>225497.71</b> (158693.37)
<b>Segment results</b>	<b>6710.54</b> (4709.10)	- (20.60)	<b>(584.11)</b> (-823.43)	<b>(399.14)</b> (-183.27)	<b>5727.29</b> (-3723.00)
<b>Unallocated expenditure net of unallocated income</b>					<b>1726.83</b> (-3042.37)
<b>Profit / (Loss) before interest and taxation</b>					<b>4000.46</b> (6765.37)
Finance Cost					<b>3157.50</b> (3109.09)
<b>Profit / (Loss) before taxation</b>					<b>842.96</b> (3656.28)
Provision for taxation					<b>(309.80)</b> (-320.52)
<b>Profit / (Loss) after Taxation</b>					<b>1152.76</b> (3976.80)
<b>Share of Profit / (Loss) of Associate</b>					<b>(115.82)</b> (-80.07)
<b>Profit / (Loss) after taxation before minority interest</b>					<b>1036.94</b> (3896.73)
<b>Less: Profit / (Loss) applicable to minority interest</b>					- (-)
<b>Net Profit / (Loss) for the year</b>					<b>1036.94</b> (3896.73)

## Segment Reporting (Continued)

(Rupees in lac)

Particulars	Agro Inputs (Urea operations)	Integrated Circuits	Petrochemicals	Others (Agribusiness)	Total
<b>Other Information</b>					
Segment assets	<b>120275.03</b> (126283.20)	- (-)	<b>12035.13</b> (13910.99)	<b>2159.13</b> (718.21)	<b>134469.29</b> (140912.40)
Unallocated Corporate Assets					<b>8387.39</b> (12818.71)
<b>Total Assets</b>					<b>142856.68</b> (153731.11)
Segment liabilities	<b>94422.00</b> (96485.33)	- (-)	<b>6105.10</b> (7020.38)	<b>1810.18</b> (390.86)	<b>102337.28</b> (103896.57)
Unallocated Corporate Liabilities					<b>14718.70</b> (24831.97)
<b>Total Liabilities</b>					<b>117055.98</b> (128728.54)
Capital expenditure (allocable)	<b>1267.77</b> (470.31)	- (-)	- (108.00)	<b>1619.72</b> (0.83)	<b>2887.49</b> (579.14)
Capital expenditure (Unallocable)					<b>36.40</b> (0.26)
Depreciation (allocable)	<b>2695.08</b> (4236.54)	- (1096.41)	<b>348.74</b> (515.21)	<b>239.47</b> (37.15)	<b>3283.29</b> (5885.31)
Depreciation (Unallocable)					<b>103.98</b> (93.52)
Non-cash expenditure other than depreciation (allocable)	<b>383.94</b> (22.53)	- (-)	<b>11.49</b> (-)	<b>0.61</b> (6.18)	<b>396.03</b> (28.71)
Non-cash expenditure other than depreciation (unallocable)					<b>31.60</b> (2340.94)

Secondary segment Information (Geographical Segments)	Revenue	Carrying amount of segment assets	Capital Expenditure
Within India	<b>225486.73</b> (158685.17)	<b>134469.29</b> (140912.40)	<b>2887.49</b> (1212.28)
Outside India	- (-)	- (-)	- (-)
<b>Total</b>	<b>225486.73</b> (158685.17)	<b>134469.29</b> (140912.40)	<b>2887.49</b> (1212.28)

Previous Year figures are given in brackets

## Notes:

### (a) Business segments

The business segment has been considered as the primary segment for disclosure. The products included in each of the business segments are as follows:

- (i) Agro inputs - includes fertilizers
- (ii) Petrochemicals - includes Linear Alkyl Benzene (LAB) and Caustic Soda
- (iii) Integrated circuits - Semiconductor Assembly and Test facility providing Integrated circuits packing solutions
- (iv) Others - Tissue culture, Seeds, Chemicals and Power

### (b) Geographical segments

The geographical segments considered for disclosure are as follows:

- (i) Sales within India include sales to customers located within India
- (ii) Sales outside India include sales to customers located outside India

### Note 40 (i) Related party disclosures under Accounting standard - 18

The list of related parties as identified by the Management are as under:

Nature	Parties
Associates	<ul style="list-style-type: none"> <li>1 Tuticorin Alkali Chemicals and Fertilisers Limited</li> <li>2 Gold Nest Trading Company Limited</li> <li>3 Petro Araldite Private Limited (Associate of a Jointly controlled entity)</li> </ul>
Jointly controlled entities	<ul style="list-style-type: none"> <li>1 Tamilnadu Petroproducts Limited</li> <li>2 National Aromatics and Petrochemicals Corporation Limited</li> </ul>
Key Management Personnel	<ul style="list-style-type: none"> <li>1 Thiru. Ashwin C Muthiah</li> <li>2 Thiru. K.K. Rajagopalan (upto 30 September 2014)</li> <li>3 Thiru S.R. Ramakrishnan (from 30 July 2014)</li> <li>4 Thiru. Muthukrishnan Ravi, Managing Director of Jointly controlled entity</li> </ul>
Enterprises owned by / over which Key Management Personnel is able to exercise significant influence	<ul style="list-style-type: none"> <li>1 Wilson International Trading Pte Ltd, Singapore</li> <li>2 Wilson International Trading India Private Limited</li> <li>3 Manali Petrochemicals Limited</li> <li>4 Greenstar Fertilizers Limited</li> <li>5 AMI Holdings Private Limited</li> <li>6 Bengal Auto Parts Private Limited</li> <li>7 Sicagen India Limited</li> <li>8 SPIC Officers and Staff Welfare Foundation</li> <li>9 South India Travels Private Limited</li> <li>10 Lotus Fertilizers Private Limited</li> <li>11 EDAC Engineering Limited</li> <li>12 EDAC Staffing Solution Private Limited</li> <li>13 EDAC Automation Limited</li> <li>14 Totalcomm Infra Services Private Limited</li> <li>15 SPIC Group Companies Employees Welfare Foundation</li> </ul>
Others	<ul style="list-style-type: none"> <li>1 Tamilnadu Industrial Development Corporation Limited (Promoter of a Jointly controlled entity)</li> </ul>



**40 (ii) The following transactions were carried out with the related parties**

(Rupees in lac)

S.No	Particulars	Relationship	As at 31 March 2015	As at 31 March 2014
<b>A</b>	<b>BALANCE OUTSTANDING AS AT 31.03.2015</b>			
	<b>(a) Receivables including Advances</b>			
	Tamilnadu Petroproducts Limited	Jointly controlled entity	-	2.31
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	<b>2251.50</b>	1776.91
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>0.06</b>	-
	National Aromatics and Petrochemicals Corporation Limited*	Jointly controlled entity	<b>1486.48</b>	1484.62
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	-	2.36
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	<b>0.04</b>	0.04
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	<b>21.17</b>	2.75
	Petro Araldite Private Limited	Associate of a Jointly controlled entity	<b>16.75</b>	17.97
	EDAC Engineering Limited	Enterprises over which KMP exercise Significant Influence	<b>68.93</b>	-
	EDAC Automation Limited	Enterprises over which KMP exercise Significant Influence	<b>16.38</b>	-
	Totalcomm Infra Services Private Limited	Enterprises over which KMP exercise Significant Influence	<b>0.10</b>	-
	SPIC Group Companies Employees Welfare Foundation	Enterprises over which KMP exercise Significant Influence	<b>0.00</b>	-
	<b>(b) Payables</b>			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	<b>486.12</b>	870.08
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	<b>18.41</b>	6.01
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>1620.05</b>	557.21
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	<b>3.36</b>	34.55
	Wilson International Trading Pte. Ltd, Singapore	Enterprises over which KMP exercise Significant Influence	<b>41541.50</b>	33950.82
	Tamilnadu Petroproducts Limited	Jointly controlled entity	<b>4.29</b>	2.35
	EDAC Staffing Solution Private Limited	Enterprises over which KMP exercise Significant Influence	<b>0.43</b>	-
	Lotus Fertilizers Private Limited	Enterprises over which KMP exercise Significant Influence	<b>521.00</b>	-
	SPIC Officers And Staff Welfare Foundation	Enterprises over which KMP exercise Significant Influence	<b>2.96</b>	-
	<b>(c) Guarantee Received</b>			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	<b>2500.00</b>	2500.00
	<b>(d) Loans including interest</b>			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	-	3222.58
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	-	7215.04
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>7022.00</b>	-
	<b>(e) Share Capital including Securities premium</b>			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	<b>6523.42</b>	6523.42

S.No	Particulars	Relationship	As at 31 March 2015	As at 31 March 2014
(f)	<b>Deposit Paid</b> Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	39.86	42.12
(g)	<b>Deposit Received</b> Petro Araldite Private Limited	Associate of a Jointly controlled entity	49.33	49.33
(h)	<b>Trade Advance</b> Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	33.18	294.10

\* Dues have been fully provided for.

S.No	Particulars	Relationship	For the year 2014-15	For the year 2013-14
<b>B</b>	<b>TRANSACTIONS DURING THE YEAR.</b>			
<b>1</b>	<b>Sale of goods</b>			
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	473.92	96.03
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	290.92	218.94
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	113.87	82.09
	Petro Araldite Private Limited	Associate of a Jointly controlled entity	-	72.01
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	256.43	405.55
<b>2</b>	<b>Purchase of materials</b>			
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	0.98	0.45
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	0.12	0.74
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	1420.24	29.05
	Tamilnadu Petroproducts Limited	Jointly controlled entity	14.94	0.77
	Wilson International Trading Pte Ltd, Singapore	Enterprises over which KMP exercise Significant Influence	64631.12	55474.26
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	184.26	134.83
	Lotus Fertilizers Private Limited	Enterprises over which KMP exercise Significant Influence	1775.25	-
<b>3</b>	<b>Reimbursement of Expenses (Receipts)</b>			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	0.01	0.01
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	0.01	0.11

## Related party disclosures (Continued)

(Rupees in lac)

S.No	Particulars	Relationship	For the year 2014-15	For the year 2013-14
	Tamilnadu Petroproducts Limited	Jointly controlled entity	-	(0.02)
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	3.95	12.46
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	4.55	24.97
	National Aromatics and Petrochemicals Corporation Limited	Jointly Controlled Entity	1.86	6.87
	EDAC Engineering Limited	Enterprises over which KMP exercise Significant Influence	0.28	-
	EDAC Staffing Solution Private Limited	Enterprises over which KMP exercise Significant Influence	0.05	-
	Totalcomm Infra Services Private Limited	Enterprises over which KMP exercise Significant Influence	0.19	-
<b>4</b>	<b>Sale of assets</b>			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	2.24	-
<b>5</b>	<b>Reimbursement of Expenses (Payments)</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	10.54	-
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	0.82	-
<b>6</b>	<b>Income from services rendered</b>			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	4.65	5.29
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	8.66	3.91
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	1046.87	930.45
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	0.47	0.36
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	2.28	1.91
	Petro Araldite Private Limited	Associate of a Jointly controlled entity	106.70	110.86
	Tamilnadu Petroproducts Limited	Jointly controlled entity	1.28	3.08
	EDAC Engineering Limited	Enterprises over which KMP exercise Significant Influence	20.23	-
	EDAC Automation Limited	Enterprises over which KMP exercise Significant Influence	1.55	-
	EDAC Staffing Solution Private Limited	Enterprises over which KMP exercise Significant Influence	0.31	-
	Totalcomm Infra Services Private Limited	Enterprises over which KMP exercise Significant Influence	0.83	-

S.No	Particulars	Relationship	For the year 2014-15	For the year 2013-14
<b>7</b>	<b>Services / Consultancy charges</b>			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	<b>86.81</b>	86.81
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>598.77</b>	522.92
	Tamilnadu Petroproducts Limited	Jointly controlled entity	-	8.42
	EDAC Automation Limited	Enterprises over which KMP exercise Significant Influence	<b>53.06</b>	-
	EDAC Staffing Solution Private Limited	Enterprises over which KMP exercise Significant Influence	<b>1.64</b>	-
<b>8</b>	<b>Income from Rentals</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>96.04</b>	101.65
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	<b>7.19</b>	42.37
	Tamilnadu Petroproducts Limited	Jointly controlled entity	-	1.24
	EDAC Engineering Limited	Enterprises over which KMP exercise Significant Influence	<b>17.52</b>	-
<b>9</b>	<b>Dividend Income</b>			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	<b>0.05</b>	0.05
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	<b>4.62</b>	5.78
<b>10</b>	<b>Managerial Remuneration</b>			
	Thiru. K.K. Rajagopalan	Key Management Personnel	<b>23.40</b>	37.52
	Thiru. S R Ramakrishnan	Key Management Personnel	<b>32.36</b>	-
	Thiru. N Sivashanmugam	Key Management Personnel	-	13.88
	Thiru. D Balakrishnan	Key Management Personnel	-	35.32
	Relating to Jointly Controlled Entity	Key Management Personnel	<b>6.15</b>	5.85
<b>11</b>	<b>Rent Paid</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>270.21</b>	233.60
	Relating to Jointly Controlled Entity	Others	-	0.05
<b>12</b>	<b>Sitting Fees</b>			
	Thiru. Ashwin C Muthiah	Key Management Personnel	<b>1.70</b>	0.70
	Tamilnadu Industrial Development Corporation Limited	Others	<b>0.63</b>	0.44
<b>13</b>	<b>Trade advance received</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>8095.71</b>	-
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	<b>16.93</b>	440.18

## Related party disclosures (Continued)

(Rupees in lac)

S.No	Particulars	Relationship	For the year 2014-15	For the year 2013-14
<b>14</b>	<b>Trade advance paid / returned</b>			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	<b>550.00</b>	1550.00
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>2209.00</b>	-
<b>15</b>	<b>Provision for doubtful advances</b>			
	National Aromatics and Petrochemicals Corporation Limited	Jointly controlled entity	<b>1.86</b>	6.87
<b>16</b>	<b>Special Rebate Paid</b>			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	<b>279.90</b>	58.06
<b>17</b>	<b>Loans Repaid</b>			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	<b>3147.58</b>	-
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	<b>6835.00</b>	-
<b>18</b>	<b>Interest on Borrowings</b>			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	<b>210.84</b>	472.14
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	<b>457.85</b>	826.02
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>488.02</b>	-
<b>19</b>	<b>Interest on borrowings paid</b>			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	<b>264.76</b>	651.47
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	<b>792.10</b>	391.00
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>439.22</b>	-
<b>20</b>	<b>Borrowings</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>13906.39</b>	-
<b>21</b>	<b>Borrowings repaid</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>6884.39</b>	-
<b>22</b>	<b>Payables</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>58.87</b>	-
<b>23</b>	<b>Payables Repaid</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>58.87</b>	-
<b>24</b>	<b>Advances Received</b>			
	SPIC Officers and Staff Welfare Foundation	Enterprises over which KMP exercise Significant Influence	<b>3.00</b>	-

S.No	Particulars	Relationship	For the year 2014-15	For the year 2013-14
<b>25</b>	<b>Rental Deposits Repaid</b>			
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	<b>9.13</b>	-
<b>26</b>	<b>Demurrage Charges</b>			
	Wilson International Trading Pte. Ltd, Singapore	Enterprises over which KMP exercise Significant Influence	<b>205.58</b>	-
<b>27</b>	<b>Car Rental Charges- (Payment)</b>			
	South India Travels Private Limited	Enterprises over which KMP exercise Significant Influence	<b>42.53</b>	-
<b>28</b>	<b>Furnace oil transferred and received back</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	-	154.64
<b>29</b>	<b>Purchase of fixed assets</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>1600.00</b>	-
<b>30</b>	<b>Transfer of fixed assets</b>			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	<b>137.72</b>	-
<b>31</b>	<b>Interest paid on Trade Advance</b>			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	<b>23.22</b>	20.84
<b>32</b>	<b>Others</b>			
	a. Wafer Characterisation			
	Chiptest Engineering Limited	Enterprises over which KMP exercise Significant Influence	-	30.39
	b. Other Manufacturing			
	Chiptest Engineering Limited	Enterprises over which KMP exercise Significant Influence	-	24.96
	c. Corporate Communication Charges			
	Valingro Exponenta Limited	Enterprises over which KMP exercise Significant Influence	-	20.22
	d. Corporate Rent Charges of			
	Valingro Exponenta Limited	Enterprises over which KMP exercise Significant Influence	-	13.48
	e. Marketing Fees			
	Natronix Semiconductor Technology Limited	Enterprises over which KMP exercise Significant Influence	-	106.63
	f. Manpower Deputation Charges			
	Natronix Semiconductor Technology Limited	Enterprises over which KMP exercise Significant Influence	-	16.01

**Note 41 Earnings per share**

Particulars	Year ended	Year ended
	31 March 2015	31 March 2014
Face Value per share (In Rupees)	10	10
Profit for the year (Rupees in lac)	1036.94	3896.73
Less: Arrears of Preference Dividend (Refer Note 31 (d))	182.04	176.95
Profit for the year after preference dividend (Rupees in lac)	854.90	3719.78
<b>Basic</b>		
Weighted Average Number of shares outstanding	203640336	203640336
Earnings per share (In Rupees)	0.42	1.83
<b>Diluted</b>		
Weighted Average Number of shares outstanding	203640336	203640336
Earnings per share (In Rupees)	0.42	1.83

**Note 42** Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(Rupees in lac)

Name of the entity in the	Particulars			
	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Southern Petrochemical Industries Corporation Limited	81.59%	19870.67	169.60%	1758.68
Joint Ventures (as per proportionate consolidation)				
Indian				
1 Tamilnadu Petroproducts Limited	18.45%	4494.08	(69.60%)	(721.74)
2 National Aromatics and Petrochemicals Corporation Limited	(0.04%)	(9.05)	-	-
<b>Total</b>	100%	24355.70	100%	1036.94

**Note 43**

**With respect to the jointly controlled entity:**

- (a) Certus Investment & Trading Limited ( CITL), Mauritius a wholly owned subsidiary of the company, was incorporated as a Special Purpose vehicle to set up a Linear Alkyl Benzene (LAB) Plant and Normal Paraffin Plant (NP) in Middle East and South East Asia respectively. Since some of the projects had set back due to regulatory and other issues in the earlier years, a provision for diminution in the value of investment to the extent of Rs 1978.11 lac ( Proportionate share - Rs. 334.89 lac) was made in 2012-13. The carrying value of the investments as on the date of the balance sheet is Rs.7667.02 lac (Proportionate share - Rs.1298.02 lac)

(b) The performance of Chlor Alkali Division (CAD) tapered considerably due to various extraneous factors since 2012. Though the demand for Caustic soda, the main product of the division has been constant, the profitability was greatly affected consequent to high cost of captive power consumption in view of severe power cuts imposed in the State. The management has been taking necessary steps to reduce the high cost of power. Based on the estimated future revenues that would be generated by the CAD and also based on valuation of the Plant by an Independent chartered Engineers, the management has assessed and concluded that the recoverable value, as defined in the Accounting Standard 28, of the plant is higher than the carrying value of Rs 5550.51 lac (Proportionate share - Rs 939.70 lac (excluding land cost) as on the balance sheet date and hence no provision for impairment is considered necessary.

#### Note 44

- (a) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- (b) The Board of Directors has reviewed the realizable value of all current assets of the Company and has confirmed that all the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. Further, the board, duly taking into account all relevant disclosures made, has approved these Consolidated Financial Statement for the year ended 31 March 2015 in its meeting held on 21 May 2015.
- (c) Previous year include figures of a subsidiary which ceased to be a subsidiary with effect from 24 March 2014 and hence not comparable with current year figures.

### ATTACHMENT TO THE FINANCIAL STATEMENT

#### FORM AOC -1

(Pursuant to first Proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts), Rules, 2014)

#### Statement containing salient features of the financial statement of Subsidiaries/ Associate companies / Joint Ventures Part "A": Subsidiaries (Information in respect of each subsidiary to be presented with amount in Rupees)

Name of the Subsidiary	SPIC Fertilizers and Chemicals Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same accounting period
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD - Exchange Rate
Share Capital	Rs.18453.62 lacs
Reserves & surplus	Pls refer Note 1 & 2 below
Total Assets	
Total Liabilities	
Investments	
Turnover	
Profit before taxation	
Provision for taxation	
Profit after taxation	
Proposed Dividend	
% of shareholding	

#### Notes:

- 1 SPIC Fertilizers and Chemicals Limited, Mauritius (SFCL) (a wholly owned subsidiary of the Company) holds 1 equity share of One Million Arab Emirate Dirham each in SPIC Fertilizers and Chemicals FZE, Dubai (SFC, FZE). Hence the combined share of the Company and its subsidiary in SFC FZE Dubai is 83.54%. As assets of SFC, FZE Dubai were taken over by Jebel Ali Free Zone Authorities (JAFZA), Dubai, SFCL, Mauritius lost control over its subsidiary SFC, FZE. The financials for SPIC Fertilizers and Chemicals Limited for the period 1st April 2011 to 31st March 2015 are under preparation. Hence the details of SFC, FZE Dubai are not given in the above statement.



2. As Jebel Ali Free Zone Authorities (JAFZA) had taken over the assets of SPIC Fertilizers and Chemicals (SFC) FZE, Dubai, the holding company SFCL Mauritius lost control over the subsidiary. Full provision has been made for these investments in earlier years. The company is considering writing off the investments in SFCL Mauritius and is in the process of getting the approval of the Regulatory Authorities concerned to write off the aforesaid investment in the books of account. Hence the financial statements of the Subsidiary company, SFCL Mauritius have not been considered for consolidation.
3. SPIC Petrochemicals Limited (SPIC Petro), is under liquidation as per Order dated 17 April 2009 passed by the Hon'ble Madras High Court. Subsequently, the Official Liquidator took possession of the assets and effects of SPIC Petro on 14 May 2010. Pursuant to the Order dated 20 December 2010 by the Hon'ble Madras High Court, ARCIL took possession of the assets from the Official Liquidator on 4 January 2011. In view of the above developments, the Company had lost its control over SPIC Petro. Hence details of SPIC Petro are not given in the above statement.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates / Joint Ventures	Tuticorin Alkali Chemicals and Fertilisers Limited	Gold Nest Trading Company Limited	National Aromatics and Petrochemicals Corporation Limited	Tamilnadu Petroproducts Limited
1. Latest audited Balance Sheet Date	31-Mar-15	30-Sep-14	31-Mar-15	31-Mar-15
2. Shares of Associate / Joint Ventures held by the company on the year end				
No. of Shares	6680113	249000	25000	15234375
Amount of Investment in Associates / Joint Venture (Rs.)	193566946	25024500	250000	198046875
Extent of Holding (%)	45.15%	32.76%	50.00%	16.93%
3. Description of how there is significant influence	Control of over 20%	Control of over 20%	Control of 50%	Control of Business decisions under Joint Venture Agreement
4. Reason why the Associate/ Joint venture is not consolidated	Not considered for consolidation, since carrying amount is Nil, as per AS-23	Not considered for consolidation, since carrying amount is Nil, as per AS-23	Yet to commence operations	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lacs)	(6960.77)	482.65	(9.05)	4079.89
6. Profit / Loss for the year				
i. Considered in Consolidation	-	-	-	(898.49)
ii. Not Considered in Consolidation (Rs. in lacs)	(772.83)	(37.46)	-	-

1. Names of Associates or Joint Ventures which are yet to commence operations - National Aromatics and Petrochemicals Corporation Limited

**ASHWIN C MUTHIAH**  
Chairman

**T K ARUN**  
Director

**S SHANKAR**  
Director

Place: Chennai  
Date: 21 May 2015

**S R RAMAKRISHNAN**  
Whole-Time Director

**A V KUMAR**  
Chief Financial Officer

**M B GANESH**  
Secretary

**SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED**

"SPIC House" No 88, Mount Road, Guindy, Chennai 600 032.

CIN: L11101TN1969PLC005778

**PROXY FORM**

Name of the Member (s)	
Registered Address	
E-mail Id	
Folio No / DP ID- Client ID	

I/We, being the Member(s) holding ..... shares of the above named company, hereby appoint

1. Name : ..... Address : .....  
E-mail Id : ..... Signature : ....., or failing him
2. Name : ..... Address : .....  
E-mail Id : ..... Signature : ....., or failing him
3. Name : ..... Address : .....  
E-mail Id : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the company, to be held on the 21st day of September 2015 at 4.00 p.m. at Rajah Annamalai Mandram, Chennai and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

Sl. No	Resolution	For	Against
1	To consider and adopt a. The audited financial statement of the Company for the financial year ended 31st March 2015 and the Reports of the Board of Directors and Auditors thereon.. b) The audited consolidated financial statement of the Company for the financial year ended 31st March 2015 and the Report of the Auditors thereon.		
2	Re-appointment of Thiru S R Ramakrishnan as Director of the Company.		
3	Appointment of M/s Deloitte Haskins & Sells (DHS), Chennai (Firm Registration No. 008072S), as Statutory Auditors of the Company.		
4	Appointment of Tmt G Latha, I.A.S., (DIN No: 02860567) as Nominee Director representing TIDCO.		
5	Appointment of Thiru Harish Chandra Chawla (DIN No: 00085415) as Independent Director of the Company.		
6	Appointment of Tmt Sashikala Srikanth (DIN No: 01678374) as Independent Director of the Company.		
7	Appointment of Thiru Sumanjit Chaudhry (DIN No: 06752672) as Independent Director of the Company.		
8	Ratification of appointment of Thiru T R Tantri pursuant to Section 148 of the Companies Act, 2013 as Cost Auditor of the Company on a remuneration of Rs 1,00,000/-		
9	To approve the transactions entered into by the Company with the related parties during the year 2014-15 considered material as per Clause 49 (vii) of the Listing Agreement.		

Signed this ..... day of..... 2015

Signature of the shareholder

Signature of the Proxy holder(s)

Affix Re 1/- Revenue Stamp
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**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**



**SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED**

"SPIC House" No 88, Mount Road, Guindy, Chennai 600 032.

CIN: L11101TN1969PLC005778

**ATTENDANCE SLIP**

Please bring this attendance slip (duly filled in) and hand it over at the entrance of "RAJAH ANNAMALAI MANDRAM" No. 5, Esplanade Road, Chennai 600 108.

Name and Address of the Shareholder:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Folio No:

\_\_\_\_\_

DP. ID \*

Client ID \*

\_\_\_\_\_  
\_\_\_\_\_

\*Applicable to investors holding shares in electronic form

I hereby record my presence at the 44th Annual General Meeting of the Company at "RAJAH ANNAMALAI MANDRAM" Chennai- 600 108 on Monday, the 21st September 2015 at 4.00 p.m.

Signature of the Member or Proxy

\_\_\_\_\_  
\_\_\_\_\_

Shares held

\_\_\_\_\_  
\_\_\_\_\_

**SPIC**

*If undelivered, please return to :*

**SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED**

SPIC House, 88 Mount Road, Guindy, Chennai - 600 032.